

2013 – 2014 CSURMA Insurance Program Manual



ALLIANT INSURANCE SERVICES, INC.

Program Administrator

100 Pine Street, 11th Floor

San Francisco, CA 94111-5101

Tel: 415.403.1400 • Fax: 415.874.4810

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MOC No.: CSURMA-LIAB-1314

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CSURMA Liability Program July 1, 2013 – July 1, 2014

Insurer: California State University Risk Management Authority (CSURMA) Self Insured Program

MOC No: CSU-LIAB-13-14

Named Cover Entity: California State University Risk Management Authority (CSURMA)

Cover Member:

- California State University, Bakersfield
- California State University, Chancellor's Office
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

Limits:

| | |
|-------------|--------------------------------------------------------------------------------------------------------------------------|
| \$5,000,000 | Ultimate Net Loss for Each Member During the Policy Period; including Bodily Injury, Property Damage and Personal Injury |
| \$5,000,000 | Completed Operations Hazard – Each Occurrence |
| \$5,000,000 | Unfair Employment Practices Liability – Each Occurrence |
| \$5,000,000 | Errors & Omissions, including Directors & Officers Liability – Each Occurrence |
| \$5,000,000 | Employee Benefits Liability |
| \$5,000,000 | Medical Mal Practice |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



CSURMA Liability Program July 1, 2013 – July 1, 2014

Self-Insured Retention:

| | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------|
| 35,000 | Per Occurrence for Dorm Revenue Fund facilities, Student Health Center, Parking, and Continuing Education operations (All Campuses) |
| 35,000 | Per Occurrence For Only (CSU Bakersfield, CSU Channel Islands, Humboldt State University, California Maritime Academy, CSU Monterey Bay, CSU Stanislaus) |
| 50,000 | Per Occurrence For Only (CSU San Bernardino, CSU San Marcos) |
| 100,000 | Per Occurrence For Only (CSU Chancellor's Office, CSU Chico, CSU Dominguez Hills, Sonoma State University) |
| 250,000 | Per Occurrence For Only (CSU Fresno, CSU Fullerton, CSU Long Beach, CSU Los Angeles, CSPU Pomona, CSU Sacramento, CPSU, San Luis Obispo) |
| 500,000 | Per Occurrence For Only (CSU East Bay, CSU Northridge, San Francisco State University, San Jose State University) |
| 900,000 | Per Occurrence For Only (San Diego State University) |

Covered Parties:

- Named Member
- Elected / Appointed Officials; past or present
- Employees
- Volunteers (appointed), including students in community service programs for college credit – see Conditions in Memorandum of Coverage
- Students in nursing training
- Additional Covered Party (Additional Insured): automatic if required by contract – see conditions in Memorandum of Coverage

Coverages:

- General Liability
- Errors & Omissions, including Directors & Officers Liability
- Employment Practices Liability including “back wages” but not including “forward wages”
- Discrimination
- Eminent Domain
- Inverse Condemnation
- Mobile Equipment
- Sexual Harassment
- Trampolines
- Watercraft Liability, under 50 feet, or while on shore
- Management of Construction Projects: covered for projects managed by the Chancellor's Office, campus or both

Exclusions:

- A. Aircraft: excluded, except static aircraft
- B. Airfield
- C. Asbestos: covered
- D. Assault and Battery

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CSURMA Liability Program July 1, 2013 – July 1, 2014

- E. Automobiles: excluded, except parking operations (NOTE: auto liability covered separately by the state's self-insurance plan)
- F. Contractual Obligation; except for liability assumed in a contract or agreement
- G. Electronic Communication; if known to be false
- H. Employment Benefits (workers' compensation, disability benefits, etc.)
- I. Employment Liability (bodily injury to any employee)
- J. Fiduciary Liability; excluded, but will defend
- K. Intentional Conduct
- L. Lack of Occurrence
- M. Lead
- N. Medical Malpractice; limited coverage for your employees who are nurses, paramedics, EMTs, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists
- O. Nuclear Energy & Material: excluded, except use of radioactive materials in an instructional lab or sponsored research activity
- P. Pollution: excluded, except "hostile" fire or if "sudden & accidental"
- Q. Refund of Taxes, Fees or Assessments, excluded but will defend
- R. Silica
- S. Subsidence
- T. War
- U. Watercraft, over 50 feet, or not on shore

Claims Administrator & Reporting:

Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

Zachary Gifford, Associate Director of Systemwide Risk Management & Public Safety
Direct: (562) 951-4568 / Fax: (562) 951-4859
E-mail: zgifford@calstate.edu

Rebecca Skidmore, Risk Management Administrative Analyst
Direct: (562) 951-4574 / Fax: (562) 951-4859
E-mail: rskidmore@calstate.edu

Public Entity Excess Liability

Carrier: Ironshore Specialty Insurance Company
Policy No: 000541303
Limits: \$5,000,000 Excess of \$5,000,000

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY
(CSURMA)**

MASTER COVERAGE DOCUMENTS

**GENERAL LIABILITY and
ERRORS and OMISSIONS**

**Adopted by Board of Directors
May 26, 2006 – Effective July 1, 2006**



GENERAL LIABILITY and ERRORS and OMISSIONS COVERAGE TERMS

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CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

COVERAGE TERMS AND CONDITIONS FOR GENERAL LIABILITY and ERRORS and OMISSIONS COVERAGE

Throughout this document, words and phrases that appear in **boldface** type have special meanings. They are defined in SECTION I - DEFINITIONS.

California State University Risk Management Authority, hereinafter call the CSURMA, a California public entity formed pursuant to the State of California Government Code Section 6500 *et seq.*, does hereby agree with the named **Covered Party**, in consideration of payment of the contribution and subject to the Limit of Liability set forth in the Declarations and other terms as described in this document.

This document does not provide insurance, but instead provides for pooled self-insurance. This document is a negotiated agreement among the members of the CSURMA, and none of the parties to the document is entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This document shall be applied according to the principles of contract law, giving full effect to the intent of the Members of the CSURMA, acting through the Board of Directors in adopting this document. As the CSURMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide “*Cumis*” counsel to a **Covered Party** in disputed coverage situations under Civil Code 2860. Finally, failure to provide notice to a **Covered Party** of any coverage dispute shall not operate to waive any of the provisions of this document.

SECTION I – DEFINITIONS

A. **Additional Covered Party** means any person, organization, trustee or estate who is specifically endorsed to this document by written endorsement and to whom or to which the **Member** is obligated by virtue of a written contract to provide coverage as is afforded by this document, but only with respect to operations performed by or on behalf of the **Member** or facilities owned or used by the **Member**. The limit and scope of coverage afforded by endorsement to this document shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this document or endorsements to this document.

This coverage does not extend, either with respect to defense or indemnity to the sole negligence, or to the willful misconduct of any **Additional Covered Party**.

B. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.

- C. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but **automobile** does not include mobile equipment.
1. **Owned automobile** - an automobile owned by the **Member**;
 2. **Hired automobile** - an automobile used under contract on behalf of, or loaned to the **Member** provided such automobile is not owned by or registered in the name of the **Member** or **Covered Individuals**;
 3. **Nonowned automobile** - any other **automobile**.
- D. **Bodily Injury** means **bodily injury**, sickness or disease sustained by any person, which occurs during the policy period, including care, loss of service or death at any time resulting therefrom.
- E. **Covered Individuals** means persons who are past or present elected or appointed officials, employees or appointed volunteers of the **Member**, whether or not compensated while acting for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include employees of nonmember organizations, including, but not limited to auxiliary organizations, alumni associations and volunteer university support groups.
- F. **Covered Party** means the entities or individuals named in Section IV – COVERED PARTIES as being covered by this document.
- G. **Deductible** - The amount of each **Ultimate Net Loss** which the **Member** has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the declaration page of this document.
- H. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion or transfer of any employee because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.
- I. **Employee**, as respects **Employment Practices Liability** and when appearing in boldface type in this Memorandum, means any present or former employee of the named **Covered Party** or any applicant for employment by the named **Covered Party**.
- J. **Employment Practices Liability** means liability for actual or alleged
1. Wrongful Termination by a **Covered Party** of an **Employee**;
 2. Discrimination by any **Covered Party** against an **Employee** of the **Covered Party**;
or
 3. Sexual harassment by a **Covered Party** or an **Employee** of the named **Covered Party**.

- K. **Errors and Omissions** means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty or lack of ordinary skill in the performance of a professional act including misfeasance, malfeasance or nonfeasance by covered individuals individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
- L. **Medical Malpractice** means injury arising out of the rendering of or failure to render, during the coverage term professional services by the **Covered Individual's** profession as a physician, surgeon, or dentist or as a nurse, medical technician, hygienist, etc. acting within the control or supervision of a covered physician, surgeon or dentist.
- M. **Member** means the Member named in the Declarations.
- N. **Occurrence** with respect to **bodily injury** or **property damage** means an accident or event, including continuous or repeated exposure to conditions, which, during the policy period, results in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the **Member**.
1. With respect to **Personal Injury: Occurrence** means any of the following offenses described in the definition of **Personal Injury** in this Section I - Definitions, that is committed during the coverage period.
 2. With respect to **Medical Malpractice: Occurrence** means any of the conduct described in the definition of **Medical Malpractice** in this Section I - Definitions, that is committed during the coverage period.
 3. With respect to **Errors and Omissions: Occurrence** means any of the conduct described in the definition of **Errors and Omissions** in this Section I - Definitions that is committed during the coverage period.
- O. **Personal Injury** means any of the following offenses:
1. False arrest, detention, or imprisonment or malicious prosecution;
 2. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
 3. Wrongful entry or eviction or other invasion of the right of private occupancy;
 4. Discrimination or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Covered Party**;
 5. **Employment Practices Liability**.
- P. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.

Q. **Property Damage** means:

1. Physical injury to or destruction of tangible property which occurs during the coverage period, including the loss of use thereof at any time resulting therefrom;
2. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an **occurrence** during the coverage period.

R. **Ultimate Net Loss** as contained in the Declarations of this document, means the amount of paid claims and liability for damages for which the **Member** is responsible on a per **occurrence** basis, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes defense attorney fees and costs of the **Member** in defense of the claim and also includes court costs, allocated loss adjustment expenses, and other associated costs and expenses, but does not include any salaries of the **Member's** regular employees. **Ultimate Net Loss** includes retrospective benefits ("back wages"), but does not include prospective benefits ("forward wages"), payable as a part of a claim for **Employment Practices Liability** covered under this document. **Ultimate Net Loss** shall not include any of the above-described expenses for damages against a **Member** or defense expenses incurred because of liability excluded by this document.

S. The following definitions are applicable only to Exclusion L:

1. **Hazardous Properties** include radioactive, toxic or explosive properties;
2. **Nuclear Material** means **source material, special nuclear material or byproduct material**;
3. **Source Material, Special Nuclear Material and Byproduct Material** have the meanings given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
4. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
5. **Waste** means any **waste** material, (a) containing a **byproduct material** and (b) resulting from the operation by any person or organization of any **nuclear facility** included within the definition of **nuclear facility** under paragraph a. or b. thereof;
6. Nuclear Facility means:
 - a. Any nuclear reactor.
 - b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel**, or (3) handling, processing or packaging **waste**.
 - c. Any equipment or device used for the processing, fabricating or alloying of special **nuclear material** if at any time the total amount of such material in the custody of the **Covered Party** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235.

- d. Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste** and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.
7. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.
8. With respect to injury to or destruction of property, the work injury or destruction includes all forms of radioactive contamination of property.

SECTION II – COVERAGES

Subject to the **Member's Deductible**, CSURMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** which the **Member** shall become obligated to pay as damages by reason of liability imposed by law, or liability for **bodily injury, property damage and personal injury** of others assumed by contract, *or* because of **bodily injury, property damage, errors and omissions, medical malpractice, and personal injury**, arising from operations of the **Member** to which this document applies, caused by an **occurrence**.

SECTION III – LIMITATIONS UPON CSURMA'S LIABILITY

Regardless of the number of (1) persons or entities covered under this document, or (2) persons or organizations who sustain injury or damage, or (3) claims made or suits brought because of injury or damage, the CSURMA's liability for damages is limited as follows:

The CSURMA's liability for damages shall be only for the **Ultimate Net Loss** less the amount of the **Member's** selected **Deductible** not to exceed the limit of coverage shown in the document, as the result of any one **occurrence**. There is no limit to the number of **occurrences** during the document period for which claims may be made.

The **Member's Deductible** applies to each such **occurrence** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

For the purpose of determining the CSURMA limit of liability and the **Deductible** of the **Member**, all damages arising out of continuous repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

This Memorandum applies to **occurrences**, which take place anywhere during the specified coverage period stated in the Declarations of this Memorandum.

SECTION IV – COVERED PARTIES

The parties covered by the CSURMA:

- A. The **Member** named in the selected deductible form.
- B. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the named **Member**:
 - 1. Members of the Board of Trustees.
 - 2. Officers.
 - 3. Employees.
 - 4. Individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university's requirements for college graduation.
- C. **Additional covered parties** as defined in Section I, A. of this document.
- D. **Covered individuals** as defined in Section I, E of this document.

SECTION V – EXCLUSIONS

CSURMA shall not be obligated to make any payment or defend any lawsuit in connection with any claim made against the **Member** as follows:

- A. For injuries or damages which do not arise out of an **occurrence** as defined in this document;
- B. For any obligation for which the **Member** may be held liable under any Workers' Compensation, Employer's Liability, health benefits law or disability benefits law or under any similar law, plan or agreement. benefits;
- C. For liability for damages arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Member**, but this exclusion does not apply to:
 - 1. watercraft while ashore on premises owned or rented by **Member**;
 - 2. watercraft less than fifty (50) feet in length at the waterline.
- D. For any liability arising out of use or entrustment to others of any **automobile** owned or operated by or rented or loaned to any **Member**, but this exclusion does not apply to parking an **automobile** on or on the ways next to premises the **Member** owns or rents, provided the **automobile** is not owned by or rented or loaned to the **Member**.
- E. For any liability for damages to or destruction of any **automobile** owned by, rented to, leased to or in charge of the **Member**;

F. For any liability:

1. based on the **Member's** obtaining of financial gain to which the **Member** was not legally entitled.
2. arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Member, Covered Individual or Additional Covered Party**; except that any act pertaining to any one **Member** shall not be imputed to any other **Member** for the purpose of determining the application of this exclusion;

G. For any liability for damages for either the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations nor for the return of such funds, grants, or appropriations for any reason. However, the CSURMA shall defend any action or suits brought against any **Member** for such causes of action.

The CSURMA shall defend a Covered Individual for such causes of action unless their alleged conduct was outside the scope of employment.

H. For any liability for damages, loss, cost, or expense:

1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
2. Arising out of any claim, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **pollutants**:
 - a. At any premises owned, rented or occupied by the **Covered Party**;
 - b. At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of waste;
 - c. Which are at any time transported, handled, stored, treated or disposed of; or processed as waste by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
 - d. At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
 - 1) If the **pollutants** are brought on or to the site or location in connection with such operation; or
 - 2) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **pollutants**.

Subparagraph (a) and (d.1.) do not apply to bodily injury of property damage arising out of heat, smoke or fumes from a "hostile fire."

As used in this exclusion, a "hostile fire" means one, which becomes uncontrollable or breaks out from where it was intended to be.

Provided, however, that this exclusion does not apply to:

- 1) Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or
- 2) personal injury or property damage which is within the product hazard or the completed operations hazard; or
- 3) a discharge, dispersal, release or escape of pollutants that meets all of the following conditions:
 - a) It was accidental and was neither expected nor intended by the **Member**.
 - b) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
 - c) Its commencement became known to the **Member** within seven (7) days.
 - d) Its commencement was reported in writing within twenty (20) days of becoming known to the **Member**.
 - e) Reasonable effort was expended by the **Member** to terminate the situation as soon as conditions permitted.

Nothing contained in this exclusion shall operate to provide any coverage with respect to:

- 1) Any site or location used by others on the **Member's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of waste material.
 - 2) Any fines, penalties or exemplary damages.
 - 3) Any clean up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
 - 4) Acid rain;
 - 5) Clean up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises you currently own, rent or occupy at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
 - 6) Water **pollution** caused by oil or by its derivatives.
- I. For any liability for damages arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight, airfields, runways, hangars, buildings or other properties in connection with aviation activities. This exclusion does not apply to static aircraft.

- J. For liability for damages arising out of in-flight operations of **aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **aircraft** owned or operated by the United States government or the State of California. The term in-flight as used in the foregoing means the period from the time the **aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.
- K. For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor's Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any action or suits brought against any **Member** for such causes of action.
- L. To any liability for damages arising out of injury, sickness, disease, death or destruction:
1. with respect to which a **Covered Party** is insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 2. resulting from the **hazardous properties of nuclear material** and with respect to which:
 - a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
 - b. the **Covered Party** is, or had such policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
 3. resulting from the hazardous properties of nuclear material, if:
 - a. the **nuclear material** is at any **nuclear facility** owned by, or operated by or on behalf of a **Covered Party**, or has been discharged or dispersed therefrom;
 - b. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Covered Party**, or
 - c. the injury, sickness, disease, death or destruction arises out of the furnishing by a **Covered Party** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such **nuclear facility**.
- However, this Exclusion shall not apply liability arising from the use of radioactive materials in instructional laboratories operated by the California State University and/or research activities sponsored by the California State University.
- M. To any liability for damages for or defense of non-tortious causes of action related to breach of contract proceedings.

- N. To any liability for damages arising from any claim, suit or demand arising from allegations related to land use, land planning or land development. However, CSURMA shall defend a **Member** to an amount not exceeding \$1,000,000.00 **Ultimate Net Loss** for such liability.

SECTION VI – CONDITIONS

A. Notice of Accident or Occurrence, Claim or Suit:

1. In the event of any **occurrence**, written notice containing particulars sufficient to identify the **Covered Party** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the **Covered Party** and of available witnesses, shall be given by or for the **Covered Party** to the CSURMA or any of its authorized agents as soon as practicable.
2. If claim is made or suit is brought against the **Covered Party**, the **Covered Party** shall be obligated to forward to the CSURMA every demand, notice summons or other process received by it or its representatives.
3. The **Covered Party** shall cooperate with the CSURMA and upon its request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Covered Party** because of all damages with respect to which coverage is afforded under this Memorandum; and the **Covered Party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or through agreement among the **Covered Party**, the claimant and the CSURMA, then the **Covered Party** may pay the amount of judgment or compromise to the claimant or affect the settlement and, upon such submission of due proof thereof, the CSURMA shall reimburse the **Covered Party** for that part of such payment which is in excess of the **Deductible**, or will, upon request of the **Covered Party** make such payment to the claimant on behalf of the **Covered Party**.
4. The CSURMA shall be entitled to complete access to the **Covered Party's** claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **Covered Party** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the CSURMA, and to provide the CSURMA with simultaneous copies of all correspondence provided to the **Covered Party** in which a demand for an amount that is within the CSURMA's layer of coverage is made.

B. Statutory Provisions: Terms of this document which are in conflict with the statutes of the State of California are amended to conform to such statutes.

C. Other Coverages: It being recognized that similar coverage contracts contain Other Insurance Clauses, it is therefore intended, understood and agreed that:

1. Notwithstanding the terms and conditions of any Other Insurance Clause or Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee, or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro rata, concurring or co-existent.
 2. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.
- D. Severability of Interests: The term **Covered Party** is used severally and not collectively. The limit of liability and **Deductible** as stated in the Declarations apply separately to each **Covered Party**.
- E. Cumulation of Limits: An **occurrence** with a duration of more than one coverage period shall be treated as a single **occurrence** arising during the coverage period when the **occurrence** ends (which shall be in no event deemed later than the date on which the claimant files suit), and under no circumstances shall the fact that said **occurrence** has a duration of more than one coverage period entitle a **Covered Party** to more than one limit of coverage.
- F. Changes: This document may not be amended or changed in any respect, nor shall any provision of this document be deemed to have been waived by the CSURMA, unless and until a written endorsement which expressly so amends this document or waives a provision thereof has been duly issued by the CSURMA and made a part of this document.
- G. Subrogation: In the event of any payment under this document, the CSURMA shall be subrogated and otherwise entitled to all rights of recovery therefore against any person or organization, and, the **Covered Party** shall execute and deliver all instruments and papers and do whatever else is necessary to transfer and secure such rights to the CSURMA. The **Covered Party** shall do nothing at any time to prejudice such rights.
- H. Arbitration:
1. In the event that a question or dispute arises between CSURMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an occurrence or claim against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.

2. If the **Covered Party** and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
 3. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
- I. Action Against CSURMA: No action shall lie against CSURMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this document nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the Covered Party after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability.

SECTION VII – DEFENSE AND SETTLEMENT

- A. The CSURMA shall not be obligated to investigate or to defend any claim for damages, or to pay for or to take charge of the investigation or defense of any claim for damages against any **Covered Party**. However, the CSURMA, at its own expense, shall have the right, but not the duty, to associate itself with any **Covered Party** in the control, negotiation, investigation, defense or appeal of any claim or proceeding which, in the opinion of the CSURMA or the **Covered Party**, is or may be covered by this document, and for which the **Ultimate Net Loss** therefrom may exceed the **Deductible**. The Covered Party shall fully cooperate with the CSURMA in all matters pertaining to such claim or proceeding.
- B. No claim shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a **Covered Party** wherein the **Ultimate Net Loss** exceeds the **Deductible**, without the prior written consent of the CSURMA.



IRONSHORE SPECIALTY INSURANCE COMPANY


75 Federal St
 Boston, MA 02110
 Toll Free: (877) IRON411

**SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES
 DECLARATIONS**

Policy Number: 000541303

Renewal Of: 000541302

| ITEM 1. Named Insured and Address | | Agent Name and Address | |
|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------|
| California State University Risk Management Authority (CSURMA) (Please see Endorsements 2 & 3) 401 Golden Shore Long Beach, CA 90802 | | AmWINS Insurance Brokerage of California 19867 Prairie Street, Suite 250 Chatsworth, CA 91311 | |
| ITEM 2. Policy Period | | From: July 1, 2013 | To: July 1, 2014 |
| ITEM 3. | INSURED'S RETAINED LIMIT: | | |
| | Item 3A (1) | \$ <u>5,000,000</u> | Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts – Defense erodes Retained Limit |
| | COMPANY'S LIABILITY: | | |
| | Item 3B (1) | \$ <u>5,000,000</u> | Any one Occurrence or Wrongful Act or series of continuous, repeated or related Occurrences or Wrongful Acts in excess of your Retained Limit. |
| | Item 3B (2) | \$ <u>5,000,000</u> | Aggregate Policy Limit during each Policy Period as a result of: Completed Operations Hazard |
| | Item 3B (3) | \$ <u>N/A</u> | Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Public Officials' Errors and Omissions Liability |
| Limit of Liability | Item 3B (4) | \$ <u>N/A</u> | Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Employment Practices Liability |
| | Item 3B (5) | \$ <u>N/A</u> | Aggregate Policy Limit during each Policy Period as a result of: Wrongful Acts arising out of Employee Benefits Liability |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------|
| ITEM 4. Premium Compensation | |
| Minimum Premium | 35% |
| ITEM 5. Policy Fee | Not applicable |
| Self-Insured Claims Servicing Organization: Self-Administered – Campus; Carl Warren & Company – AORMA | |
| Policy Coverage Form: CSURMA – Manuscript Form | |
| Endorsements Attached to Policy At Inception: Please see Schedule of Endorsements – Endorsement 1 | |
| These Declarations together with the coverage form and endorsements, if any, issued to form a part of the Policy thereof, complete the above numbered Special Excess Liability Policy For Public Entities. | |
| Countersigned: <u>October 11, 2013</u> DATE | By:  AUTHORIZED REPRESENTATIVE |



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

Policy Number: 000541303

Various provisions in this Policy restrict coverage. Read the entire Policy carefully to determine **your** rights, duties and what is and is not covered.

Throughout this Policy the words **you** and **your** refer to the **Named Insured(s)** shown in the **DECLARATIONS** and any other person(s) or organization(s) qualifying as an **Insured** under this Policy. The words **we, us,** and **our** refer to the **Company** providing this insurance.

Other words and phrases that appear in boldface have special meaning. Refer to **SECTION VII. DEFINITIONS.**

In consideration of the payment of the premium, in reliance upon the statements in the **DECLARATIONS** made a part hereof and subject to all of the terms of this Policy, **we** agree with **you** as follows:

SECTION I. INSURING AGREEMENT

- Coverage A **Personal Injury** Liability
- Coverage B **Property Damage** Liability
- Coverage C **Public Officials' Errors and Omissions** Liability
- Coverage D **Employment Practices** Liability
- Coverage E **Employee Benefits** Liability

We will pay on **your** behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated which **you** become legally obligated to pay as **Damages** because of.

- (A) **Personal Injury;**
- (B) **Property Damage;**
- (C) **Public Officials Errors and Omissions;**
- (D) **Employment Practices Claims; or**
- (E) **Employee Benefits Wrongful Act**

to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period.

SECTION II. DEFENSE AND DEFENSE COSTS

- (A) **We** will have the right and duty to defend any **Claim** or **Suit** against the **Insured** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this insurance applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Retained Limit** has been exhausted by the payment of **damages** including **defense costs** to which this insurance applies and provided further that no other insurer has a duty to defend or is defending such **Claim** or **Suit**.

- (B) We will have no duty to defend the **Insured** against any **Claim** or **Suit** seeking **damages** arising out of any **Occurrence** or **Wrongful Act** to which this insurance does not apply.
- (C) When **we** assume the defense of any **Claim** or **Suit** on **your** behalf, **we** will:
- (1) Investigate, negotiate and settle the **Claim** or **Suit** as we deem expedient; and
 - (2) Pay the following to the extent that they are not covered by any other insurance:
 - (a) Premiums on bonds to release attachments for amounts not exceeding our Limits of Insurance, but **we** are not obligated to apply for or furnish any such bond;
 - (b) Premiums on appeal bonds required by law to appeal any **Claim** or **Suit** **we** defend, but **we** are not obligated to apply for or furnish any such bond;
 - (c) All reasonable costs taxed against **you** in any **Claim** or **Suit** that **we** defend;
 - (d) Pre-judgment interest awarded against **you** on that part of the judgment **we** pay. If we make an offer to pay the applicable Limit(s) of Liability, we will not pay any pre-judgment interest accrued for that period of time after the offer;
 - (e) All interest that accrues after entry of judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within our applicable Limit(s) of Liability; or
 - (f) Your reasonable expenses incurred with **our** consent or at **our** request.
- (D) **We** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Defense Costs**.
- (E) Except as provided in Paragraph A above, we will have no duty to defend any **Claim** or **Suit** against the **Insured**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Policy may apply, and the **Insured** shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
- (F) All expenses **we** incur in the defense of any **Claim** or **Suit** are included in our Limit of Liability and are not paid in addition to our Limit of Liability.

SECTION III. YOUR RETAINED LIMIT - OUR LIMIT OF LIABILITY

Regardless of the number of (1) **Insureds** under this Policy, (2) persons or organizations who sustain injury or **Damage**, or (3) **Claims** made or **Suits** brought on account of **Personal Injury** Liability, **Property Damage** Liability, **Public Officials Errors & Omissions** Liability, **Employment Practices** Liability or **Employee Benefit** Liability, **our** liability is limited as follows:

With respect to **Personal Injury, Property Damage, Public Officials Errors & Omissions, Employment Practices or Employee Benefit Wrongful Act**, or any combination thereof, **our** liability shall be only for the **Ultimate Net Loss** in excess of **your Retained Limit** as specified in Item 3. of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**, and then for an amount not exceeding the amount specified in Item 3B(1) of the Limit of Liability section of the **DECLARATIONS** as the result of any one **Occurrence** or **Wrongful Act**.

This Policy is subject to aggregate Limits of Liability as stated in the **DECLARATIONS** as stated in Items 3B(2), 3B(3), 3B(4) and 3B(5). These aggregate Limits of Liability are the maximum amount that will be paid under this

Policy for all **Occurrences, Wrongful Acts, Employee Benefit Wrongful Act or Related Employee Benefit Wrongful Acts**, as the case may be, during the Policy Period applying separately to:

- (A) **Completed Operations Hazard;**
- (B) **Public Officials' Errors and Omissions;**
- (C) **Employment Practices Claims**
- (D) **Employee Benefit Claims**

In the event the **Named Insured** is an entity established pursuant to a Joint Powers Authority or Joint Insurance Fund, by whatever name called, and there are multiple **Named Insureds** shown on the respective Named Insured endorsement under this policy, the **Company's** each **Occurrence or Wrongful Act** Limit of Liability and the **Named Insured's Retained Limit** under this policy shall apply separately to each **Named Insured**.

However, an **Occurrence or Wrongful Act** involving more than one **Named Insured** shall be treated as a single **Occurrence or Wrongful Act**. A single **Company** each **Occurrence or Wrongful Act** Limit of Liability and a single **Retained Limit** shall apply.

It is understood and agreed that nothing will be construed to increase our Limit of Liability. It is further understood and agreed that the Aggregate Limits of Liability as set forth in the DECLARATIONS shall be applied separately to each **Named Insured**.

For the purpose of determining the limit of our liability, the **Ultimate Net Loss** arising from **Damages for Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims or Employee Benefit Wrongful Act** arising out of continuous, repeated, or related exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence or Wrongful Act**.

Personal Injury, Property Damage, Public Officials Errors and Omissions, Employment Practices Claims or Employee Benefit Wrongful Act taking place over more than one Policy Period insured by us shall be deemed to have taken place during the last Policy Period and only that limit shall apply.

SECTION IV. POLICY PERIOD - TERRITORY

The Policy Period commences on the effective date shown in the **DECLARATIONS**. The Policy Period ends on the earlier of either the expiration date or the effective date of cancellation of this Policy. If a person or organization becomes an **Insured** under this Policy after the effective date, the Policy Period for that person or organization begins on the date the person or organization became an **Insured**.

This Policy applies to **Personal Injury, Property Damage, or Public Official's Errors and Omissions** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period, anywhere in the world, but only if a **Claim** is made and a **Suit** is brought for such **Occurrence or Wrongful Act** in the United States of America.

SECTION V. PERSONS OR ENTITIES INSURED

The following are **Insureds**;

- (A) The **Named Insured** as designated in the DECLARATIONS.
- (B) Commissions, boards, districts, authorities, committees, agencies, not-for-profit corporations or other entities under the direction or control of the **Named Insured**, while acting solely within the course and scope of their duties with and for the direct benefit or on behalf of the **Named Insured**.
- (C) Past or present employees, directors, officers, trustees or any equivalent position, volunteers, elected or appointed officials of the **Named Insured**, including **Contract Employees** of the **Insured**, while acting within the course and scope of their employment or under the direction and control for or on behalf of the **Named Insured**. This does not include any person working on retainer or as an independent contractor.

(D) Any person:

- (1) Designated in paragraphs (A) through (C) with respect to any **Automobile** not owned by **you** that is used in **your** operations as a public entity; and
- (2) Using any **Automobile** owned by the **Named Insured** or hired **Automobile** or any person legally responsible for the use thereof, provided that the **Automobile** is being used with **your** permission and while acting on **your** behalf.

The coverage granted by this provision, however does not apply to:

- (1) Any person operating an **Automobile** while working in a business that sells, services, repairs, delivers, tests, parks, or stores **Automobiles** unless it is your business; or
- (2) The owner or lessee of any hired **Automobile**, other than you or any agent or employee of such owner or lessee.

However, with respect to California State University owned, hired or non-owned **Automobiles**, coverage afforded under **Section V – Persons or Entities Insured, (D)** – only applies to **Non-Employee Drivers**.

Non-Employee Drivers means any volunteer, student, or any individual who is not an employee of the **Named Insured** while driving an **Automobile** and acting for or on behalf of the **Named Insured**.

- (E) Student Organizations including those involved with radio, television and publishing, but only those organizations formally recognized by the **Named Insured** as student organizations.
- (F) Students, but only with respect to liability arising out of service by the student as a teaching assistant or student teacher; while serving in a supervised internship program in satisfaction of course requirements; while participating in activities required to complete nurse training or similar allied health courses; while participating in teacher certification programs; while serving or acting under the direction of an entity included as a **Named Insured**.
- (G) All special districts governed by the entity's board and all other districts or agencies named on the policy.
- (H) Police Officers currently employed by you as respects secondary employment specifically authorized by your Police Department (commonly referred to as "moonlighting"); however:
 - (1) This coverage would only apply to extent that you were joined in any Suit naming said Police Officers; and
 - (2) This coverage is excess over any other valid and collectible insurance covering any loss for which this insurance would otherwise be applicable; and
 - (3) Nothing provided hereunder would serve to increase any Limits of Liability of this Policy.

SECTION VI. EXCLUSIONS

This Policy does not apply:

- (A) To any obligation for which **you** or any carrier as the insurer for **you** may be held liable under any workers compensation, occupational disease, unemployment compensation or disability benefits law, or under any similar federal, state or local law.
- (B) To **Bodily Injury** to any of **your** employees arising out of and in the course of employment by **you**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap

Liability, as defined by the National Council on Workers' Compensation Insurance or **Employment Practice Liability**.

(C) To any liability for **Property Damage** to:

- (1) Real property owned, occupied by or leased to **you, your** agents or subcontractors;
- (2) Real or personal property in **you, your** agents or subcontractors care, custody or control or as to which **you, your** agents or subcontractors are for any purpose exercising physical control;

The above exclusions (C)(1) and (C)(2) do not apply to:

- (a) Real and personal property including **Automobiles** and mobile equipment that is in **your** custody as part of the operations of impound lots or seizure activities as well as personal property in **your** care, custody and control at the time of arrest or incarceration;
- (b) Non-owned **Automobiles** that are in **your** care, custody or control;
- (c) Real property that is leased or rented by **you** for losses arising out of fire, smoke or resulting water damage.

(a), (b) and (c) are subject to a maximum limit of coverage of \$1,000,000 per **Occurrence**.

(D) As respects liability assumed by **you** under any contract:

- (1) To any **Claim**, judgment or agreement from any arbitration proceeding wherein **we** are not entitled to exercise **your** rights in the choice of arbitrators, and in the conduct of such proceedings;
- (2) If the indemnitee of the **Insured** is an architect, engineer or surveyor, for the liability of the indemnitee, his agents or employees, arising out of:
 - (a) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, inspections, surveys, change orders, designs or specifications;
 - (b) The giving or the failure to give directions or instructions by the indemnitee, his agents or employees, provided such giving or failure to give results in **Personal Injury** or **Property Damage**.

(E) To liability arising out of the ownership, maintenance, **Loading** or **Unloading**, use of, or operation of any **Aircraft**, airfields, runways, hangars, buildings, or other properties in connection with aviation activities. **Loading** or **Unloading** of **Aircraft** shall not apply to paramedics, nurses or emergency medical technicians employed by **you** or a static aircraft used for instructional aircraft maintenance training, non-flight purposes only.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots, and garages) or to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield

(F) To any liability arising out of the operation of any hospital, clinic, or health care facility, owned or operated by any **Insured**. This includes, but is not limited to:

a. The rendering or failure to render:

- (1) Medical, surgical, dental, x-ray or nursing service or treatment, or the furnishing of food or beverages in connection therewith;
- (2) Any service or treatment related to physical or mental health or of a professional nature; or
- (3) Any cosmetic or tonsorial service or treatment.

b. The furnishing of or dispensing of drugs or medical, dental or surgical supplies or appliances.

This exclusion does not apply to any liability arising out of

1. Ambulance operations, occupational physical examinations, student nursing programs, infirmaries, non-clinic nursing services or services of the **Insured's** employees who are nurses, physician assistants, paramedics, emergency medical technicians, speech therapists, speech pathologists, nutritionists, psychologists, audiologists, or physical therapists;
2. **Employment Practices Liability;**
3. First aid to any person. For the purposes of this exception, first aid means the immediate and emergency care given to an ill or injured person before regular medical aid can be obtained.
4. Any nursing services clinic that does not perform invasive surgery of any kind; or
5. Operations performed by coroners.
6. Volunteer medical personnel while attending an activity sponsored by the Insured or while on school premises under the **Insured's** control.

(G) To **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used whether such **Claims** are made directly against **you** or by virtue of any agreement entered into, by or on **your** behalf.

(H) To liability arising out of the failure to adequately supply electrical power, fuel or water or to liability arising out of the interruption of the electrical power, fuel or water supply.

However, this exclusion does not apply to the failure to supply water if:

- (1) Such failure is caused by an **Occurrence** or **Wrongful Act** as defined in this Policy; and
- (2) The combined capacity of **your** installed production facilities and contractual supply arrangements is equal to or greater than one hundred (100) percent of the water demand on **your** water system.

(I) To **Personal Injury** or **Property Damage** arising out of out of the ownership, maintenance, operations, use, **Loading** or **Unloading** of (1) any **Watercraft** owned or operated by or rented or loaned to you, or (2) **Watercraft** operated by any person in the course of employment by you.

However, this exclusion shall not apply to: (a) any owned and/or non-owned **Watercraft** less than fifty-one (51) feet in length, (b) any **Watercraft** while ashore or on premises owned or controlled by you, or (c) rowing or sculling shells regardless of length.

(J) To **Personal Injury, Property Damage** or **Public Officials' Errors and Omissions:**

- (1) With respect to which **you** are also an **Insured** under a nuclear energy policy issued by the Nuclear Energy Liability-Property Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **Insured** under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2) Resulting from the **hazardous properties of nuclear material** and with respect to which (i) any person or any organizations required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, (ii) **you** are, or had this Policy not been available would be, entitled to indemnity from the United States of America or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization;
- (3) Under any liability coverage, to **Bodily Injury** or **Property Damage**, resulting from **hazardous properties of nuclear material**, if:
 - (a) The **nuclear material** (i) is at any **nuclear facility** owned by, or operated by or on **your** behalf, or (ii) has been discharged or dispensed therefrom;

- (b) The **nuclear material** is contained in **spent fuel** or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on **your** behalf;
- (c) **Bodily Injury or Property Damage** arising out of the furnishing by **you** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operating or use of any **nuclear facility**. But if such facility is located within the United States of America, its territories or possessions, or Canada, this exclusion (c) applies only to **Property Damage** to such **nuclear facility** and any property thereat.

(4) As used in this exclusion:

- (a) **hazardous properties** includes radioactive, toxic or explosive properties;
- (b) **nuclear material** means "source material", special "nuclear material" or "byproducts material";
- (c) **source material**, "special nuclear material" and "by-products material" have the meaning given them in the Atomic Energy Act of 1954 or any law amendatory thereof;
- (d) **spent fuel** means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **nuclear reactor**;
- (e) **waste** means any waste material (1) containing "by-products material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its **source material** contents, and (ii) resulting from the operation by any person or organization of a **nuclear facility** included within the first two paragraphs of the definition of **nuclear facility** below;
- (f) **nuclear facility** means:
 - (i) Any **nuclear reactor**;
 - (ii) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing **spent fuel** or (3) handling, processing or packaging **wastes**;
 - (iii) Any equipment or device used for the processing, fabricating, or alloying of special **nuclear material** if at any time the total amount of such material in **your** custody at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grains of uranium 235;
 - (iv) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of **waste**, including the site on which any of the foregoing is located and all operations conducted on such site and all premises used for such operations;
- (g) **nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;
- (h) With respect to **Property Damage**, the words injury or destruction includes all forms of radioactive contamination of property.

(K) As respects any liability arising out of **Pollutants**:

- (1) To any **Claim** for **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the actual or alleged generation, storage, transportation, discharge, dispersal, escape, treatment, removal of, disposal of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gasses, waste materials or other irritants, contaminants or **Pollutants** into or upon the land, atmosphere or water, to include ground water;
- (2) To any obligation to defend any **Claim** or **Suit** against **you** alleging **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions**, if such **Claim** or **Suit** arose from **Personal Injury**, or **Property Damage**, or **Public Officials' Errors and Omissions** arising out of the discharge, dispersal, release or escape of **Pollutants**, anywhere in the world;
- (3) To any loss, cost or expense arising out of any governmental demand, direction or request that **you** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**;

- (4) To any loss, cost or expense arising out of the arranging to dispose of, the transporting of, or disposing of **Pollutants**;
- (5) To any loss, cost or expense incurred by a governmental unit or other third party, including but not limited to costs of investigation and monitoring, and attorneys' fees, relating to activities in connection with efforts to test for, monitor, clean up, remove, contain, trace, detoxify or neutralize **Pollutants**;
- (6) To any loss, cost or expense arising from any **Underground Storage Tank** unless satisfactory documentation is received and approved by, and are on file with, the **Company**. Coverage is only available for those **Underground Storage Tanks** specifically approved in writing by the **Company** and scheduled in the Policy by endorsement.

However, this exclusion shall not apply to the following:

- (a) Loss or **Damage** arising out of **Pollution Conditions** caused by heat, smoke or fumes from a **Hostile Fire** involving a property which is owned, rented or occupied by the **Insured** or upon which operations are being performed by or on **your** behalf.
- (b) Loss or **Damage** arising out of **Pollution Conditions** caused by **your** fire fighting activities or on **your** behalf, including fires intentionally set for training, intentional demolition or fires intentionally set for the purpose of limiting or controlling a fire.
- (c) Loss or **Damage** arising out of **Pollution Conditions** caused by the collision, upset, or overturn of any **Automobile** or mobile equipment.
- (d) Loss or **Damage** arising out of **Pollution Conditions** caused by chemicals used in weed abatement or tree spraying activities conducted by **you**.
- (e) Loss or **Damage** arising out of **Pollution Conditions** caused by classroom activities conducted by or on **your** behalf.

However, exceptions (a) – (e) above do not apply to loss or **Damage** due to asbestos, silica or lead, including but not limited to lead based paint.

- (f) Loss or **Damage** arising out of **Pollution Conditions** caused by the use of pepper sprays, mace, or other chemicals designed to temporarily incapacitate persons as long as the use is deemed to be reasonable force.
- (g) **Personal Injury** or **Property Damage** which is within the Products Hazard or the Completed Operations Hazard
- (h) Loss or **Damage** arising out of **Pollution Conditions** caused by water, whether recycled, reconditioned or reclaimed.
- (i) Loss or **Damage** arising out of **Pollution Conditions** caused by explosion, lightning, windstorm, vandalism and malicious mischief, riot and civil commotion, flood.
- (j) Loss or **Damage** arising out of **Pollution Conditions** that meet the following conditions:
 - (I) It was accidental and neither expected nor intended by the **Insured**; and
 - (II) It was demonstrable as having commenced on a specific date during the term of this policy; and
 - (III) Its commencement became known to the **Insured** within ten (10) calendar days; and was further reported to the person responsible for Risk Management within a reasonable timeframe; and

- (IV) Its commencement was reported in writing to the Company within forty (40) calendar days of becoming known to the person responsible for Risk Management; and
- (V) Reasonable effort was expended by the **Insured** to terminate the discharge, dispersal, release or escape of **pollutants** as soon as conditions permitted;
- (VI) Its termination was within seventy-two (72) hours of its commencement.

However, nothing contained in this provision (j) shall operate to provide any coverage with respect to:

- (a) Any site or location principally used by any **Insured**, or others on the **Insured's** behalf for the handling, storage, disposal, dumping, processing or treatment of waste material;
- (b) Any fines or penalties;
- (c) Any clean-up costs ordered by the superfund program, or any federal, state or local governmental authority. However, this paragraph shall not serve to deny coverage for third party clean-up costs otherwise covered by this exception to this exclusion simply because of the involvement of a governmental authority;
- (d) Acid rain;
- (e) Clean-up, removal, containment, treatment, detoxification or neutralization of **pollutants** situated on premises the **Insured** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **pollutants**; or
- (f) Water pollution caused by oil or its derivatives.

As used herein loss or **Damage** means **Ultimate Net Loss** as defined in the **DEFINITIONS** section of this Policy.

- (L) As respects any liability arising out of asbestos and/or silica:
 - (1) To any liability arising out of the manufacture, mining, use, sale, installation, removal, storage, disposal, distribution, or exposure to asbestos products, asbestos fibers, silica or asbestos dust.
 - (2) To any liability to indemnify any party because of **Damage** arising out of **Personal Injury** or loss due to a **Wrongful Act** at any time as a result of the manufacture, sale installation, removal, distribution, transportation or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
 - (3) To any liability to defend any **Claim** or **Suit** against **you** seeking **Damages** arising out of **Personal Injury** or **Property Damage** or **Public Officials' Errors and Omissions** due to an **Occurrence** or loss due to a **Wrongful Act**, if such **Claim** or **Suit** results from any of the following: manufacture, mining, use, sale, installation, removal, distribution, transportation, or exposure to asbestos, asbestos products, asbestos fibers, silica or asbestos dust.
- (M) As respects any liability imposed upon **you** under the Employee Retirement Income Security Act of 1974 and any amendatory law thereof.
- (N) To any liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **Dam**.
- (O) Under Coverage C, **Public Officials' Errors and Omissions** Liability, for:

- (1) Personal Injury or Property Damage, as defined, that does not arise out of a Claim or Suit for Public **Officials' Errors and Omissions**;
- (2) Refund of taxes, fees or assessments;
- (3) **Your** liability arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of plans or failure to award contracts in accordance with any statute or ordinance which under law must be submitted for bids;
- (4) Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof;
- (5) Failure to perform or breach of a contractual obligation except employment contracts;
- (6) Liability arising from the deliberate violation of any statute, law, act, ordinance, rural, or regulation whether federal, state, city, county, district, or local committed by or with the knowledge or consent of any **Insured**;

We shall not pay any cost that results from the defense, investigation, and settlement of any **Occurrence** or **Wrongful Act** arising out of any losses excluded herein.

(P) It is agreed that the following exclusions are hereby included in the Policy only for **Wrongful Acts** resulting from **your Employment Practices Claims**.

- (1) **Strikes and Lockouts.** This Policy does not apply to any **Claim** or **Claims** for loss arising out of a lockout, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations.
- (2) **W.A.R.N. Act.** This Policy does not apply to any **Claim** or **Claim** for loss arising out of the Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto or any similar federal, state or local law.
- (3) This Policy does not apply to any **Claim** or **Claims** for any costs incurred by **you** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person.

(Q) To any **Claims** or **Suits** arising from all pending or prior litigation or hearing as well as future **Claims** or **Suits** arising out of said pending or prior litigation or hearing, and arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Acts**, alleged or contained in any **Claim** or **Suit** arising out of any **Wrongful Act** prior to the inception of this Policy.

(R) For **Personal Injury, Property Damage, or Bodily Injury** or any other loss, cost or expense arising in whole or part, out of the installation, repair, removal, encapsulation, abatement, replacement or handling of, presence, ingestion, inhalation, absorption of or exposure to, or testing for, lead in any form or products containing lead.

(S) For any loss, injury, **Damage**, cost or expense, including, but not limited to, losses, costs or expenses related to, arising from or associated with clean-up, remediation, containment, removal or abatement, caused directly or indirectly, in whole or in part, by:

- (1) Any **fungus(i), mold(s)**, mildew or yeast;
- (2) Any **spore(s)** or toxins created or produced by or emanating from such **fungus(i), mold(s)**, mildew or yeast;
- (3) Any substance, vapor, gas, or other emission or organic or inorganic body or substance produced by or arising from any **fungus(i), mold(s)**, mildew or yeast; or

- (4) Any material, product, building component, building or structure, or any concentration of moisture, water or other liquid within such material, product, building component, building or structure, that contains, harbors, nurtures or acts as a medium for any **fungus(i), mold(s), yeast, or spore(s)** or toxins emanating therefrom.

Regardless of any other cause, event, material, product and/or building component that contributed concurrently or in any sequence to that loss, injury, **Damage**, cost or expense.

- (T) For injunctions, equitable relief, or any other form of relief other than the payment of money damages.
- (U) Liability arising out of an alleged willful commission of a crime by **you** or other dishonest fraudulent, or malicious act. At **our** discretion, however, **we** will pay for **Defense Costs** until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **insured** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **insured**.

- (V) Liability arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled. At **our** discretion, however, **we** will pay for **Defense Costs** for any **Claim** or **Suit** arising from an alleged willful commission of a crime by **you** or other dishonor, fraudulent or malicious act, for any **Claim** or **Suit** arising out of **your Wrongful Act** for gain, profit, or advantage to which **you** are not legally entitled until final adjudication, judgment, or settlement to which **we** have agreed. If the judgment or final adjudication is adverse to **you**, **you** will reimburse **us** for all costs associated with the defense.

This exclusion shall not apply to any vicarious liability that any **insured** has with regard to the managerial, advisory, supervisory, or controlling obligations over the actions of another **insured**.

- (W) Liability arising out of a **Wrongful Act** by **you** or on **your** behalf in the handling of **Claims** or **Suits** within **your Retained Limit** whenever **you** investigate, defend, or settle such **Claims** or **Suits** or elect a third party to investigate, defend or settle such **Claims** or **Suits**.

- (X) To **Personal Injury, Property Damage** or **Wrongful Acts** arising, directly or indirectly, out of:

- (1) War, including undeclared or civil war; or
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against of these.

- (Y) To liability arising out of or in connection with any transit authority, transit system, or public transportation system owned, operated, or regulated by **you**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes, including, but not limited to, Dial-a-Ride, senior citizen transportation, or handicapped persons transportation, or to contingent liability coverage where such services are contracted.

- (Z) For any **Property Damage** arising out of **Land Subsidence** for any reason whatsoever.

- (AA) For **Personal Injury**:

- (1) Arising out of oral or written publication of material, if done by or at the direction by **you** with knowledge if its falsity; or
- (2) Arising out of oral or written publication of material whose first publication took place before the beginning of the Policy Period. All **Personal Injury** arising out of publication of the same or similar

material subsequent to the beginning of the Policy Period is also excluded.

- (BB) For any **Claim** or **Suit** under any Uninsured Motorists or Underinsured Motorists or any similar law, and to any sums you may be legally entitled to recover as **damages** from the owner or operator of any uninsured or underinsured **Automobile** because of **Bodily Injury** and **Property Damage** sustained by any **Insured**, caused by an Occurrence and arising out of the ownership, maintenance, operation, use, **Loading** or **Unloading** of such **Automobile**.
- (CC) To any liability arising out of the operation of an Automobile by an employee of the Named Insured as designated in the Declarations of this policy; however, this exclusion only applies to California State University owned, hired or non-owned **Automobiles**.
- (DD) Under Coverage E – Employee Benefit Liability, for **Claims**:
- (1) Arising out of any **Claims** or part thereof which may be alleged as covered under this Coverage Part if we have accepted coverage or coverage has been held to apply for such **Claim** or part thereof under any other Coverage Part (s) of this Policy.
 - (2) Arising out of any representations made at any time in relation to the price or value of any security, bank, bank deposit or financial interest or instrument, including, but not limited to, advice given to any person to participate in any plan included in the **Employee Benefit Program**.
 - (3) Arising out of any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument.
 - (4) Arising out of any insufficiency of funds to meet any obligation under any **Employee Benefit Program**.
 - (5) Arising out of an act, error, or omission by **you** to effect or maintain insurance or bonding for plan property or assets of **Employee Benefit Program**.
 - (6) Arising out of failure of performance or performance under any contract by an insurer of benefits subject to the **Employee Benefit Program**.
 - (7) Arising from any **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** of which **you** were aware prior to the Policy Period if such **Employee Benefit Wrongful Act** or Related **Employee Benefit Wrongful Act** could reasonably be expected to give rise to a **Claim**.
 - (8) For **damages** arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by **you**, including the willful or reckless violation of any statute.
 - (9) For **damages** arising out of **Bodily Injury, Property Damage, or Personal Injury**.
 - (10) For **damages** arising out of wrongful termination of employment, discrimination, or other employment related practices.
 - (11) For any **claim** arising out of **your** failure to comply with the mandatory provisions of any Workers' Compensation, Unemployment Compensation Insurance, Social Security or Disability Benefits Law or any similar law.
 - (12) For **damages** for which **you** are liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974 as now or hereafter amended, or by any similar Federal, State or Local laws.

(13) For any **claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation by **you**, from the applicable funds accrued or other collectible insurance

(EE) To any liability arising out of the purchase, sale, or offer of sale, or solicitation, or decline in price or value of any security, debt, bank deposit or financial interest or instrument

SECTION VII. DEFINITIONS

When used in this Policy (including endorsements forming a part hereof):

- (A) **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.
- (B) **Automobile** means any licensed land motor vehicle, trailer, or semi-trailer.
- (C) **Bodily Injury** means bodily injury, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the Policy Period.
- (D) **Claim(s)** means a demand for money
- (E) **Company** means the insurer(s) specified in the DECLARATIONS.
- (F) **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of **operations** or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such **operations** have been completed or abandoned and occurs away from premises owned by or rented to **you**. **Operations** include materials, parts or equipment furnished in connection therewith. **Operations** shall be deemed completed at the earliest of the following time:
- (1) When all operations to be performed by or on behalf of you at the site of the operations have been completed.
 - (2) When all operations to be performed by or on behalf of you under the contract have been completed; or
 - (3) When the portion of the work out of which the injury or Damage arises has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.
- Operations** which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:
- (1) Operations in connection with the transportation of property unless the Personal Injury or Property Damage arises out of a condition in or on a vehicle created by the Loading or Unloading of that vehicle by any Insured; or
 - (2) The existence of tools, uninstalled equipment or abandoned or unused materials.
- (G) **Contract Employee** means:
- (1) Any employee who is under contract to you one hundred (100) percent of the time, or
 - (2) Whose only contract of employment is with you.
- (H) **Dam** means any artificial barrier together with appurtenant works, which does or may impound or divert water, and which either:
- (1) Is twenty five (25) feet or more in height from the natural bed of the stream or water course at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream channel or watercourse, to the maximum possible water storage elevation; or

(2) Has an impounding capacity of fifty (50) acre-feet or more.

(I) **Damages** includes damages for death and for care and loss of services resulting from **Personal Injury** and damages for loss of use of property resulting from **Property Damage**, and losses for **Wrongful Acts** as defined in this Policy.

(J) **Defense Costs** means attorney's fees, costs and expenses and other fees, costs and expenses incurred in connection with the investigation, settlement, adjustment, defense and appeal of a **Claim** or **Suit** covered hereunder. However, **Defense Costs** do not include **our** office expenses, **your** office expenses or the salaries of **our** employees or officers or **your** employees or officers.

Additionally, **we** may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or **Suits** similar to the one against **you**, and to require that independent counsel have errors and omissions insurance coverage. **You** agree to instruct counsel, whether independent or in-house, to respond to **our** request(s) for information regarding the **Claim** or **Suit** in a timely manner.

(K) **Employee Benefit Program** includes any employee benefit plan including, but not limited to, the following: Group life insurance, group accident or life insurance, profit sharing plans, pension plans and stock subscription plans provided that no one other than an employee may subscribe to such insurance plans, unemployment insurance, Social Security Benefits, workers' compensation and disability benefits.

(L) **Employee Benefit Wrongful Act** means an actual or alleged negligent act, or omission that arises solely from **your** administration of **your Employee Benefit Program**

(M) **Employment Practices** means: Wrongful termination or discrimination arising out of or due to:

- (1) The refusal to employ any person who is an applicant for employment;
- (2) The termination of any person's employment; or
- (3) Employment-related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person;
or
- (4) The spouse, child, parent, brother or sister of that person or persons as a consequence of any of the employment-related practices described in paragraphs (1), (2), or (3) above is directed;

It is agreed that this Policy shall apply to a **Wrongful Act** that **you** become legally obligated to pay or compensate others for an **Occurrence** resulting from **your Employment Practices Claims**. An **Employment Practice Claim** must arise out of the conduct of **your** operations.

(N) **Employment Practices Claim** means any **Wrongful Act** relating to a past, present, or prospective employee of **yours** and arising out of an actual or alleged wrongful dismissal, discharge or termination, either actual or constructive, of employment, employment related misrepresentation, wrongful failure to employ or promote, wrongful deprivation of career opportunity, wrongful discipline, failure to grant tenure or negligent employee evaluation or sexual or workplace harassment of any kind, including, but not limited to, the alleged operation of a harassing workplace environment, or unlawful discrimination, whether direct, indirect, intentional or unintentional, or failure to provide adequate employee policies and procedures.

Employment Practices Claim shall include **Wrongful Acts** brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following laws, as amended, including regulations promulgated thereunder:

- (1) Americans with Disabilities Act of 1992 (ADA);
- (2) Civil Rights Act of 1991;
- (3) Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990;

- (4) Title VII of the Civil Rights Law of 1974, as amended (1983), including the Pregnancy Discrimination Act of 1978; and
- (5) Fifth and Fourteenth amendments of the United States Constitution.

- (O) **Fungus(i)** includes, but is not limited to, any of the plants or organisms belonging to the major group **fungi**, lacking chlorophyll, and including molds, rusts, mildews, smuts and mushrooms.
- (P) **Hostile Fire** means a fire that becomes uncontrollable or breaks out from where it was intended to be.
- (Q) **Injury or Damage** means any **Injury or Damage** covered under this Policy and includes but is not limited to **Bodily Injury, Property Damage, Personal Injury or Wrongful Acts** as may be defined under this Policy.
- (R) **Insured** means the **Named Insured** designated in Item 1. of the **DECLARATIONS** and any person or organization qualifying as an **Insured** under **SECTION V. PERSONS OR ENTITIES INSURED** of this Policy.
- (S) **Joint Powers Authority(ies)** means two or more public agencies joined together by a joint agreement in order to jointly exercise any power common to the contracting parties, including but not limited to the power to create risk pooling and joint purchase of private insurance.
- (T) **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
- (U) **Loading or Unloading** means the handling of property:
 - (1) After it is moved from the place where it is accepted for movement into or onto an **Aircraft, Watercraft or Automobile**;
 - (2) While it is in or on an **Aircraft, Watercraft or Automobile**; or
 - (3) While it is being moved from an **Aircraft, Watercraft or Automobile** to the place where it is finally delivered;but **Loading or Unloading** does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the **Aircraft, Watercraft or Automobile**.
- (V) **Mold(s)** means to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce molds.
- (W) **Municipality** means a legally incorporated or duly authorized association of inhabitants of a limited area limited to the following: city, town, county, village, township, borough, hamlet, burg, or state.
- (X) **Named Insured** means the entity(ies) listed in Item 1 of the Declarations including endorsements thereto.
- (Y) **Occurrence** shall mean an accident, or event, or continuous or repeated exposure which results in **Bodily Injury or Property Damage** during the Policy Period; neither expected nor intended by **you**.
- (Z) **Personal Injury** means:
 - (1) **Bodily Injury**, including disability, shock, mental anguish, mental injury, or death resulting from any of the foregoing;
 - (2) False arrest, false imprisonment, wrongful detention, or malicious prosecution;
 - (3) Wrongful entry into, or eviction of any person from, a room, a dwelling or premises that a person occupies, or other invasion of the right of private occupancy;
 - (4) A publication or utterance that slanders or libels a person or organization or disparages a person's or an organization's good, products or services;
 - (5) A publication or utterance that violates a persons right to privacy;

- (6) Assault and battery not committed by or at the direction of, or with **your** consent. However, this limitation does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from **Damage**; and
- (7) Discrimination other than as a result of **Employment Practices**.

all of the above seven (7) items which occur during the Policy Period.

- (AA) **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials, which are intended to be, or have been, recycled, reconditioned or reclaimed.
- (BB) **Pollution Conditions** means the discharge, dispersal, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, medical waste and waste materials into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, provided such conditions are not naturally present in the environment.
- (CC) **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
- (DD) **Property Damage** means (1) physical injury to or destruction of tangible property which occurs during the Policy Period, including the loss of use thereof at any time resulting therefrom, or (2) loss of use of tangible property which has not been physically injured or destroyed, provided such loss of use is caused by an **Occurrence** during the Policy Period.
- (EE) **Public Entity** refers to that **municipality**, governmental body, department, or unit, which is a **Named Insured** in the **DECLARATIONS**.
- (FF) **Public Officials' Errors and Omissions** means losses from **Wrongful Acts** committed by **you**.
- (GG) **Retained Limit** refers to the amount stated on the **DECLARATIONS**.

The **Retained Limit** shall be comprised of **Damages** and **Defense Costs**. **You** shall be responsible for all **Damages** and **Defense Costs** incurred without right to indemnification in accordance with the Policy's terms and conditions until the **Retained Limit** is exhausted as a result of **Damages** and **Defense Costs**.
- (HH) **Spore(s)** means any dormant or reproductive body produced by or arising or emanating out of any **fungus(i)**, **mold(s)**, mildew, plants organisms or microorganisms.
- (II) **Suit** means a civil proceeding in which damages are alleged because of **Bodily Injury** or **Property Damage**, or **Wrongful Act** to which this Policy applies. **Suit** includes:
 - (1) An arbitration proceeding in which such **Damages** are claimed and to which **you** must submit or do submit with **our** consent; or
 - (2) Any other alternative dispute resolution in which such **Damages** are claimed and to which **you** submit with **our** consent.
- (JJ) **Ultimate Net Loss** means the total amount of **Damages** including **Defense Costs** **we** are legally obligated to pay because of **Bodily Injury**, **Personal Injury**, **Property Damage**, **Wrongful Acts**, **Employment Practices Wrongful Acts** or **Employee Benefits Wrongful Acts**. **Ultimate Net Loss** shall be established after a contested **Suit** or by compromise settlement to which **we** have previously agreed in writing. **Ultimate Net Loss** shall be reduced by any recoveries or salvages which have been paid to or collected by **us**. **Ultimate Net Loss** includes **Defense Costs** incurred in the defense of an **Occurrence** or **Wrongful Act** to which this insurance applies.

- (KK) **Underground Storage Tank** means any tank, including associated underground piping connected to the tank, that has at least ten (10) percent of its volume below ground.
- (LL) **Underlying Insurance** refers to the policies listed in the Schedule of **Underlying Insurance** and includes:
- (1) Any renewal or replacement of such policies;
 - (2) Any other insurance available to the **you**; and
 - (3) Any other valid and collectible risk financing mechanism provided under a **Joint Powers Authority**.
- (MM) **Watercraft** means a vehicle designed for the transport of persons or property principally on water.
- (NN) **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance, and nonfeasance by the **Insured**.

SECTION VIII. CONDITIONS

(A) **Action Against Us.**

No person or entity has a right under this Policy to join **us** as a party to a lawsuit or to sue **us** under this Policy. **You** acknowledge and agree that this Policy was issued to **you** based upon the representations in **your** application for insurance that this Policy provides **you** with benefits unique to **your** needs for insurance, based upon **your** stated insurance requirements and decisions as to what insurance coverage **you** decided to purchase; and that this insurance policy is unique to **you**. **You** agree that there are no other persons or entities who have a unity of interest with **you** for any issues that may arise in connection with any dispute that **you** may have with **us** in connection with any aspect of this policy, including but not limited to its issuance and the coverage that it provides **you**. **You** agree that **your** right to bring any action against **us** in connection with any dispute is limited to arbitration or submission to small claims court, as per the provisions of **CONDITION (C), Arbitration**.

(B) **Appeals.**

In the event **you** elect not to appeal a judgment in excess of **your Retained Limit**, **we** may elect to do so at **our** own expense, but in no event shall **our** liability for **Ultimate Net Loss** exceed the applicable amount specified in the Limit of Liability section of the **DECLARATIONS** plus all **Defense Costs** necessary and incident to such appeal.

(C) **Arbitration.**

All controversy or **claim** of any nature, including the validity or formation of this Policy, that arises out of or relates to this agreement involving two or more parties to this agreement, that cannot be settled among the disputing parties, shall be resolved by submission to a single, neutral arbitrator for determination through arbitration in accordance with the then current rules of the National Arbitration Forum, Minneapolis, MN, and judgment upon the award may be entered in any court having jurisdiction thereof. The arbitrator shall have the power to decide all disputes between the parties, including but not limited to, the validity, formation, application or interpretation of the agreement, the amount of funds due, if any, and the award of damages only as provided for within this agreement. The arbitrator shall have no power to change, or add to the provisions of this agreement. The arbitrator shall provide a written opinion with his decision and findings of fact and law in accord with the laws in effect in the state in which the **Named Insured** is domiciled. In the event the arbitrator's findings are contrary to the laws of the state whose laws are applicable to the dispute, either party shall be entitled to appeal the arbitrator's ruling, at their own expense.

We will pay the cost of administering the arbitration. **We** will not pay the fees of **your** legal representative or the cost incurred in proving **your** case, unless such fees and costs are included in an arbitration award against **us**.

Notwithstanding the foregoing, all disputes between **you** and **us** shall be submitted to Small Claims Court procedure if the amount in dispute provides jurisdiction of the Small Claims Court or, at the option of the **Insured** only, disputes involving less than \$25,000. may be subject to arbitration.

The provisions of this paragraph, and the obligation to arbitrate as provided herein, applies to all persons or entities who are insured under the policy and to any other persons or entities who may be otherwise entitled to the recovery of any policy benefits under state or federal law.

(D) **Assignment.**

Assignment of interest under this Policy shall not bind **us** until **our** consent is endorsed hereon; however, if **you** die, such insurance as is afforded by this Policy shall apply (1) to **your** legal representative, as the **Named Insured**, but only while acting within the scope of his/her duties as such and (2) with respect to **your** property, to the person having temporary custody thereof as the **Insured**, but only until the appointment and qualification of the legal representative.

(E) **Bankruptcy and Insolvency**

Your bankruptcy, insolvency or inability to pay shall not relieve **us** of any of **our** obligations under this Policy.

But under no circumstances will such bankruptcy, insolvency, or inability to pay require **us** to drop down or in any way replace **your Retained Limit** or assume any obligation associated with **your Retained Limit**.

(F) **Cancellation.**

This Policy may be canceled by the **Named Insured** by surrender thereof to **us** or any of **our** authorized agents or by mailing to **us** written notice stating when thereafter the cancellation shall be effective. The Policy may be canceled by **us** by mailing to the **Named Insured**, at the address shown in this Policy, written notice stating when not less than ninety (90) days thereafter such cancellation shall be effective. If **you** fail to discharge when due any of **your** obligations in connection with the payment of premium for the Policy or any installment thereof, whether payable directly to **us** or **our** agent or indirectly under a premium finance plan or extension of credit, this Policy may be canceled by **us** by mailing to the **Named Insured** at the address shown in this Policy, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the Policy period. Delivery of such written notice either by the **Named Insured** or by **us** shall be equivalent to mailing.

If **you** cancel, earned premium shall be computed in accordance with the customary short rate table and procedure. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

(G) **Changes**

Notice of any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or change in any part of this Policy or estop **us** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued and made a part of this Policy.

(H) **First Named Insured**

The **Insured** first named in Item 1. in the **DECLARATIONS** is authorized to act on behalf of all **Named Insureds** and other **Insureds** with respect to the giving and receiving of notice of cancellation and to receiving any returned

premium that may become payable under this Policy. The **Insured** first name in Item 1. in the **DECLARATIONS** is responsible for the payment of all premiums, but the other **Named Insureds** jointly and severally agree to make such premium payments in full if the first **Named Insured** in Item 1. fails to pay the amount due within thirty (30) days after **we** give written demand for payment to the first **Named Insured** in Item 1.

(I) **Inspection and Audit.**

We shall have the right, but not the obligation, to inspect **your** property and operations at any time. Neither **our** right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of **you** or others, to determine or warrant that such property or operations are safe or healthy.

The **Named Insured** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to **us** at the end of the Policy Period and at such times during the Policy Period as **we** may direct. **We** may examine and audit **your** books and records as they related to this Policy at any time during the Policy Period and extensions thereof and within three (3) years after the final termination of this Policy.

(J) **Liberalization Clause**

If within sixty (60) days prior to or during the Policy Period **we** adopt any revision which would broaden coverage under this Policy without additional premium, such broadened coverage will immediately apply to this Policy.

(K) **Other Insurance**

If other valid and collectible insurance with any other insurer is available to **you** covering a loss also covered hereunder, whether on a primary, excess or contingent basis, the insurance hereunder shall be in excess of, and shall not contribute with such other insurance; provided, however, this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Policy, or to other insurance which is intended to provide the remainder of the Limit of Liability stated in the **DECLARATIONS** of the Policy when the insurance afforded under this Policy provides less than one hundred (100) percent of the limit set forth on the **DECLARATIONS**.

(L) **Premium**

The premium designated in the Policy **DECLARATIONS** is flat and not adjustable, unless:

- (1) A material exposure is added under the Policy;
- (2) The Limits of Liability are increased or decreased;
- (3) The Policy is restricted or broaden by endorsement; or
- (4) The Policy Period is increased or shortened.

(M) **Subrogation**

We shall be subrogated to the extent of any payment hereunder, to all of **your** rights of recovery and **you** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **You** may elect to waive **your** right to subrogation prior to a loss. To the extent the **Named Insured** elects to waive such rights, **we** shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of **your Retained Limit** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. **We** shall be reimbursed next, to the extent of **our** actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse you. The expenses of all such recovery proceedings shall be apportioned in the ratio of the respective

recoveries. If there is no recovery in proceedings conducted solely by **you**, then **you** shall bear the expenses thereof.

(N) **Your Duties in the Event of Occurrence, Wrongful Act, Claim or Suit.**

- (1) In the event of an **Occurrence** or **Wrongful Act** that is reasonably likely to involve **us**, written notice containing particulars sufficient to identify **you** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of any injured persons and witnesses, shall be given by or for **you** to **us** or any of **our** authorized agents as soon as practicable after **your** Risk Manager, Chief Risk Officer, Assistant Vice Chancellor for Risk Management or a Chief Executive Officer of the **Named Insured** has knowledge of the **Occurrence** or **Wrongful Act**.
- (2) If **Claim** is made or **Suit** is brought against **you** that is reasonably likely to involve **us**, **you** shall immediately forward to **us** every demand, notice, summons or other process received by **you** or **your** representatives.
- (3) **You** shall cooperate with **us** and upon **our** request assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to **you** because of **Personal Injury, Property Damage** or **Public Official's Errors and Omissions** with respect to which insurance is afforded under this Policy; and **you** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. **You** will not, except at **your** own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or agreement among **you**, the claimant and **us**, **you** may pay the amount of **Ultimate Net Loss** to the claimant to effect settlement and upon submission of due proof thereof, **we** shall indemnify **you** for that part of such payment which is in excess of your **Retained Limit**, or upon **your** request, make such payment to the claimant on **your** behalf.
- (4) In the event of an **Occurrence** or **Wrongful Act**, which is reserved at greater than or equal to fifty (50) percent of **your** retention, **you** shall:
 - (a) Report said **Occurrence** or **Wrongful Act**; or
 - (b) Regardless of the reserve amount, report losses without regard to liability falling within the following classifications:
 - (I) Fatalities;
 - (II) Spinal cord or brain injuries;
 - (III) Amputations;
 - (IV) Loss of sight;
 - (V) Severe burns;
 - (VI) Serious head injury;
 - (VII) Psycho-neurotic disorders;
 - (VIII) Serious loss of use of any body functions;
 - (IX) Long term hospitalization; or
 - (X) Paralysis;
 - (XI) Civil Rights Allegations, including allegations involving police and law enforcement;
 - (XII) Sexual Abuse or Molestation.
- (5) Whenever **you** have information from which **you** may reasonably conclude that an **Occurrence** or **Wrongful Act** covered hereunder involves injuries or **Damages**, which in the event that **you** shall be held liable, are likely to involve this Policy, notice shall be sent to **us** as soon as practicable; provided, however, that failure to give notice of any **Occurrence** or **Wrongful Act** which at the time of its happening did not appear to involve this Policy, but which at a later date would appear to give rise to **Claims** hereunder, shall not prejudice such **Claims**.

Such notice is to be sent with all pertinent facts as respects Item (O) of **CONDITIONS** to:

YORK Claims Service, Inc.
99 Cherry Hill Road, Suite 102
Parsippany, New Jersey 07054
Attn: Jenai A. Russell, Manager
Fax: (973) 404-9034
Telephone: 1-866-391-9675 (YORK)
Email: 4068ironshorecasualty@york-claims.com
Website: www.york-claims.com

YORK Client Code for Ironshore Casualty: 4068

Key Contacts:

Jenai A. Russell, Manager, YORK Claims Intake Center
Telephone: (973) 404-1155
Email: jenai.russell@york-claims.com

Diane De Cristo, Director, Client Services
Telephone: (908) 595-0248
Email: diane.decristo@york-claims.com

Ironshore Specialty Insurance Company by:



Secretary



President



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 1

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)


THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SCHEDULE OF ENDORSEMENTS

(ATTACHED TO THE POLICY AT INCEPTION)

- 1. MANU.END.001 Schedule of Endorsements
- 2. MANU.END.002 Named Insured Endorsement - CAMPUSES
- 3. MANU.END.003 Named Insured Endorsement - AUXILIARIES
- 4. MANU.END.004 Amendment - Section V - Persons or Entities Insured, Dr. F King Alexander
- 5. MANU.END.005 Amendatory Endorsement – Automatic Additional Insured Required by Written Contract
- 6. MANU.END.006 Crisis *Threesixty* Amendatory Endorsement
- 7. MANU.END.007 Amendment - Reporting Requirement -CSU Sacramento Capital Public Radio
- 8. MANU.END.008 Act of Terrorism Retention Endorsement
- 9. MANU.END.009 Evacuation Expenses Reimbursement Endorsement
- 10. MANU.END.010 Service of Suit
- 11. MANU.END.011 Minimum Earned Premium
- 12. MANU.END.012 Amendment Expanded Coverage Territory
- 13. MANU.END.013 Violations of Economic Trade Sanctions Endorsement

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 2

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NAMED INSURED ENDORSEMENT
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY
(CSURMA) – CAMPUSES**

This endorsement modifies insurance provided under the following:
SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

ITEM 1: NAMED INSURED, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)
The State of California as respects the Trustees of the California State University
The California State University (CSU)

In addition, the following persons, entities, and organizations (members) are included as **Named Insureds** under this Policy:

CAMPUSES:

1. California State University, Office of the Chancellor
2. California State University, Bakersfield
3. California State University, Channel Islands
4. California State University, Chico
5. California State University, Dominguez Hills
6. California State University, East Bay
7. California State University, Fresno
8. Humboldt State University
9. California State University, Fullerton
10. California State University, Long Beach
11. California State University, Los Angeles
12. California Maritime Academy
13. California State University, Monterey Bay
14. California State University, Northridge
15. California State Polytechnic University, Pomona
16. California State University, Sacramento
17. California State University, San Bernardino
18. San Diego State University

19. San Francisco State University
20. San Jose State University
21. California Polytechnic State University, San Luis Obispo
22. California State University, San Marcos
23. California State University, Stanislaus
24. Sonoma State University

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 3

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**NAMED INSURED ENDORSEMENT
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA) -
AUXILIARIES**

This endorsement modifies insurance provided under the following:
SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

ITEM 1: NAMED INSURED, as shown on the Declarations, is completed to read as follows:

California State University Risk Management Authority (CSURMA)
Auxiliary Organizations of the California State University

In addition, the following persons, entities, and organizations (members) are included as Named Insureds under this Policy:

| | <u>Campus</u> | <u>Auxiliary Organizations</u> |
|-----|---------------------|---------------------------------------------------------------------------------------------------------------|
| 1. | Bakersfield | California State University, Bakersfield, Auxiliary for Sponsored Programs Administration |
| 2. | Bakersfield | Associated Students Inc., California State University, Bakersfield |
| 3. | Bakersfield | California State University, Bakersfield Foundation |
| 4. | Bakersfield | Student Union, Inc., California State University, Bakersfield |
| 5. | Chancellor's Office | California State University Foundation |
| 6. | Chancellor's Office | California State University Institute |
| 7. | Channel Islands | Associated Students Inc., CSU Channel Islands |
| 8. | Channel Islands | California State University Channel Islands Foundation |
| 9. | Channel Islands | University Glen Corporation, CSU Channel Islands |
| 10. | Chico | Associated Students of California State University, Chico |
| 11. | Chico | The CSU Chico Research Foundation |
| 12. | Chico | The University Foundation, California State University, Chico |
| 13. | Chico | Auxiliary Organization Associations |
| 14. | Dominguez Hills | Associated Students, Inc., California State University, Dominguez Hills |
| 15. | Dominguez Hills | California State University, Dominguez Hills Foundation |
| 16. | Dominguez Hills | Donald P. and Katherine B. Loker University Student Union, Inc., California State University, Dominguez Hills |
| 17. | East Bay | Associated Students, Inc., California State University, East Bay |

| | | |
|-----|------------------|-------------------------------------------------------------------|
| 18. | East Bay | California State University, East Bay Foundation, Inc. |
| 19. | Fresno | Associated Students Inc., CSU Fresno |
| 20. | Fresno | California State University, Fresno Association |
| 21. | Fresno | CSU Fresno Courtyard |
| 22. | Fresno | CSU Fresno Foundation |
| 23. | Fresno | Fresno State Programs for Children |
| 24. | Fresno | The Agricultural Foundation of CSU Fresno |
| 25. | Fresno | The Athletic Corporation, CSU Fresno |
| 26. | Fullerton | Associated Students, California State University, Fullerton, Inc. |
| 27. | Fullerton | Cal State Fullerton Auxiliary Services Corporation |
| 28. | Fullerton | Cal State Fullerton Philanthropic Foundation |
| 29. | Fullerton | CSU Fullerton Housing Authority |
| 30. | Humboldt | Associated Students of Humboldt State University |
| 31. | Humboldt | Humboldt State University Advancement Foundation |
| 32. | Humboldt | Humboldt State University Sponsored Programs Foundation |
| 33. | Humboldt | Humboldt State University Center |
| 34. | Long Beach | Associated Students Inc., CSU Long Beach |
| 35. | Long Beach | California State University, Long Beach Research Foundation |
| 36. | Long Beach | Forty-Niner Shops, Inc. CSU Long Beach |
| 37. | Long Beach | CSULB 49er Foundation |
| 38. | Los Angeles | Associated Students Inc., CSU Los Angeles |
| 39. | Los Angeles | Cal State L.A. University Auxiliary Services, Inc. |
| 40. | Los Angeles | California State University, Los Angeles Foundation |
| 41. | Los Angeles | University Student Union, CSU Los Angeles |
| 42. | Maritime Academy | Associated Students Inc., California Maritime Academy |
| 43. | Maritime Academy | California Maritime Academy Foundation |
| 44. | Monterey Bay | Foundation of California State University Monterey Bay |
| 45. | Monterey Bay | The University Corporation at Monterey Bay |
| 46. | Northridge | Associated Students Inc., CSU Northridge |
| 47. | Northridge | CSU Northridge Foundation |
| 48. | Northridge | North Campus Park Development Corporation |
| 49. | Northridge | The University Corporation, CSU Northridge |
| 50. | Northridge | University Student Union, CSU Northridge |
| 51. | Pomona | Associated Students Inc., Cal Poly Pomona |
| 52. | Pomona | Cal Poly Pomona Foundation |
| 53. | Sacramento | Associated Students Inc., CSU Sacramento |
| 54. | Sacramento | Capital Public Radio, CSU Sacramento |
| 55. | Sacramento | The University Foundation at Sacramento State |
| 56. | Sacramento | University Enterprises, Inc., CSU Sacramento |
| 57. | Sacramento | University Union, CSU Sacramento |
| 58. | San Bernardino | Associated Students Inc., CSU San Bernardino |
| 59. | San Bernardino | University Enterprises Corporation at CSUSB |
| 60. | San Bernardino | Santos Manual Student Union, CSU San Bernardino |
| 61. | San Bernardino | CSUSB Philanthropic Foundation |
| 62. | San Diego | Associated Students of San Diego State University |
| 63. | San Diego | Aztec Shops, LTD, San Diego State University |
| 64. | San Diego | San Diego State University Research Foundation |
| 65. | San Diego | The Campanile Foundation |
| 66. | San Francisco | Associated Students Inc., San Francisco State University |
| 67. | San Francisco | Franciscan Shops, San Francisco State University |
| 68. | San Francisco | San Francisco State University Foundation |
| 69. | San Francisco | Cesar Chavez Student Center, San Francisco State University |

- | | | |
|-----|-----------------|-----------------------------------------------------------------------------------------|
| 70. | San Francisco | The University Corporation, San Francisco State |
| 71. | San Jose | Associated Students Inc., San Jose State University |
| 72. | San Jose | San Jose State University Research Foundation |
| 73. | San Jose | Spartan Shops, Inc., San Jose State University |
| 74. | San Jose | Student Union of San Jose State University |
| 75. | San Jose | The Tower Foundation, San Jose State University |
| 76. | San Luis Obispo | Associated Students Inc., Cal Poly San Luis Obispo |
| 77. | San Luis Obispo | Cal Poly Corporation |
| 78. | San Luis Obispo | California Polytechnic State University Foundation |
| 79. | San Marcos | Associated Students Inc, CSU San Marcos |
| 80. | San Marcos | Cal State San Marcos Foundation |
| 81. | San Marcos | The University Corporation of CSU San Marcos |
| 82. | San Marcos | University Auxiliary & Research Services Corporation at Cal State University San Marcos |
| 83. | Sonoma | Associated Students Inc., Sonoma State University |
| 84. | Sonoma | Sonoma State University Academic Foundation |
| 85. | Sonoma | Sonoma State Enterprises |
| 86. | Sonoma | Sonoma Student Union Corporation |
| 87. | Stanislaus | Associated Students Incorporated, California State University, Stanislaus |
| 88. | Stanislaus | CSU Stanislaus Auxiliary & Business Services |
| 89. | Stanislaus | CSU Stanislaus Foundation |
| 90. | Stanislaus | University Student Union of CSU Stanislaus |

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 4

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT – SECTION V. – PERSONS OR ENTITIES INSURED
DR. F. KING ALEXANDER**

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

SCHEDULE

Name of Individual: Dr. F. King Alexander, President of California State University Long Beach

1. The following is added to **SECTION V. PERSONS OR ENTITIES INSURED:**
 - (I) Any individual named in the Schedule above and his or her **family members** with respect to their operation, maintenance or use of any **Automobile** that the **Named Insured** does not own, hire or borrow, except any **Automobile:**
 - (1) Owned by the individual named in the Schedule above or his or her **family members;**
 - (2) That the individual named in the Schedule above and his or her **family members** borrows from the **Named Insured's** employees, volunteers or **family members** if they are the owner of such **Automobile;** or
 - (3) Used by the individual named in the Schedule above or his or her **family members** while working in a business of selling, servicing, repairing or parking **Automobiles.**

2. **SECTION VII. DEFINITIONS** is amended to include the following additional definition:

Family member means a person related to the individual named in the Schedule by blood, adoption, marriage or registered domestic partnership under California law, who is a resident of the individual household, including a ward or foster child.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 5

Policy Number: 000541303 **Effective Date of Endorsement:** July 01, 2013
Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDATORY ENDORSEMENT
AUTOMATIC ADDITIONAL INSURED REQUIRED BY WRITTEN CONTRACT**

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

| SCHEDULE OF ADDITIONAL INSUREDS | | |
|-------------------------------------------|--------------------|---------------|
| ADDITIONAL INSURED | SPECIFIED CONTRACT | CONTRACT DATE |
| WHERE REQUIRED BY WRITTEN CONTRACT | | |

SPECIAL NOTE: THIS POLICY PROVIDES INSURANCE IN EXCESS OF A **RETAINED LIMIT**. THE ADDITIONAL INSURED(S) LISTED ABOVE WILL BE SUBJECT TO THE SAME POLICY TERMS, CONDITIONS AND LIMITATIONS PROVIDED TO THE **NAMED INSURED**.

This policy is amended as follows:

- Any person(s), entity (ies) or organization(s) listed in the Schedule of this endorsement to whom the **Named Insured** is obligated by virtue of a written contract to provide insurance solely with respect to **personal injury** and **property damage** is an additional insured with regard to liability and defense of **claims** or **suits** arising from the operations and uses performed by or on behalf of the **Named Insured**.
- The Limits of Insurance afforded under this endorsement to such person(s), entity(ies) or organization(s) will be limited to the limits of insurance required within the terms of the written contract or the limit of insurance of this policy, whichever is less. We will not be obligated for limits of insurance indicated in the written contract that are greater than the limits of insurance of this policy.
- With respect to **claims** arising out of the operations and uses performed by or on behalf of the **Named Insured**, such insurance coverages afforded the Above-Named Additional Insured under the policy shall be considered the primary coverage, but will apply in excess of the **Named Insured's retained limit**. We shall not seek contribution from the other insurance held by the person(s), entity(ies), or organization(s) named above for amounts payable under this insurance.

This condition applies only with respect to liability for **personal injury** or **property damage** arising out of the negligent acts of the **Named Insured**.

4. Each insurance coverage under the policy shall apply separately to each Above-Named Additional Insured against whom **claim** is made or **suit** is brought except with respect to the limits of insurance afforded to the Additional Insured under the policy procured by the **Named Insured**.
5. However, Paragraphs 1, 2, 3, and 4 above do not apply to a person(s), entity(ies), or organization(s) unless the **Named Insured** had a specific written contract from that person(s), entity(ies) or organization(s) that requires that:
 - a. This insurance be primary;
 - b. They be an additional insured under this policy; and
 - c. The **Named Insured** received such request prior to the date that the **Named Insured's** operations for that person(s), entity(ies) or organization commenced.

ALL OTHER TERMS, CONDITIONS, DEFINITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013
Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 6

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CRISIS THREESIXTYSM AMENDATORY ENDORSEMENT

This policy is amended as follows:

Section I., INSURING AGREEMENT is amended to include the following additional provision:

Section I. INSURING AGREEMENT – Coverage F CRISIS ThreeSixty

A. Crisis ThreeSixty

We will advance **Crisis ThreeSixty Costs** directly to third parties on behalf of the **Named Insured**, regardless of fault, arising from a **Crisis Management Event** first commencing during the **Policy Period**, up to the amount of the **Crisis ThreeSixty Limit of Insurance**.

B. Specialty Casualty Fund

We will pay **Crisis Management Loss** on behalf of the **Named Insured** arising from a **Crisis Management Event** first commencing during the **Policy Period**, up the amount of the **Specialty Casualty Fund Limit of Insurance**.

C. A **Crisis Management Event** will first commence at the time during the **Policy Period** when a **Key Executive** first becomes aware of an **Occurrence** that gives rise to a **Crisis Management Event** and will end when we determine in good faith that a crisis no longer exists or when the **Crisis ThreeSixty Limit of Insurance** has been exhausted, whichever occurs first.

D. There will be no **Retained Limit** applicable to **Crisis ThreeSixty Costs** or **Crisis Management Loss**.

E. Any advancement of **Crisis ThreeSixty Costs** or payment of **Crisis Management Loss** that we make under the coverage provided by this **Section I. Coverage F** will not be a determination of our obligations under this policy, nor create any duty to defend any **Suit** under any other part of this policy.

Section III., Your Retained Limit – Our Limit of Liability is amended to include the following additional provisions:

The **Crisis ThreeSixty Limit of Insurance** is the most we will pay for all **Crisis ThreeSixty Costs** under this policy, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. This **Crisis ThreeSixty Limit of Insurance** will be in addition to the applicable **Limit of Insurance**.

The **Specialty Casualty Fund Limit of Insurance** is the most we will pay for all **Crisis Management Loss** under this policy, regardless of the number of **Crisis Management Events** first commencing during the **Policy Period**. This **Specialty Casualty Fund Limit of Insurance** will be in addition to the applicable **Limit Of Insurance**.

We will have no obligation to advance **Crisis ThreeSixty Costs** when we determine in good faith that **Crisis Management Event** has ended or when the **Crisis ThreeSixty Limit of Insurance** has been exhausted, whichever occurs first.

It is further understood and agreed, that **Item 3** of the **Declarations Page** is amended to include the following additional limits:

- 3B (6)** \$100,000 **Crisis ThreeSixty Limit of Insurance**
- 3B (7)** \$50,000 **Specialty Casualty Fund Limit of Insurance**

Section VIII., Conditions is amended to include the following additional condition as respects **Crisis ThreeSixty** only:

(O) (6) Your Duties in the Event of an Occurrence, Wrongful Act, Claim or Suit as respects to **Crisis ThreeSixty**:

You must report any **Crisis Management Event** to us within twenty-four (24) hours of the time that a **Key Executive** first becomes aware of an **Occurrence** that gives rise to a **Crisis Management Event**, or as soon as practicable thereafter, to be eligible for the advancement of **Crisis ThreeSixty Costs** and the payment of **Crisis Management Loss**.

Notice of a Crisis Management Event

Notice of a **Crisis Management Event** may be given 24 hours / 7 days by calling Ironshore @ 1.866.795.1414.

Approved Crisis Management Firms

The following firms are approved **Crisis ThreeSixty Firms**:

Crisis Management Firms:

The Abernathy MacGregor Group

501 Madison Avenue
New York, NY 10022
(212) 371-5999

707 Wilshire Boulevard, Suite 3950
Los Angeles, CA 90017
(213) 630-6550

Rhonda Barnat
(cell) (917) 912-6378
rb@abmac.com

Ian Campbell
(cell) (213) 422-7958
idc@abmac.com

Mike Pascale
(cell) (917) 860-2048
mmp@abmac.com

Charlie Sipkins
(cell) (310) 600-0293
cfs@abmac.com

Section VII., Definitions is amended to include the following additional definitions:

OO. **Crisis Management Event** means an **Occurrence** that in the good faith opinion of a **Key Executive** of the **Named Insured**, in the absence of **Crisis Management Services**, has or may reasonably result in:

1. damages covered by this policy that are in excess of the total applicable limits of **Scheduled Underlying Insurance** or the **Self-Insured Retention**; and
2. significant adverse regional or national media coverage.

Crisis Management Event will include, without limitation, man-made disasters such as explosions, major crashes, multiple deaths, burns, dismemberment, traumatic brain injury, permanent paralysis, or contamination of food, drink or pharmaceuticals, provided that any damages arising out of any of the aforementioned must be covered under this policy.

PP. **Crisis Management Firm** means any firm that is shown in Schedule A, Approved Crisis Management Firms, attached to and forming a part of this policy or any other firm that you select and we approve, which is hired by you to perform **Crisis Management Services** in connection with a **Crisis Management Event**.

QQ. **Crisis Management Loss** means the following amounts incurred during a **Crisis Management Event**:

1. amounts for the reasonable and necessary fees and expenses incurred by a **Crisis Management Firm** in the performance of **Crisis Management Services** for the **Named Insured** solely arising from a covered **Crisis Management Event**; and
2. amounts for reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, employees or agents of the **Named Insured** or a **Crisis Management Firm** incurred at the direction of a **Crisis Management Firm**, solely arising from a covered **Crisis Management Event**.

RR. **Crisis Management Services** means those services performed by a **Crisis Management Firm** in advising the **Named Insured** on minimizing potential harm to the **Named Insured** from a covered **Crisis Management Event**.

SS. **Crisis ThreeSixty Costs** means the following reasonable and necessary expenses incurred during a **Crisis Management Event** directly caused by a **Crisis Management Event**, provided that such expenses have been pre-approved by us and may be associated with damages that would be covered by this policy:

1. Medical expenses;
2. Funeral expenses;
3. Psychological counseling;
4. Travel expenses;
5. Temporary living expenses;
6. Expenses to secure the scene of a **Crisis Management Event**; and
7. Any other expenses pre-approved by the Company.

Crisis ThreeSixty Costs do not include defense costs or **Crisis Management Loss**.

TT. **Crisis ThreeSixty Limit of Insurance** means the **Crisis ThreeSixty Limit of Insurance** shown in **item 3B (6) of the Declarations**.

UU. **Specialty Casualty Fund Limit of Insurance** means the **Specialty Casualty Fund Limit of Insurance** shown in **Item 3B (7) of the Declarations**.

VV. **Key Executive** means the Chairman, Chief Executive Officer, Chief Operating Officer, Director of Risk Management, Chief Risk Officer, Chief Financial Officer, President, General Counsel or general partner (if the **Named Insured** is a partnership) of the **Named Insured** or sole proprietor (if the **Named Insured** is a sole proprietorship). A **Key Executive** also means any other person holding a title designated by you and approved by us, which title is shown in Schedule A, Additional Key Executives attached to and forming part of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be 'SMC', written over a horizontal line.

Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 7

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDMENT - REPORTING REQUIREMENT
CSU SACRAMENTO CAPITAL PUBLIC RADIO**

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

SCHEDULE

CSU Sacramento Capital Public Radio

Prior Acts Time Period:

For any **Personal Injury Liability, Property Damage Liability, Public Officials' Errors and Omissions Liability or Employment Practices Liability** 11/01/02 to 11/01/07

Report Due Date: 7/01/14

Only with respect to CSU Sacramento – Capital Public Radio, the following is added to SECTION I. **INSURING AGREEMENT:**

This insurance applies to any **Personal Injury Liability, Property Damage Liability, Public officials' Errors and Omissions Liability or Employment Practices Liability**, in excess of the **Retained Limit**, occurring within the Prior Acts Time Period shown in the Schedule of this endorsement only if the **claim** or **suit** is reported to **us** by the Report Due Date shown in the Schedule of this endorsement. However, the insurance provided by this endorsement will not apply to such **Personal Injury Liability, Property Damage Liability, Public officials' Errors and Omissions Liability or Employment Practices Liability** if:

1. The **claim** or **suit** has been reported to or otherwise known by **you** prior to inception of this Policy;
2. The **claim** or **suit** has been reported under any policy whose limits of insurance have been exhausted;

3. The **claim** or **suit** is within and subject to any deductible or self-insured retention under another policy; or
4. Coverage under another policy is impaired by the other carrier's bankruptcy or insolvency

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 8

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ACT OF TERRORISM RETENTION ENDORSEMENT

Solely with respect to any **Act of Terrorism**, this policy is amended as follows:

Section III., YOUR RETAINED LIMIT – OUR LIMIT OF LIABILITY, is amended to include the following **Act of Terrorism Retained Limit**:

As respects all liability arising out of an **Act of Terrorism**, an **Act of Terrorism Retained Limit** in the amount of \$5,000,000 shall apply per occurrence.

The **Act of Terrorism Retained Limit** applies whether or not there is any available **Underlying Insurance** providing coverage to the **Insured** for an **Act of Terrorism**. If there is **Underlying Insurance** providing coverage to the **Insured** for an **Act of Terrorism** covered by this policy, amounts received through such **Underlying Insurance** for payment of liability arising out of the **Act of Terrorism** may be applied to reduce or exhaust the **Act of Terrorism Retained Limit**.

Section VII., DEFINITIONS, is amended to include the following additional definitions:

Act of Terrorism means:

- a. any act which is verified or recognized by the United States Government as an act of terrorism, including a certified act of terrorism defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions, amendments, or extensions thereto; or
- b. the use or threatened use of force or violence against person or property or commission of an act dangerous to human life or property or commission of an act that interferes with or disrupts an electronic or communication system undertaken by any person or group whether or not acting on behalf of or in connection with any organization, government, power, authority or military force when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof or to disrupt any segment of the economy.

Act of Terrorism Retained Limit means the amount to be borne by the **Insured** for liability arising out of an **Act of Terrorism** before this policy applies.

It is understood and agreed that if any other endorsement to this policy excludes coverage for an **Act of Terrorism** arising in one or more specified countries, the provisions of such exclusion shall supersede this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

A handwritten signature in blue ink, appearing to be 'SMC', is written above a horizontal line.

Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 9

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EVACUATION EXPENSES REIMBURSEMENT ENDORSEMENT

This **SPECIAL EXCESS POLICY FOR PUBLIC ENTITIES** policy is amended as follows:

Item 3 of the Declarations is amended to include the following additional limits:

- 3c. \$50,000 Evacuation Expenses Reimbursement Limit of Insurance

Section I., INSURING AGREEMENT, is amended to include the following additional provision:

Evacuation Expenses Reimbursement

We will reimburse the **Named Insured** shown in Item 1 of the Declarations for **Evacuation Expenses** actually paid by the **Named Insured** in connection with a single **Evacuation Event** occurring during the **Policy Period** shown in Item 2 of the Declarations, up to the amount of the **Evacuation Expenses Reimbursement Limit of Insurance**.

Section III., YOUR RETAINED LIMIT – OUR LIMIT OF LIABILITY, is amended to include the following additional provisions:

The **Evacuation Expenses Reimbursement Limit of insurance** is the most we will pay for all **Evacuation Expenses** under this policy. This **Evacuation Expenses Reimbursement Limit of Insurance** will be in addition to the applicable **Limits of Liability** shown in Item 3a and 3b of the Declarations.

We will pay **Evacuation Expenses** for only one **Evacuation Event** occurring during the **Policy Period** shown in Item 2 of the Declarations, regardless of the number of **Evacuation Events** occurring during the **Policy Period**.

Section VIII., CONDITIONS O, YOUR DUTIES IN THE EVENT OF OCCURRENCE, WRONGFUL ACT, CLAIM, OR SUIT, is amended to include the following additional condition as respects **Evacuation Expenses Reimbursement** only:

You must report any **Evacuation Event** to us within forty-eight (48) hours of the time that a **Key Executive** first becomes aware of an **Occurrence** that gives rise to an **Evacuation Event**, or as soon as practicable thereafter, to be eligible for **Evacuation Expenses Reimbursement**.

Notice of an Evacuation Event

Notice of an **Evacuation Event** may be given 24 hours / 7 days by calling Ironshore @ 1.866.795.1414.

Section VII., DEFINITIONS, is amended to include the following additional definitions:

Evacuation Event means the removal from one or more of the Named Insured's facilities to any other location of a majority of the occupants of such facility(ies) as a result of any natural or man-made **Occurrence** that, in the reasonable judgment of one or more **Key Executives** of the **Named Insured**, causes or could potentially cause such facility(ies) to be unsafe for such occupants.

Evacuation Expenses means reasonable costs incurred in connection with an **Evacuation Event**, including costs associated with transporting and lodging occupants who have been evacuated. **Evacuation Expenses** does not include any remuneration, salaries, overhead or benefit expenses of the **Named Insured**.

Evacuation Expenses Reimbursement means the **Evacuation Expenses Reimbursement Limit of Insurance** shown in **Item 3c.** of the Declarations.

Key Executive means the Chairman, Chief Executive Officer, Chief Operating Officer, Director of Risk Management, Chief Risk Officer, Chief Financial Officer, President, General Counsel or general partner (if the **Named Insured** is a partnership) of the **Named Insured** or sole proprietor (if the **Named Insured** is a sole proprietorship). A **Key Executive** also means any other person holding a title designated by you and approved by us, which title is shown in Schedule A, Additional Key Executives attached to and forming part of this policy.

Occurrence means an accident, offense or event, including continuous, repeated, or related exposure to substantially the same generally harmful conditions, which results in an **Evacuation Event** that is neither expected nor intended from the standpoint of the **Insured**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 10

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT

In the event of the Company's failure to pay any amount claimed to be due hereunder, the Company, at the request of the Insured will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another court as permitted by the law; of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Legal Department, Ironshore Holdings, U.S. Inc., One State Street Plaza, 7th Floor, New York, NY 10004, or his or her representative, and that in any suit instituted against the Company upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner, or Director of Insurance, other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of an Insured or any beneficiary hereunder arising out of this contract of insurance, and hereby designate the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 11

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

MINIMUM EARNED PREMIUM

It is understood and agreed that in the event of cancellation of this policy by or at the direction of the insured, the Company shall retain a Minimum Earned Premium of 25%.

It is further agreed that the provision regarding cancellation by the insured is amended to read:

“If the Insured cancels this policy, earned premium will be computed in accordance with the customary short-rate table and procedure, or the Minimum Earned Premium stated herein, whichever is greater”.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 12

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT - EXPANDED COVERAGE TERRITORY

This endorsement modifies insurance provided under the following:

SPECIAL EXCESS LIABILITY POLICY FOR PUBLIC ENTITIES

SECTION IV. POLICY PERIOD - TERRITORY is deleted in its entirety and replaced by the following:

SECTION IV. POLICY PERIOD - EXPANDED COVERAGE TERRITORY

The Policy Period commences on the effective date shown in the **DECLARATIONS**. The Policy Period ends on the earlier of either the expiration date or the effective date of cancellation of this Policy. If a person or organization becomes an **Insured** under this Policy after the effective date, the Policy Period for that person or organization begins on the date the person or organization became an **Insured**.

This Policy applies to **Personal Injury, Property Damage, Public Official's Errors and Omissions, Employment Practices Claims, or Employee Benefits Wrongful Acts** arising out of an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period, in the Expanded Coverage Territory, subject to the following:

1. If a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** in the United States of America, we will pay on your behalf the **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated, which you become legally obligated to pay as **Damages**, to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period.
2. If a **Claim** is made and a **Suit** is brought for such **Occurrence** or **Wrongful Act** that is within the Expanded Coverage Territory but outside the United States of America, the **Insured** will initiate a defense of the **Claim** or **Suit** and we will indemnify the **Insured** for **Ultimate Net Loss** in excess of **your Retained Limit** hereinafter stated, which you become legally obligated to pay as **Damages**, to which this Policy applies caused by an **Occurrence** or a **Wrongful Act** that takes place during the Policy Period. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Policy may apply, and the **Insured** shall cooperate fully with us in such participation. If we exercise this right, we will do so at our own expense.
3. All payments or reimbursements we make for **Damages** because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the **Insured** became legally obligated to pay such sums.
4. The **Insured** must fully maintain any coverage required by law, regulation or other governmental authority during the policy period, except for reduction of the aggregate limits due to payment of **Damages**.

Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority was in full effect.

The following definition is added to **SECTION VII. DEFINITIONS: Expanded Coverage Territory** means anywhere in the world with the exception of any country or jurisdiction which is subject to trade or other economic sanction or embargo by the United States of America.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



Authorized Representative

October 11, 2013

Date



IRONSHORE SPECIALTY INSURANCE COMPANY

75 Federal St
Boston, MA 02110
Toll Free: (877) IRON411

ENDORSEMENT # 13

Policy Number: 000541303

Effective Date of Endorsement: July 01, 2013

Insured Name: California State University Risk Management Authority (CSURMA)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VIOLATION OF ECONOMIC OR TRADE SANCTIONS

This policy is amended as follows:

SECTION VIII. CONDITIONS is amended to include the following additional condition:

Violation of Economic or Trade Sanctions

If coverage for a claim or "suit" under this policy is in violation of any United States of America's economic or trade sanctions, laws, or regulations, including, but not limited to, sanctions, laws, and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC") then coverage for that claim or "suit" shall be null and void.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

Authorized Representative

October 11, 2013

Date



California State University Risk Management Authority

Property Program July 1, 2013 – July 1, 2014

Insurer: Public Entity Property Insurance Program (PEPIP) – Various Insurers

Policy No.: PEP1314-5

Named Cover Entity: California State University Risk Management Authority – Campuses

Covered Members:

- California State University, Bakersfield
- California State University, Chancellor's Office
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

Limits:

| | |
|-----------------|---------------------------------------------------------------|
| \$1,000,000,000 | Per Occurrence |
| \$50,000,000 | Flood Limit |
| \$100,000,000 | Boiler and Machinery Limit |
| Not Covered | Earthquake Shock - Per Occurrence and in the Annual Aggregate |
| \$2,000,000 | Cyber Liability – Annual Aggregate, Each Insured |
| \$20,000,000 | Cyber Liability – Annual Aggregate, Per Policy |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Property Program July 1, 2013 – July 1, 2014

Policy Basis:

- Loss Valuation - Replacement Cost
- Agreed Value - No Coinsurance
- Causes of Loss Covered - Special, including flood

JPA Per Occurrence Deductible:

\$1,000,000 Per Occurrence (Except SDSU & Campus 99) for each and every loss before exhaustion of the Annual Aggregate Pool Deductible amount unless a more specific deductible is applicable to a loss as noted in the Deductibles for Specific Perils and Coverages or Special Terms section below

JPA Aggregate Pool Deductible:

\$2,000,000 Annual Aggregate Pool Deductible (Except SDSU & Campus 99)

The following property/coverage losses DO or DO NOT erode the Annual Aggregate:

- Earthquake Losses DO NOT erode the Annual Aggregate
- Flood Losses DO NOT erode the Annual Aggregate
- Contractors Equipment DO erode the Annual Aggregate
- Vehicle Losses DO NOT erode the Annual Aggregate
- Animal Losses DO erode the Annual Aggregate
- Scheduled Fine Arts DO erode the Annual Aggregate
- Tees and Greens Losses DO erode the Annual Aggregate
- Watercraft Losses DO erode the Annual Aggregate
- Tax Interruption Losses DO erode the Annual Aggregate
- Wind & Hail Losses DO erode the Annual Aggregate
- Wildfires Losses DO erode the Annual Aggregate
- ISO CAT Losses DO erode the Annual Aggregate
- Wind (Tiers 1 & 2) Losses DO erode the Annual Aggregate

Member Deductibles:

| | |
|-------------|-----------------------------------------------------------------------------|
| \$100,000 | Per Occurrence – All Members (except as noted below) |
| \$1,000,000 | Per Occurrence – San Diego State University (SDSU) |
| \$5,000 - | Per Occurrence – Campus 99 (One File With Company) |
| \$100,000 | |
| \$250,000 | Flood - Zones A & V |
| \$100,000 | Flood - All Other Zones |
| \$50,000 | Flood – Fine Arts |
| \$10,000 | Flood – Vehicles and Contractors Equipment – Per Vehicle / Item |
| \$100,000 | Flood – Vehicles and Contractors Equipment – Maximum |
| \$100,000 | Primary Terrorism |
| \$500,000 | Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted) |
| \$100,000 | Primary Cyber |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



California State University Risk Management Authority

Property Program July 1, 2013 – July 1, 2014

Sub-limits:

| | |
|-------------------------|--------------------------------------------------------------------------------------------|
| \$100,000,000 | Combined Business Interruption, Rental Income, Tax Interruption |
| \$50,000,000 | Extra Expense |
| \$25,000,000 | Miscellaneous Unnamed Location |
| \$25,000,000 | Automatic Acquisition – <i>subject to policy limitations</i> |
| \$1,000,000 | Unscheduled Landscaping |
| 180 days | Extended Period of Indemnity |
| \$5,000,000 | Scheduled Landscaping |
| \$50,000,000 | Errors & Omissions |
| \$25,000,000 | Course of Construction and Additions |
| \$2,500,000 | Money & Securities |
| \$2,500,000 | Unscheduled Fine Arts |
| \$250,000 | Accidental Contamination |
| \$500,000 | Tunnels, Bridges, Streets |
| \$25,000,000 | Increased Cost of Construction |
| \$25,000,000 | Transit |
| \$2,500,000 | Unscheduled Animals; \$50,000 per Animal |
| \$2,500,000 | Unscheduled Watercraft; up to 27 feet |
| \$25,000,000 | Off Premises Services Interruption including Extra Expense |
| \$3,000,000 | Contingent Business Interruption, Contingent Rental Values |
| \$5,000,000 | Earthquake for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts |
| \$5,000,000 | Flood for Licensed Vehicles, Unlicensed Vehicles, Contractors Equipment and Fine Arts |
| \$1,000,000 | Claim Preparation Expenses |
| \$50,000,000 | Expediting Expenses |
| \$500,000 | Furs, Jewelry, Precious Metals and Precious Stones |
| \$300,000,000 | Terrorism Per Member |
| \$800,000,000 | Terrorism Annual Aggregate (shared by all members) |
| \$1,000,000 | Personal Property Outside the U.S.A. |
| Not Covered | Upgrade to Green Coverage |
| \$2,500,000 | Unscheduled Research Animals for Universities & Institutions of Higher Learning |
| Included in BI Sublimit | Business Interruption extended to include intuition fees |

Boiler & Machinery Sub-Limits:

| | |
|--------------|----------------------|
| \$10,000,000 | Water Damage |
| \$10,000,000 | Media Coverage |
| \$10,000,000 | Consequential Damage |
| \$10,000,000 | Utility Interruption |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Property Program July 1, 2013 – July 1, 2014

Valuation:

- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor's Equipment/Vehicles either Replacement Cost or Actual Cash Value as declared by each member. If not declared, valuation will default to Actual cash value

Exclusions (including but not limited to):

- Seepage & Contamination - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*
- Cost of Clean-up for Pollution - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*
- Mold - *unless otherwise provided by the Pollution Liability Coverage per the Summary attached*

Claims Administrator:

First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 / Fax: (415) 403-1466

Bob Frey, First Vice President, Claims Manager
Voice: (415) 403-1445 / Email: rfrey@alliant.com

Diana Walizada, Assistant Vice President, Claims Unit Manager
Voice: (415) 403-1453 / Email: dwalizada@alliant.com

cc.

McLaren's Young International Claims Services
1301 Dove St., Suite 200
Newport Beach, CA 92660

Cathryn O'Meara
Voice: (949) 757-1413 / Fax: (949) 757-1692
Email: cathryn.omeara@mclarensyoung.com

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



California State University Risk Management Authority

Boiler & Machinery Program July 1, 2013 – July 1, 2014

Insurer: Public Entity Property Insurance Program (PEPIP) – Various Insurers

Policy No.: 017471590

Named Cover Entity:
California State University Risk Management Authority – Campuses

Limits:

- \$100,000,000 Boiler Explosion and Machinery Breakdown as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:
 - Included Jurisdictional and Inspections
 - \$10,000,000 Per Occurrence for Service/Utility/Off Premises Power Interruption
 - Included Per Occurrence for Consequential Damage/Perishable Goods/Spoilage
 - \$10,000,000 Per Occurrence for Electronic Data Processing Media and Data Restoration
 - \$10,000,000 Per Occurrence for Hazardous Substances/Pollutants/Decontamination
 - Included Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes
 - \$25,000,000 Automatic Acquisition for Boiler & Machinery values at newly acquired locations

Policy Basis: Repair or Replacement except Actual Loss sustained for all Time Element coverages

Name Insured Clause:
Named Insured covers entities you acquire or in which you have 50% or more ownership or contractual control prior to loss

Deductibles:

- \$100,000 Except as shown for Specific Objects or Perils
- \$100,000 Electronic Data Processing Media
- \$100,000 Consequential Damage
- \$100,000 Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 sq ft of heating surface
- \$100,000 Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 sq ft of heating surface
- \$100,000 Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 sq ft of heating surface
- \$250,000 Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 sq ft of heating surface
- \$350,000 Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 sq ft of heating surface

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Boiler & Machinery Program July 1, 2013 – July 1, 2014

| | |
|------------------------------------|----------------------------------------------------------------------------------------------------------|
| \$10 per foot / \$2,500 Minimum | Deep Water Wells |
| 24 hours | Business Interruption/Extra Expense Except as noted below |
| 30 days | Business Interruption – Revenue Bond |
| 24 hours | Waiting Period – Utility Interruption |
| 5 x 100% of Daily Value | Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 sq ft Heating Surface |
| 5 x 100% of Daily Value | Business Interruption – All Objects at Waste Water Treatment Facilities & All Utilities |

Exclusions (including but not limited to):

- Testing
- Explosion, except for steam or centrifugal explosion
- Explosion of gas or unconsumed fuel from furnace of the boiler

Objects Excluded (Including but not limited to):

- Insulating or refractory material
- Buried Vessels or Piping
- Furnace, Oven, Stove, Incinerator, Pot Kiln

Claims Administrator:

First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

Alliant Insurance Services, Inc.
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7695 / Fax: (415) 403-1466

Bob Frey, First Vice President, Claims Manager
Voice: (415) 403-1445 / Email: rfrey@alliant.com

Diana Walizada, Assistant Vice President, Claims Unit Manager
Voice: (415) 403-1453 / Email: dwalizada@alliant.com

cc.

McLaren's Young International Claims Services
1301 Dove St., Suite 200
Newport Beach, CA 92660
Attn: Cathryn O'Meara
Voice: (949) 757-1413 / Fax: (949) 757-1692
Email: cathryn.omeara@mclarensyoung.com

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Cyber Risk Liability (with PEPiP) July 1, 2013 – July 1, 2014

Insurer: Lloyd’s of London - Beazley Syndicate: Syndicates 2623 - 623 - 100%

Named Cover Entity: California State University Risk Management Authority – Campuses

Coverage Program: Information Security & Privacy Insurance with Electronic Media Liability Coverage

**Alliant Property Insurance Program (APIP) inclusive of
Public Entity Property Insurance Program (PEPIP)**

Retroactive Date: July 1, 2008 California State University and CSU Auxiliary Organizations

Limits:

| | |
|--------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Third Party Liability</i> | <p>Ai. \$20,000,000 Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following sub-limits as noted</p> <p>Aii. \$2,000,000 Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:</p> <p>B. \$500,000 Annual Policy Aggregate Limit of Liability for each Insured / Member Privacy Notification Costs coverage. Limit is \$1,000,000 if Beazley vendor services are used</p> <p>C. \$2,000,000 Annual Policy Aggregate Limit of Liability for each Insured / Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties PCI Fines and Penalties coverage added with sub-limit of \$100,000.</p> <p>D. \$2,000,000 Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)</p> <p>E. \$2,000,000 Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss</p> |
| <i>First Party Computer Security</i> | <p>F. \$2,000,000 Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss</p> <p>G. First Party Business Interruption Sub-Limits of Liability for each Insured/Member</p> <p style="margin-left: 40px;">\$50,000 1) Hourly Sublimit</p> <p style="margin-left: 40px;">\$50,000 2) Forensic Expense Sublimit</p> <p style="margin-left: 40px;">\$150,000 3) Dependent Business Interruption Sublimit.</p> |

The sub-limits of liability displayed above in Items B, C, D, E, F and G are part of, and not in addition to, the overall Annual Aggregate Limit of Liability for each Insured/Member (Item Aii)

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Cyber Risk Liability (with PEPiP) July 1, 2013 – July 1, 2014

Retention:

| | |
|-----------|--------------------------------------------------------------------------------------------|
| \$25,000 | CSU Auxiliary Organizations Only |
| \$50,000 | Per Occurrence for each Insured/Member with TIV up to \$500,000,000 at the time of loss |
| \$100,000 | Per Occurrence for each Insured/Member with TIV greater than \$500,000,000 at time of loss |
| 8 hours | Waiting period for first party claims |

| | |
|----------------------------|--------------------------------------|
| Coinsurance for | 10% For Public Relations Consultancy |
| Specific Coverages: | 10% For Credit File Monitoring |

Notice: **Policy coverage sections I.A - Information Security & Privacy Liability, I.B.- Privacy Notification Costs and I.C.-Regulatory Defense & Penalties of this policy provide coverage on a claims made and reported basis; except as otherwise provided, coverage under these insuring agreements applies only to claims first made against the insured and reported to underwriters during the policy period.** Claims expenses shall reduce the applicable limit of liability and are subject to the applicable retention.

SPECIFIC COVERAGE PROVISIONS:

- A. **Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for:
- Theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member
 - Acts or incidents that directly result from the failure of computer security to prevent a security breach including:
 - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
 - Failure to prevent transmission of malicious code from computer systems to third party computer systems
 - Participation in a denial of service attack directed against a third party computer system
 - The failure to timely disclose any of the above in violation of any breach notice law
 - The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
- The failure to administer an identity theft prevention program

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Cyber Risk Liability (with PEPiP)

July 1, 2013 – July 1, 2014

- B. Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
- To hire security experts
 - Notification provisions
 - Public relations mitigation up to \$50,000 subject to 10% coinsurance
 - Credit monitoring for the purpose of mitigating potential damages and are subject to 10% coinsurance
 - Credit file monitoring
 - Mailing and third party administrative costs
- C. Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.
- D. Website Media Content Liability** (occurrence based) days on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
- Defamation, libel, slander, trade libel
 - Privacy violation
 - Invasion or interference with publicity
 - Plagiarism, piracy, misappropriation of ideas under implied contract
 - Infringement of copyright
 - Infringement of domain name, trademark
 - Improper deep-linking or framing within electronic content
- E. Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.
- F. First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.
- G. First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.

Exclusions (including but not limited to):

Coverage does not apply to any claim or loss from

- Bodily Injury or Property Damage
- Any employer-employee relations, policies, practices
- Contractual Liability or Obligation
- Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- Anti-Trust violations

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Cyber Risk Liability (with PEPiP) July 1, 2013 – July 1, 2014

- Unfair trade practices
- Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- Distribution of unsolicited e-mails, facsimile, audio or video recording
- Prior knowledge or previously reported incidents
- Incidents occurring prior to retroactive date/continuity date
- Any act, error, omission, of computer security if occurred prior to policy inception
- Collusion
- Securities Act Violations
- Fair Labor Act Violations
- Discrimination
- Intentional Acts with regard to Privacy and Security Breach
- Infringement - Patent and Copyright
- Federal Trade Commission and related state, federal, local and foreign governmental activities
- Insured vs. Insured
- Money/Securities/Funds Transfer
- Broadcasting, Publications and Advertising
- War and Terrorism
- Radioactive

Other Services Unlimited Access to e-Place Solutions as per attached brochure

Claims Reporting:

IMMEDIATE NOTICE must be made to Beazley NY of all potential claims and circumstances (assistance, and cooperation clause applies)

Claim notification under this policy is to:

Beazley Group

Attn: Beth Diamond

1270 Avenue of the Americas

New York, NY 10020

tmbclaims@beazley.com

Alliant Insurance Services, Inc.

100 Pine Street, 11th Floor

San Francisco, CA 94111-5101

Attn: Rob Frey, First Vice President, Claims Manager

Direct: (415) 403-1445 / Cell:(415) 518-8490 After hours

Fax: (415) 403-1466

E-mail: rfrey@alliant.com

Attn: Elaine G. Kim, Claims Advocate

Voice: (415) 403-1458

Fax: (415) 403-1466

Email: ekim@alliant.com

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California State University Risk Management Authority

POLICYHOLDER SERVICES

NEW SERVICES INCLUDE

- Training and Awareness Programs
- Animated Staff Training Programs
- Expanded HIPAA Compliance Tools

DATA SECURITY RISK MANAGEMENT

NoDataBreach.com provides risk management policies, procedures, training, and other tools to help insureds prevent a breach of confidential data.

As a Beazley Breach Response® policyholder, you have unlimited access to:

ON-LINE COMPLIANCE MATERIALS

Federal and state compliance materials regarding data security, data breaches, and data privacy, including:

- Quick Tips on many subjects; Summaries of federal/state laws
- Links to statutes & regulations; Sample policies & procedures
- Continuing updates and electronic notification of significant changes to the on-line materials

QUARTERLY NEWSLETTER & "INSTANT ALERTS"

Sent by email, learn about changes in federal and state laws regarding data security, data breach, and data privacy issues; Instant Alerts sent by email for events require immediate attention.

EXPERT SUPPORT ON-LINE

Experts support from consultants/attorneys on data security issues; including:

- Health care & HIPAA compliance issues
- Data breach prevention issues
- Data Security best practices
- Computer forensic issues

STEP-BY-STEP PROCEDURES TO LOWER RISK

Procedures and on-line forms help you:

- Understand the scope of "personal information" ("PI")
- Determine where PI is stored
- Collect and/or retain the minimum amount of PI as required for business needs
- Properly destroy PI that is no longer needed
- Implement an Incident Response Plan

TRAINING MODULES

- Comic Strip training
- Online training programs; Employee training bulletins
- Webinars for privacy compliance and IT staff
- Audio and PodCast training for managers and/or employees

HANDLING DATA BREACHES

Guidance provided to:

- Help prevent data security incidents
- Respond to a data breach



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California State University Risk Management Authority

Public Entity Pollution Liability July 1, 2013 – July 1, 2014

Insurer: Public Entity Property Insurance Program (PEPIP) – Various Insurers

Covered Entity: California State University Risk Management Authority - Campuses

Covered Location:

1. As per schedule on file with the insurer.
2. Any properly permitted and licensed non-owned disposal sites that has not been identified by the United States EPA National Priorities List, and is not undergoing voluntary or regulatory required remediation at the time the waste was received for disposal

Covered Operations:

Covered operations means transportation and any operations that are identified in the application and any supporting documentation provided prior to the inception date, which are performed by or on behalf of a named insured outside the physical boundaries of a covered location. Includes spraying operations, street construction and repair, utility construction and repair, and refuse collection

Retroactive Date: Policy Inception

Coverage:

1. Coverage A – New Pollution Conditions: First and third party bodily injury, property damage, remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date
2. Coverage B – New Pollution Conditions From Covered Operations: Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date
3. Blanket Non-Owned Disposal Site (NODS) coverage, third party trigger only
4. First and third party transportation of waste

Limits:

Tier 1 Entities with less than \$500,000,000 in total insurable values

\$500,000 Per Pollution Condition
\$500,000 Per Member Aggregate
\$200,000 Fungi & Legionella Sublimit

Tier 2 Entities with more than \$500,000,000 in total insurable values

\$1,000,000 Per Pollution Condition
\$1,000,000 Per Member Aggregate
\$200,000 Fungi & Legionella Sublimit

\$25,000,000 Policy Aggregate

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Public Entity Pollution Liability July 1, 2013 – July 1, 2014

Self-Insured Retention:

- Tier 1 Entities with less than \$500,000,000 in total insurable values*
- \$ 50,000 Per Pollution Condition
 - \$750,000 Underground Storage Tanks Specific
 - \$10,000 In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10,000 SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply
- Tier 2 Entities with more than \$500,000,000 in total insurable values*
- \$100,000 Per Pollution Condition
 - \$750,000 Underground Storage Tanks Specific
 - \$10,000 In the event that a loss concurrently triggers both, the Insured's Property policy and this Premises Pollution Liability policy, then a \$10,000 SIR for "fungi" shall apply. If the Property policy is NOT triggered, then the standard insured-specific SIR, as identified on the Dec Page, shall apply

Exclusions:

1. Asbestos and Lead Based Paint – *Third party coverage available with approved ACM/LBP management plan*
2. Contractual Liability
3. Divested Property
4. Employer's Liability
5. Failure to Follow Asbestos and/or LBP Management Plan
6. Fines and Penalties
7. First Party Property Damage – *Does not apply to remediation costs*
8. Fraud or Misrepresentation
9. Insured's Internal Expenses
10. Insured vs. Insured
11. Intentional Non-Compliance
12. Landfills, Recycling Facilities, Ports or Airports – *leased, owned or operated*
13. Legionella
14. Material Change in Risk
15. Naturally Occurring Materials
16. Pre-Existing Conditions
17. Products Liability
18. Professional Liability
19. Regulatory Compliance
20. Work Product
21. Airports
22. Ports

Public Entity Pollution Liability July 1, 2013 – July 1, 2014

Endorsements:

1. Named Insureds Schedule
2. Per Named Insured Aggregate Sublimit
3. Per Named Insured SIR
4. Automatic Acquisition and Due Diligence
5. Schedule of Excluded Members of PEP/IP
6. Policy Modification – Property / Liability Mold Specific SIR of \$10,000
7. Covered Locations Amendatory
8. Port, Airport, Oil/Gas Producing Property Exclusion - *Exclusion for any port or airport. However, ports, airports, oil/gas producing properties may be submitted for UW review on a one-off basis. In the event that a port, airport, oil or gas producing property is scheduled onto the PEP/IP policy, such facility may not be subject to the same coverage terms or rates.*
9. Definitions Amendatory Endorsement - *Solely with respect to “fungi”, the definition of “remediation costs” shall not include restoration costs*

Additional Information:

1. The insurance afforded by this Policy shall apply in excess of and shall not contribute with any other such insurance
2. Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess
3. Underlying SIR shall erode the SIR on this policy, subject to the minimum SIR reflected on the Dec Page
4. Value-Added Engineering Package
 - ❖ Mold Awareness Training
 - ❖ **Unit Count 1** - Mold Awareness Training by ESIS personnel. Must be completed at one central location, or via webinar
 - ❖ Due Diligence Program Overview
 - ❖ **Unit Count 50** – Up to 50 First Search Reports (Governmental Database Reports)
 - ❖ ACM/LBP Plan
 - ❖ **Unit Count 1** – Creation of ACM and LBP Plans. One report will be created so that the Insured may disseminate throughout the rest of the PEP/IP Program members.
 - ❖ Mold O&M Plan
 - ❖ **Unit Count 1** - Creation of a Water Intrusion and Mold Mitigation Plan. One report will be created so that the Insured may disseminate throughout the rest of the PEP/IP Program members



Public Entity Pollution Liability July 1, 2013 – July 1, 2014

Claims Administrators:

Written notice of any claim or pollution condition within 7 days of discovery. Concurrently, please send to:

1) ACE USA Claims

P.O. Box 5103
Scranton, PA 18505-0510
Environmental Emergency: 888-310-9553
(800) 951-4119 (Fax)
CasualtyRiskEnvironmentalFirstNotice@acegroup.com

2) Robert Frey

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1445
415-402-0773 – fax
rfrey@alliant.com

3) Elaine Kim

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101
415-403-1458
415-402-0773 – fax
ekim@alliant.com

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PEPIP USA FORM No. 9
MASTER POLICY WORDING

COVERAGE INCEPTING
FROM JULY 1, 2013 TO JULY 1, 2014

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SECTION I

GENERAL PROVISIONS

A. INSURING AGREEMENT

In consideration of the premium paid by the Insured to the Company, the Company agrees to insure the following per the terms and conditions herein.

B. NAME OF INSURED

As per Declaration page and its member(s), entity(ies), agency(ies), organization(s), enterprise(s) and/or individual(s) for whom the Named Insured is required to provide coverage, as so named in the "Named Insured – Member Schedule" attached to this policy and/or on file with Alliant Insurance Services, Inc., as their interests may appear which now exist or which hereafter may be created or acquired and which are owned, financially controlled or actively managed by the herein named interest, all jointly, severally or in any combination of their interests, for account of whom it may concern.

Lessors and other party(ies) of interest in all property of every description covered hereunder are included herein as Insured's for their respective rights and interests, it being understood that the inclusion hereunder of more than one covered party shall not serve to increase the Company's limit of liability.

Mortgagees to whom certificates of coverage have been issued are covered hereunder as Insured's in accordance with the terms and conditions of Form 438 BFU NS, CP12 18 1091, or equivalent as required by the mortgagee.

C. MAILING ADDRESS OF INSURED

AS PER DECLARATION PAGE

D. POLICY PERIOD

AS PER DECLARATION PAGE

E. LIMITS OF LIABILITY

Subject to specific exclusions, modifications, and conditions hereinafter provided, the liability of the Company in any one occurrence regardless of whether one or more of the coverages of this Policy are involved shall not exceed:

1. SPECIFIC LIMITS OF LIABILITY

The Specific Limits of Liability as described in the Declaration Page apply per occurrence unless indicated otherwise.

2. SUB-LIMITS OF LIABILITY

The following sub-limits of liability are provided as described in the Declaration Page and apply per occurrence unless indicated otherwise. Coverage is provided only if a sub-limit of liability is shown in the Declaration Page for that item, and do not increase the specific limits of liability. The absence of a sub-limit of liability amount in the Declaration Page means that no coverage is provided for that item.

- a. Per occurrence, and in the annual aggregate as respects the peril of flood (for those member(s) / entity(ies) that participate in this optional dedicated coverage);
- b. Per occurrence, and in the annual aggregate as respects the peril of earthquake shock for those member(s) / entity(ies) that participate in this optional dedicated coverage;
- c. Combined Business Interruption, Rental Income, Tax Interruption and Tuition income (and related fees) ;
- d. Extra Expense;
- e. Miscellaneous Unscheduled Property;
- f. Automatic Acquisition. As per policy provisions;
- g. Unscheduled Landscaping, tees, sand traps, greens and athletic fields if specific values for such items have not been reported as part of the member(s) / entity(ies) schedule of values held on file with Alliant Insurance Services, Inc;
- h. Scheduled Landscaping, tees, sand traps, greens and athletic fields if specific values for such items have been reported as part of the Member(s) / Entity(ies) schedule of values held on file with Alliant Insurance Services, Inc;
- i. Errors & Omissions;
- j. Course of Construction and Additions;
- k. Money and Securities for Fire, Wind, Hail, Explosion, Smoke, Lightning, Riot, Civil Commotion, Impact by Aircraft or Objects falling there from, Impact by Vehicles, Water Damage and Theft (other than by an employee of the member(s) / entity(ies));
- l. Prize Giveaways solely as respects member(s) / entity(ies) that participate in this optional coverage;
- m. Unscheduled Fine Arts (as more fully defined herein);
- n. Accidental Contamination including owned land, land values and water owned by the member(s) / entity(ies);
- o. Unscheduled Tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, street lights and traffic signals unless specific values for such items have been reported as part of a member(s) / entity(ies) schedule of values held on file in the offices of Alliant Insurance Services, Inc. excluding Federal Emergency Management Agency (F.E.M.A.) and/or any State Office of Emergency Services (O.E.S.) declared disasters;
- p. Increased Cost of Construction due to the enforcement of building codes / ordinance or law. As per policy provisions;
- q. Transit;
- r. Unscheduled Animals;
- s. Unscheduled Watercraft; up to 27 feet. Unscheduled watercraft over 27 feet if held for sale by the insured.
- t. Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated location(s);
- u. Separately as respects Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Value, and Contingent Tuition Income;
- v. Per occurrence and in the annual aggregate as respects the peril of Earthquake Shock for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all member(s) / entity(ies) of this declaration combined that do not purchase optional dedicated Earthquake Shock coverage, and/or where specific values for such items are not covered for optional dedicated Earthquake Shock coverage as part of the member(s) / entity(ies) schedule of values held on file with Alliant Insurance Services, Inc.;

- w. Per occurrence and in the annual aggregate as respects the peril of Flood for licensed vehicles, unlicensed vehicles, contractors equipment and fine arts combined for all member(s) /entity(ies) of this declaration combined that do not purchase optional Flood coverage, and/or where specific values for such items are not covered for optional dedicated Flood coverage as part of the member(s) / entity(ies) schedule of values held on file with Alliant Insurance Services, Inc.;
- x. Claim Preparation Expenses;
- y. Expediting Expenses;
- z. Separately as respects furs, jewelry, precious metals and precious stones;
- aa. Business Interruption for Power Generation Facilities, which is understood to be part of and not additional to the sublimit of liability set forth in Item 2 c. above;
- ab. Terrorism;
- ac. Personal Property outside the U.S.A.;
- ad. Boiler Explosion and Machinery Breakdown (for those member(s) / entity(ies) that participate in this optional dedicated coverage).

F. OPTIONAL COVERAGE PARTICIPATION

It is understood and agreed that certain Insured's participate in Optional Coverage on this Policy as set forth below.

OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. Licensed Vehicles – Off Premises
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion & Machinery Breakdown
6. Terrorism Risk Insurance Act of 2002

Such participation in the optional coverage(s) by the Insured is indicated in the Declaration Page, and/or by endorsement to this policy.

G. DEDUCTIBLE PROVISIONS

If two or more deductible amounts provided in the Declaration Page apply for a single occurrence the total to be deducted shall not exceed the largest per occurrence deductible amount applicable.

Deductibles are shown on the Declaration Page, or by endorsement and may vary by member of a joint powers authority (JPA) or risk sharing pool (Pool), or the coverage part pertaining to the loss.

Unless a more specific deductible is applicable for a particular loss, the "Basic Deductible" shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable deductible.

The "JPA/Pool Basic Deductible" – when applicable will be in excess of a JPA or Pool member's deductible amount. The member's deductible amount will be agreed upon between the JPA or Pool and its members. The "JPA/Pool Basic Deductible" shown in the Declaration Page, shall apply per occurrence. The company will not pay for loss or damage in any one occurrence until the amount of the loss or damage exceeds the applicable constituent members' deductible and the "JPA/Pool Basic Deductible", until the "JPA/Pool Annual Aggregate Amount" is exhausted.

The "JPA/Pool Annual Aggregate Amount" - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as "JPA/Pool Basic Deductibles" above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the

“JPA/Pool Maintenance Deductible” indicated in the Declaration Page. As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.

“Vehicle Physical Damage deductible” - if Off-Premises coverage is included/purchased, the stated deductible will apply to vehicle physical damage both on and off premises on a per occurrence basis, unless otherwise stated. If “Off-Premises” coverage is not included, On-Premises/In-Yard coverage is subject to the All Risk Basic Deductible.

H. UNIT OF INSURANCE DEFINED

In the application of the Earthquake Shock, or specified Wind deductibles, in accordance with the provisions of this Policy, each of the following shall be considered a Separate Unit of Insurance:

1. Each Separate Building or Structure;
2. The Contents of each Building or Structure;
3. Applicable Time Element Coverage of each separate Building or Structure; and
4. Property in each Yard.

The Company shall not be liable for loss to any Unit of Insurance covered hereunder unless such loss exceeds the percentages stated in this Policy of the replacement values of such Unit of Insurance at the time when such loss shall happen, and then only for its proportion of such excess.

I. PRIORITY OF PAYMENTS

In the event of loss caused by or resulting from more than one peril or coverage, the limit of liability of the primary / underlying coverage shall apply first to the peril(s) or coverage(s) not insured by the excess layers and the remainder, if any, to the peril(s) or coverage(s) insured hereunder. Upon exhaustion of the limit of liability of the primary / underlying coverage, the excess layers shall then be liable for loss uncollected from the peril(s) or coverage(s) insured hereunder, subject to the limit of liability and the other terms and conditions as specified.

SECTION II

PROPERTY DAMAGE

A. COVERAGE

Subject to the terms, conditions and exclusions hereinafter contained, this Policy insures all property of every description both real and personal (including improvements, betterments and remodeling), of the Insured, or property of others in the care, custody or control of the Insured, for which the Insured is liable, or under the obligation to insure.

B. EXTENSIONS OF COVERAGE

All coverage extensions are subject to the terms, conditions and exclusions of the policy except insofar as they are explicitly providing additional coverage.

1. PERSONAL EFFECTS

This Policy is extended to cover only such personal effects and wearing apparel of any of the officials, employees, students and personal effects of the Insured named in this Policy for which the Insured may elect to assume liability while located in accordance with the coverage hereof, but loss, if any, on such property shall be adjusted with and payable to the Insured.

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

It is understood and agreed that as respects course of construction projects and additions, this Policy will provide automatic coverage subject to the following conditions:

- a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).
- b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

Additional Expenses - Soft Costs: This extension applies to new buildings or structures in the course of construction up to the time that the new building(s) or structure(s) is initially occupied or put to its intended use whichever occurs first.

The Company will cover the additional expenses (soft costs) of the Insured as defined below for up to 25% of the estimated completed value of the project which results from a delay in the completion of the project beyond the date it would have been completed had no loss or damage occurred. The delay must be due to direct physical loss or damage to property insured and be caused by or result from a peril not excluded by this Policy. The Company will pay covered expenses when they are incurred.

- a. **Additional Interest Coverage** – The Company will pay the additional interest on money the Insured borrows to finance construction or repair.
- b. **Rent or Rental Value Coverage** – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the

Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

- c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Insured incurs for the period of time that construction is extended beyond the completion date.
- d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.
- e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.
- f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.
- g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.
- h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Insured incurs as a result of a delay in the completion of the project.

3. FIRE FIGHTING EXPENSES

It is understood and agreed that the Company shall be liable for the actual charges of fire fighting expenses including but not limited to those charged by municipal or private fire departments responding to and fighting fire in / on, and/or protecting property included in coverage provided by this Policy.

4. OFF PREMISES SERVICES INTERRUPTION

It is understood and agreed that coverage under this Policy is extended to include physical damage, business interruption loss and/or extra expense incurred and/or sustained by the Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period of any suppliers furnishing heat, light, power, gas, water, telephone or similar services to an Insured's premises. The coverage provided by this clause is sublimited to USD as per Declaration Page, and Section 1 (General Provisions) of this form.

5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES

This Policy also insures as a direct result of physical loss or damage insured hereunder, any of the following:

- a. Architects and engineers fees
- b. Loss adjustment expenses including, but not limited to, auditors, consultants and accountants. However, the expenses of public adjusters are specifically excluded.

6. EXPEDITING EXPENSES

In the event of physical loss or damage insured hereunder, it is understood and agreed that coverage under this Policy includes the reasonable extra cost of temporary repair and of expediting the repair of such damaged property of the Insured, including overtime and the extra costs of express or other rapid means of transportation. This coverage provided by this clause is sublimited to USD as per the Declaration Page.

7. DEBRIS REMOVAL

This Policy also covers expenses incurred in the removal of debris of the property covered hereunder from the premises of the Insured that may be destroyed or damaged by a covered peril(s). This debris removal coverage does not apply to the cost to extract pollutants from land or water, or to remove, restore or replace polluted land or water.

8. BUILDING LAWS

This Policy is extended to include physical damage, business interruption loss, loss of interest and/or extra expense incurred and/or sustained by the Insured as a result of physical damage to or destruction of property, by the perils insured against occurring during the policy period and occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs, which necessitates the demolition of any portion of the covered building not damaged by the covered peril(s).

The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

The Company shall not be liable under this clause for more than the limit of liability as shown elsewhere in this Policy.

9. DEMOLITION COST

In the event of physical damage to property insured by a covered peril, this policy is extended to cover the cost of demolishing any undamaged portion of the covered property including the cost of clearing the site thereof, caused by loss from any covered peril(s) under this Policy and resulting from enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time of loss which necessitates such demolition.

10. INCREASED COST OF CONSTRUCTION

In the event of physical damage to property insured by a covered peril this Policy is extended to cover the increased cost of repair or replacement occasioned by the enforcement of any local or state ordinance or law including written guidelines used by the department of corrections in any state regulating the construction, repair or demolition of buildings or structures, which is in force at the time such a loss occurs or which comes into force within 6 months after such a loss occurs, which necessitates in repairing or replacing the building covered hereunder which has suffered damage or destruction by the covered peril(s) or which has undergone demolition, limited, however, to the minimum requirements of such ordinance or law.

The maximum amount of additional loss insured by this policy which results from the above referenced 6 month period is not to exceed 20% of the amount of the physical damage loss or USD25,000,000 whichever is greater from which this additional loss results.

11. ERRORS & OMISSIONS

No unintentional errors or unintentional omissions in description, location of property or valuation of property will prejudice the Insured's right of recovery but will be reported to the Company as soon as practicable when discovered. The coverage provided by this clause is sublimited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E of this form. This extension does not increase any more specific limit stated elsewhere in this policy or Declaration.

12. ANIMALS

This policy is extended to cover retraining expenses associated with the loss of specially trained animals. Retraining expenses are included within the sublimit provided, unless otherwise scheduled.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals, or other institutions of learning the following shall apply:

This policy is extended to cover physical loss or damage to animals used for research subject to applicable exclusions under Section IV (General Conditions) B. Exclusions.

13. VALUABLE PAPERS

This policy is extended to cover Valuable Papers or the cost to reconstruct valuable papers (including but not limited to research, redrawing or duplicating) physically lost or damaged by a peril insured against during the term of this Policy.

14. TRANSIT

This policy is extended to cover Personal Property of the Insured or property held by the Insured in trust or on commission or on consignment for which the Insured may be held legally liable while in due course of transit, worldwide, against all risks of Direct Physical Loss or Damage not excluded by this Policy to the property insured occurring during the period of this Policy.

The coverage provided by this clause is sublimited to USD as per Declaration Page, and Section 1 (General Provisions) Clause E. of this form.

15. VEHICLES WHILE ON INSURED PREMISES

This policy is extended to cover vehicles while on premises of the Insured against physical loss or damage by a peril insured against during the term of this Policy.

16. ASBESTOS CLEAN UP AND REMOVAL

This policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this policy.

In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Insured's property must be removed or modified, or;

any loss or expense including investigation or defense costs, caused by, resulting from, or arising out of asbestos, exposure to asbestos, or any product containing asbestos, or;

any loss or expense normally provided by demolition, increased cost or building ordinance.

The Insured must report to Underwriters the existence of the damage as soon as practicable after the loss. However, this Policy does not insure any such damage first reported to the Underwriters more than thirty six (36) months after the expiration, or termination, of this policy.

17. PROTECTION AND PRESERVATION OF PROPERTY

In the event of loss likely to be covered by this Policy, the Insured shall endeavor to protect covered property from further damage and shall separate the damaged and undamaged personal property and store in the best possible order, and shall furnish a complete inventory of the destroyed, damaged and undamaged property to the Insurer.

In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.

Due to the unique nature of Health Care Facilities and Jails where it is deemed necessary to evacuate patients or inmates from the premises in order to reduce the physical loss potential from an actual or imminent loss or damage by a peril not excluded herein, all terms and conditions of this clause will apply to the expenses incurred as a result of the evacuation.

18. LEASEHOLD INTEREST

In the event of physical loss or damage of the type insured against by this Policy to real property of the type insured this Policy, which is leased by the Insured, this Policy is extended to cover:

- (1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Insured for the actual rent payable for the unexpired term of the lease; or
- (2) If as a result of such loss or damage the property becomes partially untenable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Insured for the proportion of the rent applicable thereto; or
- (3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the

Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

- (1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured's lease.
- (2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

This Policy is automatically extended to insure additional property and/or interests as described in this Policy, which may be acquired or otherwise become at the risk of the Insured, during the Policy Term, within the United States of America, subject to the values of such additional property and/or interests not exceeding USD25,000,000 or member's Policy Limit of Liability if less than USD25,000,000 any one acquisition excluding licensed vehicles, for which a limit of USD10,000,000 applies or member's Policy Limit of Liability if less than USD10,000,000. Additionally a sublimit of \$2,500,000 applies to Tier 1 wind counties, parishes and independent cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii.

If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V. In the event that coverage for Flood for any location situated in Flood Zones A or V is required, it is to be agreed by the Company prior to attachment hereunder.

This coverage extension does not apply to the peril of Earthquake Shock in the States of California, or Alaska except as follows:

- (1) At Policy inception, for those members that purchase the earthquake shock peril, per the sublimit that appears on the Declaration Page, automatic coverage applies for the peril of earthquake shock for a period of 30 days from date of contractual requirement by any bond, certificate of participation or any similar investment, for any new locations where there is such a contractual requirement to provide earthquake shock coverage. Otherwise there is no Automatic Coverage for Earthquake Shock for any other new locations in California and Alaska.

In the event of coverage being required for additional property and/or interest where the value exceeds USD25,000,000 or member's Policy Limit of Liability if less than USD25,000,000 any one acquisition details of said property and/or interest are to be provided to the Company for its agreement not later than ninety (90) days from the date of the said additional property and/or interest have become at the risk of the Insured, this Policy providing coverage automatically for such period of time up to a maximum limit of USD100,000,000 or member's Policy Limit of Liability if less than USD100,000,000. The Company retains the right to determine the acceptability of all such property(ies). Additional premium will be calculated from the date of acquisition.

In the event that the Insured fails to comply with the above reporting provision, then coverage hereunder is sublimited to USD25,000,000 or member's Policy Limit of Liability if less than USD25,000,000 any one occurrence.

Additional, or return premium due for endorsements issued during the policy term, such as those for additions or deletions of values within or greater than as that which is provided in any "Automatic Acquisition sublimit" (including those for existing members, new members to the PEP program, or new members to existing JPA members) will be processed on a quarterly basis. Issuance of the endorsements and calculation of pro-rata or return premium, for these changes will be processed as of, and at the time of the transaction.

20. MISCELLANEOUS UNNAMED LOCATIONS

Coverage is extended to include property at location (including buildings or structures, owned, occupied or which the Insured is obligated to maintain insurance). Located within the territorial limitations set by this policy. Coverage provided by this clause is limited to any sublimit noted on the Declaration Page attached to this form, and by terms and conditions of this policy form. This coverage extension does not apply to the peril of Earthquake Shock in the states of California, or Alaska. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

21. ACCIDENTAL CONTAMINATION

This Policy is hereby extended to cover Business Interruption and Property Damage loss as a result of accidental contamination, discharge or dispersal from any source to Covered Property, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property to the same condition as existed prior to loss. The coverage provided is sublimited to USD as per Declaration page.

If such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.

For the purposes of this Accidental Contamination clause only, the term "Covered Property", as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located whether or not the same are excluded by this Policy.

It is further understood and agreed that this coverage clause shall not override anything contained in Asbestos Clean Up and Removal in this Policy.

22. TERRORISM COVERAGE

This insurance includes physical loss or damage directly caused by any "act of terrorism".

Coverage is limited to:

- a. USD 100,000,000 per member(s) / entity(ies) of declaration number 1 to 14, 18, 19, 20, 21, 26, 27, 28, 29, 30, 32, 33 and 34 per occurrence subject to USD200,000,000 in the annual aggregate which shared by all member(s) /

entity(ies) of declaration numbers 1 to 14, 18, 19, 20, 21, 26, 27, 28, 29, 30, 32, 33 and 34 combined; and

Upon erosion of the above annual aggregate limit(s), the provisions of exclusion 20 within the General Conditions shall apply.

C. PROPERTY NOT COVERED

Except as for that which may be provided as an Extension of Coverage, this policy does not cover:

1. Aircraft, watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.
2. Standing timber, bodies of water, growing crops.
3. Land (including land on which covered property is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).
4. Property in due course of ocean marine transit.
5. Shipment by mail after delivery into the custody of the United States Post Office.
6. Power transmission lines, feeder lines and underground pipes more than 1,000 feet from the premises of the Insured unless specifically approved by the Company.
7. Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sublimit terms provided on the Declaration Page.
8. Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Insured.

D. LOSS PAYMENT BASIS / VALUATION

In case of loss to property of an Insured covered hereunder, the basis of adjustment shall be as of the time and place of loss as follows:

1. On all real and personal property, including property of others in the care or control of the Insured at the replacement cost (as defined below) at the time of the loss without deduction for depreciation. If property is not replaced within a reasonable period of time, then the actual cash value shall apply.
2. On improvements and betterments at the replacement cost at time of loss without deduction for depreciation. If property is not repaired or replaced within a reasonable period of time, then the actual cash value shall apply. If replaced or repaired by others for the use of the Insured, there shall be no liability hereunder. The Company agrees to accept and consider the Insured as sole and unconditional owner of all improvements and betterments, any contract or lease the Insured may have made to the contrary notwithstanding.
3. On manuscripts, mechanical drawings, patterns, electronic data processing media, books of accounting and other valuable papers, the full replacement cost of the property at the time of loss (including expenses incurred to recreate the information lost, damaged or destroyed, except as may be limited by any separate policy provision) or what it would then cost to repair, replace or reconstruct the property with other of like kind and quality. If not repaired, replaced or reconstructed within a reasonable period of time, then not to exceed the cost of blank or unexposed material.

4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings' historical significance without deduction for depreciation.
5. On property of others for which the Insured is liable under contract or lease agreement the Company's liability in the event of loss is limited to the Insured's obligation as defined in said contract or lease agreement but not to exceed the replacement cost.
6. On library contents, at replacement cost, or as follows, whichever is greater:

| <u>Category</u> | <u>Value (per item)</u> | |
|-------------------------------|-------------------------|----------|
| Juvenile Picture Book | USD | 42.76 |
| Juvenile Book | USD | 34.78 |
| Juvenile Reference Book | USD | 42.76 |
| Pamphlets | USD | 5.50 |
| Magazines | USD | 11.00 |
| Fiction | USD | 20.68 |
| Law Periodical | USD | 138.75 |
| Non-Fiction | USD | 74.42 |
| Reference | USD | 104.06 |
| Law Reference | USD | 136.35 |
| Art | USD | 56.14 |
| Film (16mm) | USD | 1,320.00 |
| Film (8mm) | USD | 58.75 |
| Film (Super 8mm) | USD | 429.00 |
| Strips | USD | 8.80 |
| Cassette Film Strips | USD | 94.38 |
| Records | USD | 75.00 |
| Videos (Tapes and CDs) | USD | 50.00 |
| Audio Cassette | USD | 27.50 |
| Computer Software (incl. CDs) | USD | 1,558.70 |
| (Law) CD ROM | USD | 258.80 |
| Books on Tape | USD | 67.26 |
| Law Magazines | USD | 144.93 |
| Compact Discs | USD | 21.95 |
| Paperback Books | USD | 35.17 |

The above valuation is predicated on the values provided by the Library of Congress Dewey Decimal system and adjusted for inflation.

The figures above do not include the "shelving cost" of each book. Therefore, the formula for adjusting a library contents loss is:

"Number of items in a category that are replaced multiplied by the valuation figure plus associated shelving costs".

The actual cost per item in the final adjustment is to be computed as of the time and place of loss or damage.

7. On Vehicles, on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Vehicle and/or Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

8. Animals: The stated value as per schedule on file with the Insured.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

The stated value as per schedule on file with the Insured except Research Animals shall be valued at the cost to replace with like kind and quality; including the increased value as a result of prior research or experiments performed on the animal(s), accumulated cost of care and maintenance, and the value of labor expended by research assistants and/or laboratory technicians.

9. Landscaping, sand traps, tees, putting greens and athletic fields; the actual replacement cost of sod, shrubs, sand, plants and trees; however the Company's liability for replacement of trees, plants and shrubs will be limited to the actual size of the destroyed plant, tree or shrub at the time of the loss up to a maximum size of 25 gallons per item but not to exceed USD25,000 per item.

For the purpose of determining coverage under this policy landscaping, trees, plants and shrubs are only insured if their position and planting was undertaken by human agency for cosmetic effect.

The aforementioned valuations shall also be used for the purpose of any minimum earned premium and/or quarterly adjustments incurred.

Wherever the term "actual cash value" is used as respects real property or improvements and betterment's in this clause, or elsewhere herein, it shall mean replacement cost less depreciation.

"Replacement Cost" shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is the least) the property on the same site, using new materials of like kind and quality and for like occupancy without deduction for depreciation, subject to the following:

- (i) Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;
- (ii) Replacement shall be effected by the Insured with due diligence and dispatch;
- (iii) Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.
- (iv.) For historical buildings as more specifically defined in this Section.
- (v.) In no event shall the Company's liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

It is understood and agreed that as respects replacement cost, the Insured shall have the option of replacement with electrical and mechanical equipment having technological advantages and/or representing an improvement in function and/or forming part of a program of system enhancement provided that such replacement can be accomplished without increasing the Company's liability. The Company shall be allowed to dispose of, as salvage, any non-proprietary property deemed unusable by the Named Insured.

In the event the Insured should fail to comply with any of the foregoing provisions settlement shall be made as if this Replacement Cost provision had not been in effect.

SECTION III

BUSINESS INTERRUPTION, EXTRA EXPENSE, RENTAL INCOME, TAX INTERRUPTION AND TUITION INCOME

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides coverage for:

A. COVERAGE

1. BUSINESS INTERRUPTION

Against loss resulting directly from interruption of business, services or rental value caused by direct physical loss or damage, as covered by this Policy to real and/or personal property insured by this Policy, occurring during the term of this Policy.

In the event of such loss or damage the Company shall be liable for the actual loss sustained by the Insured for gross earnings as defined herein and rental value as defined herein resulting from such interruption of business, services, or rental value; less all charges and expenses which do not necessarily continue during the period of restoration. Due consideration shall be given to the continuation of normal charges and expenses including payroll expenses to the extent necessary to resume operations of the Insured with the same quality of service which existed immediately preceding the loss.

With respect to business interruption for power generation facilities, the coverage provided hereunder is sublimited to USD as per Declaration Page.

Notwithstanding the foregoing it is hereby understood and agreed that solely as respects Universities, hospitals or other institutions of learning the following shall apply:

In determining the amount of tuition income and related fees covered hereunder for the purpose of ascertaining the amount of loss sustained, due consideration shall be given to:

- (i) Tuition income and related fees which are prevented from being earned or received.
- (ii) Other income derived from:
 - (a) routine and special services;
 - (b) other operating and non-operating revenues, including but not limited to:
 - (1) research grants
 - (2) income under research contracts all dependent on continued operations.
- (iii) Donations and fund raising proceeds:
 - (a) If a regularly scheduled fund raising drive for the sole benefit of the Insured occurs during the period of interruption of operations, the revenue produced by such drive shall be considered as follows in determining the amount of loss:
 - (1) If the drive fails to produce an amount at least equal to the same drive in the most recent prior solicitation, the shortage, to the extent that it can be attributed to the interruption of the Insured's operations, shall be considered as loss of income;
 - (2) If the drive produces an amount equal to the same drive in the most recent prior solicitation, there shall be considered no loss of income from this source of revenue;
 - (3) If the drive produces an amount larger than the same drive in the most recent prior solicitation, the excess shall be applied to reduce the loss from other sources of revenue;
 - (4) If the drive is cancelled or postponed, such loss of revenue shall not be considered as loss of income.

- (b) The following shall be disregarded in determining the amount of loss:
 - (1) Donations and contributions which are a direct result of the interruption of the Insured's operations and are received by the Insured during the period of interruption.
 - (2) Proceeds for fund raising drives or solicitations which are for the sole benefit of the Insured and occur as a result of interruption of the Insured's operations.

2. EXTRA EXPENSE

This Policy is extended to cover the necessary and reasonable extra expenses occurring during the term of this Policy at any location as hereinafter defined, incurred by the Insured in order to continue as nearly as practicable the normal operation of the Insured's business following damage to or destruction of real or personal property by a covered peril which is on premises owned, leased or occupied by the Insured. In the event of such damage or destruction, the Company shall be liable for such necessary extra expense incurred for only such length of time as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property as has been damaged or destroyed commencing with the date of damage or destruction and not limited by the date of expiration of this Policy (hereinafter referred to as the period of restoration).

B. EXTENSIONS OF COVERAGE

1. INGRESS / EGRESS

This Policy is extended to insure the actual loss sustained during the period of time not exceeding 30 days when, as a direct result of physical loss or damage caused by a covered peril(s) specified by this Policy and occurring at property located within a 10 mile radius of covered property, ingress to or egress from the covered property covered by this Policy is prevented. Coverage under this extension is subject to a 24-hour waiting period.

2. INTERRUPTION BY CIVIL AUTHORITY

This Policy is extended to include the actual loss sustained by the Insured, as covered hereunder during the length of time, not exceeding 30 days, when as a direct result of damage to or destruction of property by a covered peril(s) occurring at property located within a 10 mile radius of covered property, access to the covered property is specifically prohibited by order of a civil authority. Coverage under this extension is subject to a 24-hour waiting period.

3. DEMOLITION AND INCREASED TIME TO REBUILD

The Company shall, in the case of loss covered under this Policy, be liable also for loss to the interest covered by the Policy, occasioned by the enforcement of any local or state ordinance or law regulating the construction, repair or demolition of buildings or structures and in force at the time such loss occurs, which necessitates the demolition of any portion of the described building(s) not damaged by the covered peril(s). The Company shall also be liable for loss due to the additional period of time required for repair or reconstruction in conformity with the minimum standards of such ordinance or law of the building(s) described in this Policy damaged by a covered peril.

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

- a. More than the limit of liability as shown elsewhere in this Policy.

- b. Any greater proportion of any loss to the interest covered by this Policy than the amount covered under this Policy on said interest bears to the total insurance and coverage on said interest, whether all such insurance contains this clause or not.

4. CONTINGENT TIME ELEMENT COVERAGE

Business interruption, rental income, tuition income and extra expense coverage provided by this Policy is extended to cover loss directly resulting from physical damage to property of the type not otherwise excluded by this Policy at direct supplier or direct customer locations (whether such location is owned by the Insured or not) that prevents a supplier of goods and/or services to the Insured from supplying such goods and/or services, or that prevents a recipient of goods and/or services from the Insured from accepting such goods and/or services. The coverage provided by this clause separately as respects each of these coverage's is sublimited to USD as per Declaration Page.

5. CONTINGENT TAX REVENUE INTERRUPTION

Except as hereinafter or heretofore excluded, this Policy insures against loss resulting directly from necessary interruption of sales, property or other tax revenue including, but not limited to Tribal Incremental Municipal Services Payments collected by or due the Insured caused by damage or destruction to property which is not operated by the Insured and which wholly or partially prevents the generation of revenue for the account of the Insured.

The Company shall be liable for the actual loss sustained for only the length of time as would be required with exercise of due diligence and dispatch to rebuild, replace or repair the contributing property commencing with the date of damage to the contributing property, but not limited by the expiration date of this Policy.

If the Insured has reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

1. The limit insured on the Policy;
2. The actual loss sustained;
3. The difference in amount between 97.5% of the anticipated revenue and the actual total revenue after the loss.

If the Insured has not reported Revenue Interruption values for which premium has been charged, such loss recovery after deductible shall be limited to whichever is the least of:

1. The policy sublimit;
2. The latest values for these items declared by the member making the claim or USD5,000,000 per occurrence if no values have been declared by the member making the claim.

DEDUCTIBLE: Each loss or series of losses arising out of one event at each location shall be adjusted separately and from the aggregate amount of all such losses 2.50% of the annual revenue value shall be deducted.

6. EXTENDED PERIOD OF INDEMNITY

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this Policy is extended for the additional length of time

required to restore the business of the Insured to the condition that would have existed had no loss occurred commencing on either;

- a. the date on which the Company's liability would otherwise terminate or;
- b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

The Company's liability under this extension shall terminate no later than the number of days indicated in the Declaration Page for this item:

7. EXPENSES TO REDUCE LOSS

This Policy also covers such expenses as are necessarily incurred for the purpose of reducing loss under this section (except incurred to extinguish a fire); but in no event to exceed the amount by which loss is thereby reduced.

C. EXCLUSIONS

1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this policy and, then the Company shall only be liable for such loss as affects the Insured's earnings during and limited to, the period of indemnity covered under this Policy.
2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:
 - i. Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,
 - ii. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.

D. CONDITIONS APPLICABLE TO THIS SECTION

If the Insured could reduce the loss resulting from the interruption of business:

1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;
2. by making use of merchandise or other property at the Insured's location or elsewhere;

such reduction shall be taken into account in arriving at the amount of the loss hereunder.

E. DEFINITIONS

1. GROSS EARNINGS

"Gross Earnings" is defined as the sum of:

- a. total net sales and;
- b. other earnings derived from the operation of the business
less the cost of;
- c. merchandise sold including packaging materials and;
- d. materials and supplies consumed directly in supplying the service(s) sold by the Insured, and;
- e. service(s) purchased from outside (not employees of the Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

In determining gross earnings, due consideration shall be given to the experience of the business before the date of loss or damage and the probable experience thereafter, had no loss occurred.

In the event that Real and/or Personal Property that does not normally produce an income, sustains damage covered under this policy, the actual recovery under this policy shall be the continuing fixed charges and expenses directly attributable to such non-productive property.

2. MERCHANDISE

Shall be understood to mean, goods kept for sale by the Insured, which are not the products of manufacturing operations conducted by the Insured.

3. EXTRA EXPENSE

The term "extra expense", whenever used in this Policy, is defined as the excess (if any) of the total cost incurred during the period of restoration chargeable to the operation of the Insured's business over and above the total cost that would normally have been incurred to conduct the business during the same period had no damage or destruction occurred. Any salvage value of property obtained for temporary use during the period of restoration, which remains after the resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

4. RENTAL VALUE

The term “rental value” is defined as the sum of:

- a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Insured, and;
- b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured, and;
- c. the fair rental value of any portion of said property which is occupied by the Insured, and;
- d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

In determining rental value, due consideration shall be given to the experience before the date of loss or damage and the probable experience thereafter had no loss occurred.

5. PERIOD OF RESTORATION

The period during which business interruption and or rental interruption applies will begin on the date direct physical loss occurs and interrupts normal business operations and ends on the date that the damaged property should have been repaired, rebuilt or replaced with due diligence and dispatch, but not limited by the expiration of this policy.

SECTION IV
GENERAL CONDITIONS

A. PERILS COVERED

Subject to the terms, conditions and exclusions stated elsewhere herein, this Policy provides insurance against all risk of direct physical loss or damage occurring during the period of this Policy.

B. EXCLUSIONS

This Policy does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.
2. Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.
3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).
4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.
5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Insured, its employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.
6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.
7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).
8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).
9. Loss caused directly or indirectly, by:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack

- i. by any government or sovereign power (de jure or de facto), or by any Authority maintaining or using military, naval or air forces; or
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental Authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
- a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured premises.
11. As respects course of construction, the following exclusions shall apply:
- a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.
 - b. The cost of non-compliance of, or delay in completion of contract.
 - c. The cost of non-compliance with contract conditions.
 - d. Contractors' equipment or tools not a part of or destined to become a part of the installation.
12. Loss or damage caused by Earthquake Shock unless a limit is shown on the Declarations for Earthquake Shock this exclusion will apply.
13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.
14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:
- a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device

in computer equipment or non-computer equipment, whether the property of the Insured or not; or

- b. any change, alteration, correction or modification involving one or more dates or times, to any such computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment, whether the property of the Insured or not.

Except as provided in the next paragraph, this Electronic Date Recognition Clause shall apply regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, cost, claim or expense.

If direct physical loss or damage not otherwise excluded by this Policy results, then subject to all its terms and conditions, this Policy shall be liable only for such resulting loss or damage. Such resulting loss or damage shall not include physical loss or damage to data resulting directly from a) or b) above, nor the cost, claim or expense, whether preventative, remedial, or otherwise, arising out of or relating to any change, alteration, correction or modification relating to the ability of any damaged computer system, hardware, program or software, or any microchip, integrated circuit or similar device in computer equipment or non-computer equipment to recognize, interpret, calculate, compare, differentiate sequence or process any data involving one or more dates or times.

15. Loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This exclusion applies regardless whether there is:

- a. any physical loss or damage to covered property;
- b. any insured peril or cause, whether or not contributing concurrently or in any sequence;
- c. any loss of use, occupancy, or functionality; or
- d. any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters.

16. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
17. The following additional exclusions apply to animals covered under this Policy:
 - a. Death of any animal(s) from natural causes.
 - b. Death of any animal(s) that dies from an unknown cause unless:

- i. upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian, and if
 - ii. the veterinarian's post-mortem report shows the cause of death to clearly fall within the coverages of this Policy.
 - c. Death of any animal(s) as a result of surgical operation, including inoculation, unless the necessity for same arises from a loss otherwise covered by this Policy.
 - d. The death or destruction of any animal(s) caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals unless such death or destruction is the result of a loss otherwise covered by this Policy.
 - e. The death of any animal(s) caused directly or indirectly by the neglect or abuse of the Insured, his agent, employees or bailees (carriers for hire excepted) unless such death is a result of a loss otherwise covered by this Policy.
 - f. The loss by death of any animal(s) as a result of parturition or abortion.
 - g. Loss resulting from depreciation in value caused by any animal(s) covered hereunder becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended unless such depreciation is a result of a loss otherwise covered by this Policy.
 - h. Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.
 - i. The removal or disposal of the remains of any animal(s) or the expense thereof unless such removal or disposal is the result of a loss otherwise covered by this Policy.
 - j. The loss of any animal(s) that has been unnerved (the term "unnerved" to be considered as meaning the operation of neurotomy for lameness).
 - k. Any claim consequent upon delay, deterioration, or loss of use or loss of market arising from an event covered by this Policy.
18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

Nevertheless if fire is not excluded from this Policy and a fire arises directly or Indirectly from seepage and/or pollution and/or contamination, any loss or damage covered under this Policy arising directly from that fire shall (subject to the terms, conditions and limitations of the Policy) be covered.

However, if the covered property is the subject of direct physical loss or damage for which the Company has paid or agreed to pay, then this Policy (subject to its terms, conditions and limitations) insures against direct physical loss or damage to the property covered hereunder caused by resulting seepage and/or pollution and/or contamination.

The Insured shall give notice to the Company of intent to claim NO LATER THAN TWELVE (12) MONTHS AFTER THE DATE OF THE ORIGINAL PHYSICAL LOSS OR DAMAGE.

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up

in the Policy, in the event of direct physical loss or damage to the property covered hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:

- (a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from the premises of the Insured; and/or;
- (b) cost of clean up at the premises of the Insured made necessary as a result of such direct physical loss or damage;

PROVIDED that this Policy does not insure against the costs of decontamination or removal of water, soil or any other substance on or under such premises.

19. Authorities Exclusion:

Fines, penalties or cost incurred or sustained by the Insured or imposed on the Insured at the order of any Government Agency, Court of other Authority, in connection with any kind or description of environmental impairment including seepage or pollution or contamination from any cause.

20. The following exclusion applies to Terrorism:

It is agreed that except for any sublimit of coverage as indicated on the Declaration Page attached to this form, and Section 1 (General Provisions, part E of this form) this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Company allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Insured.

In the event any portion of this exclusion is found to be invalid or unenforceable, the remainder shall remain in full force and effect. All other terms and conditions remain unaltered.

C. STATUTES

If any of the articles of this Policy conflict with the laws or statutes of any jurisdictions in which this Policy applies this Policy is amended to conform to such laws or statutes.

D. TERRITORIAL LIMITS

This Policy insures Real and Personal Property within the United States. Personal Property is extended to Worldwide coverage. The coverage provided by this clause for Personal Property is sublimited to USD as per Declaration Page.

E. REINSTATEMENT

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.

F. FREE ON BOARD (F.O.B.) SHIPMENTS

The Company shall be liable for the interest of the Insured at sole option of the Insured, the interest of the consignee in merchandise, which has been sold by the Insured under terms of F.O.B. point of origin or other terms usually regarded as terminating shippers' responsibility short of point of delivery.

G. BREACH OF CONDITIONS

If any breach of a clause, condition or warranty of this Policy shall occur prior to a loss affected thereby under this Policy, such breach shall not void the Policy nor avail the Company to avoid liability unless such breach shall exist at the time of such loss under this contract or Policy, and be a contributing factor to the loss for which claim is presented hereunder, it being understood that such breach of clause or condition is applicable only to the property affected thereby. Notwithstanding the foregoing, if the Insured establishes that the breach, whether contributory or not, occurred without its knowledge or permission or beyond its control, such breach shall not prevent the Insured from recovering under this Policy.

H. PERMITS AND PRIVILEGES

Anything in the printed conditions of this Policy to the contrary notwithstanding, permission is hereby granted:

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;
2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish, construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;
3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;
4. to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company's liability, but the Insured shall make a reasonable effort to comply with such requirement.

This Policy shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Insured;
2. any act or neglect of the owner of the building, if the Insured hereunder is not the owner, or of any occupant of the within described premises other than the Insured, when such act or neglect is not within the control of the Insured, named herein; or
3. by failure of the Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Insured has no control.

I. PROTECTIVE SAFEGUARDS

The Insured shall exercise due diligence in maintaining in complete working order all protective safeguard equipment and services.

J. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (877) 725-7695, FAX NO. (415) 403-1466 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

K. ARBITRATION OF VALUE

In case the Insured and the Company shall fail to agree as to the amount of loss, then, on the written demand of either, each shall select a competent and disinterested appraiser and notify the other of the appraisers selected. The appraiser shall first select a competent and disinterested umpire, and failing to agree upon such umpire, then, on request of the Insured or the Company such umpire shall be selected by judge of a court of record in the state in which the property covered is located.

The appraisers shall as soon as practicable, appraise the loss stating separately the loss of each item and failing to agree, shall submit their differences only to the umpire. An award in writing so itemized, of any two appraisers when filed with the Company shall determine the amount of loss. The party selecting him shall pay each appraiser and the expenses of appraisal and umpire shall be paid by the parties equally.

L. PROOF OF LOSS

The Insured shall render a signed and sworn proof of loss as soon as practical after the occurrence of a loss, stating the time, place and cause of loss, the interest of the Insured and of all others in the property, the value thereof and the amount of loss or damage thereto.

M. SUBROGATION

In the event of any loss payment under this Policy, the Company, shall be subrogated to all the Insured's rights of recovery thereof against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights.

As respects subrogation it is agreed that, after expenses incurred in subrogation are deducted, the Insured and the Company shall share proportionately to the extent of their respective interests as determined by the amount of their net loss. Any amount thus found to be due to either party from the other shall be paid promptly.

This Policy shall not be prejudiced by agreement made by the Insured releasing or waiving the Insured's right to recovery against third parties responsible for the loss if made before the loss has occurred.

N. CANCELLATION

This Policy may be cancelled by the Insured at any time by written notice or surrender of this Policy. This Policy may also be cancelled by or on behalf of the Company by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail at the Insured's address as

shown in this Policy, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy and shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated above, however, should this Policy be cancelled for non-payment of assessment, the Company shall only be required to give the Insured ten (10) days notice.

If this insurance in total shall be cancelled by the Insured, the Company shall retain the customary short rate proportion of the premium hereon. If the Company elects to cancel coverage mid-term, then such cancellation shall be handled on a pro-rata basis without short rate penalty.

In the event of cancellation the aggregate retention and specific limit amount shall be applied pro rata with the balance, if any, to be paid to the Insured.

Payment or tender of any unearned premium by the Company shall not be condition precedent to the effectiveness of cancellation but such payment shall be made forthwith.

Cancellation shall not affect coverage on any shipment in transit on date of cancellation. Coverage will continue in full force until such property is safely delivered and accepted at place of final destination.

It is understood and agreed that if the Insured cancels this Policy, the Policy is subject to 25% minimum earned premium regardless of the length of time coverage is in force.

O. ABANDONMENT

There shall be no abandonment to the Company of any property.

P. ASSIGNMENT

Assignment or transfer of this Policy shall not be valid except with the written consent of the Company.

Q. SALVAGE

When, in connection with any loss hereunder, any salvage is received prior or subsequent to the payment of such loss, the loss shall be figured on the basis on which it would have been settled had the amount of salvage been known at the time the loss was originally determined. The salvage value will be deducted from the claim or returned to the Company.

R. OTHER INSURANCE

Permission is hereby granted to the Insured to carry more specific insurance on any property covered under this Policy. This Policy shall not attach or become insurance upon any property which at the time of loss is more specifically described and covered under any other policy form until the liability of such other insurance has first been exhausted and shall then cover only the excess of value of such property over and above the amount payable under such other insurance, whether collectible or not. This Policy, subject to its conditions and limitations, shall attach and become insurance upon such property as respects any peril not covered by such other insurance and not otherwise excluded herein.

In the event of a loss that is covered by other insurance, wherein this Policy is excess of any amount paid by such other insurer, the other insurance shall be applied to the deductible amount stated elsewhere. Should the amount paid by such other insurance exceed these deductibles, no further deductibles shall be applied under this Policy.

S. EXCESS INSURANCE

Permission is granted for the Insured to maintain excess insurance over the limit of liability set forth in this Policy without prejudice to this Policy and the existence of such insurance, if any, shall not reduce any liability under this Policy. Also it is understood and agreed as respects earthquake shock or flood, that in the event of reduction or exhaustion of the aggregate limits of liability under the underlying Policy(s) by reason of loss(es) hereunder, this Policy shall:

1. in the event of reduction, pay out excess of the reduced underlying limit and;
2. in the event of exhaustion, continue in force as the underlying Policy.

T. RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS

The Insured as often as may be reasonably required, shall submit and so far as within their power, cause all other persons interested in the property or employees to submit to examination under oath by any person named by the Company relative to any and all matters in connection with a claim, and produce for examination all books of account, bills, invoices and other vouchers or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or their representatives and shall permit extracts and copies thereof to be made.

U. CONCEALMENT AND FRAUD

This entire Policy shall be void, if whether before or after a loss, the Insured has willfully concealed or misrepresented any material facts or circumstance concerning this Policy of the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.

V. FULL WAIVER

The terms and conditions of this form and any approved endorsements supersede any policy jacket that may be attached hereto.

W. SUIT AGAINST COMPANY

No suit, action or proceeding for the recovery of any claim under this Policy shall be sustainable in any court of law or equity unless the Insured shall have complied with all the requirements of this Policy, nor unless the suit is commenced within twelve (12) months after the date that the Company has made its final offer of settlement or denial of the loss. However, that if under the laws of the jurisdiction in which the property is located such limitation is invalid, then any such claims shall be void unless such action, suit or proceedings be commenced within the shortest limit of time permitted by the laws of such jurisdiction.

X. JOINT LOSS ADJUSTMENT – BOILER & MACHINERY

In the event of damage to or destruction of property, at a location designated in this Policy and also designated in a boiler and machinery insurance policy, and there is a disagreement between the Company and the Insured with respect to:

- (1) Whether such damage or destruction was caused by a peril covered against by this Policy or by an accident covered against by such boiler and machinery insurance policy(ies) or;

- (2) The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss that is covered against, partially or wholly, by one or all of said policy(ies).

The Company shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no boiler and machinery insurance policy(ies) in effect, subject to the following conditions:

- (1) The amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Insured and the Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).
- (2) The boiler and machinery insurer(s) shall simultaneously pay to the Insured, one-half of the said amount, which is in disagreement.
- (3) The payments by the Company and acceptance of the same by the Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments:

The arbitrators shall be three (3) in number, one of whom shall be appointed by the boiler insurer(s) and one of whom shall be appointed by the Company hereon and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the insurer(s) and the Insured and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Insured agrees to cooperate in connection with such arbitration but not to intervene therein.
- (5) This agreement shall be null and void unless the Policy of the boiler and machinery Insurer is similarly endorsed.

In no event shall an Insurer be obligated to pay more than their total single limit.

Y. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY

In the event of damage to or destruction of property at a location designated in this Policy and also designated in an excess insurance policy(ies) and if there is disagreement between the insurers with respect to:

- (1) whether such damage or destruction was caused by a single event or by multiple events or;
- (2) the extent of participation of this Policy and any excess insurance policy in a loss covered against partially or wholly, by one of said Policy or policy(ies).

The Company shall, upon written request of the Insured, pay to the Insured one-half of the amount of the loss which is in disagreement, but in no event more than the Company would have paid if there had been no excess insurance or policy(ies) in effect, subject to the following conditions:

- (1) the amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Insured and the Company is limited to the minimum amount remaining payable under either the primary insurance policy or excess insurance policy(ies);

- (2) the excess insurers shall simultaneously pay to the Insured one-half of the said amount which is in disagreement, and;
- (3) the payments by the Company hereunder and acceptance of the same by the member signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments.

The arbitrators shall be three (3) in number, one of whom shall be appointed by the excess insurer(s) and one of whom shall be appointed by the Company and the third appointed by consent of the other two, and the decision by the arbitrators shall be binding on the Company and the Insured, and that judgment upon such award may be entered in any court of competent jurisdiction.

- (4) The Insured agrees to cooperate in connection with such arbitration but not to intervene therein.

Z. LENDER'S LOSS PAYABLE

The following provisions (or equivalent) apply as required by "mortgages" and "lenders" to whom certificates of coverage have been issued.

1. Loss or damage, if any, under this policy, shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as "the Lender", in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.
2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:
 - (a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;
 - (b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed;
 - (c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.
3. In the event of failure of the Insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company's demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the

rights of the Lender under this Lender's Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever the Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.
5. If there be any other insurance upon the within described property, the Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender's rights of contribution under said other insurance.
6. The Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.
7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss there under payable to the Lender in accordance with the terms of this Lender's Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.
8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender's Loss Payable Endorsement which are not also granted the Insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.
9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender's Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

Approved: Board of Fire Underwriters of the Pacific; California Bankers' Association – Committee on Insurance

AA. SEVERAL LIABILITY NOTICE

The subscribing insurers' obligations under contracts of insurance to which they subscribe are several, not joint and are limited solely to the extent of their individual subscriptions. The

subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.

AB. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

For covered property in which both insured and a Loss Payee have an insurable interest, the Company will:

1. Adjust losses with the Insured, and;
2. Pay any claim for loss or their damage jointly to the Insured and the Loss Payee, as interests may appear.

B. LENDER'S LOSS PAYABLE

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
 - a. Warehouse receipts;
 - b. A contract for deed;
 - c. Bills of lading;
 - d. Financing statements or;
 - e. Mortgages, deeds of trust or security agreements.
2. For Covered Property in which both the Insured and a Loss Payee have an insurable interest:
 - a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
 - b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
 - c. If the Company deny the Insured claim because of the insured act or because the Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
 - (1) Pays any premium due under this Coverage Part at our request if the Insured have failed to do so;
 - (2) Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from us of the Insured failure to do so, and;
 - (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.

All of the terms of this Coverage Part will then apply directly to the Loss Payee.

- d. If the Company pays the Loss Payee for any loss or damage and deny payment to the Insured because of the Insured acts or because the Insured have failed to comply with the terms of this Coverage Part:
 - (1) The Loss Payee's rights will be transferred to us to the extent of the amount the Company pays and;
 - (2) The Loss Payee's rights to recover the full amount of the Loss Payee's claim will not be impaired.

At our option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Insured will pay the insureds' remaining debt to us.

3. If the Company cancels this policy, the Company will give written notice to the Loss Payee at least:
 - a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;
 - b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.
4. If the Company elects not to renew this policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this policy.

C. CONTRACT OF SALE

1. The Loss Payee is a person or organization the Insured have entered a contract with for the sale of Covered Property.
2. For Covered Property in which both the Insured and the Loss Payee have an insurable interest the Company will:
 - a. Adjust losses with the Insured and;
 - b. Pay any claim for loss or damage jointly to the Insured and the Loss Payee, as interests may appear.
3. The following is added to the OTHER INSURANCE Condition:

For Covered Property that is the subject of a contract of sale, the word "the Insured" includes the Loss Payee.

AC. ELECTRONIC DATA

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

- a. This Policy does not insure, loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes program, software, and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorized instructions or code including a set of maliciously introduced unauthorized instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to “Trojan Horses”, “worms” and “time or logic bombs”.

- b. However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils
Fire Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost to repair, replace or restore such media to the condition that existed immediately prior to such loss or damage, including the cost of reproducing any ELECTRONIC DATA contained thereon, providing such media is repaired, replaced or restored. Such cost of reproduction shall include all reasonable and necessary amounts, not to exceed USD10,000,000 any one loss, incurred by the Insured in recreating, gathering and assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Insured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

AD. LOSS ADJUSTMENT SERVICES

McLarens Young, International, 180 Montgomery Street, Suite 2100, San Francisco, California 94104-4231 is hereby authorized to represent the Company in the investigation and adjustment of any loss or damage under this Policy at the expense of the Company and without regard to the amount of loss or damage and/or applicable deductible if any.

However, the Company reserves the right to utilize other adjusting firms at its discretion.

AE. SERVICE OF SUIT CLAUSE (USA) APPLICABLE TO EXCESS CARRIERS

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon:

1. Messrs Mendes and Mount of 750 Seventh Avenue, New York NY 10019-6829 (applicable to all markets except as noted below)

2. Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 (applicable to Lexington Insurance Company)
3. Ms. Karen Harris, AXIS Specialty, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833. In the event the Commissioner of Insurance of the State of California receives service of process on behalf of the Company, said service shall be forwarded to the Company at: AXIS Specialty Europe Limited, Attention Claims Admitter, Mount Herbert Court, 34 Upper Mount Street, Dublin 2, Ireland (applicable to AXIS Specialty Europe Limited)

and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA1998 (amended)

AF. DEFINITIONS

1. OCCURRENCE

Each occurrence is defined as a loss, incident or series of losses or incidents not otherwise excluded by this Policy and arising out of a single event or originating cause and includes all resultant or concomitant insured losses. When the term applies to loss or losses from earthquake shock, flood and/or windstorm, the following provisions shall apply:

a. Windstorm

Each loss by windstorm shall constitute a single claim hereunder; provided, if more than one windstorm shall occur within any period of seventy-two (72) hours during the term of this Policy, such windstorm shall be deemed to be a single windstorm within the meaning thereof. The Insured may elect the moment from which each of the aforesaid periods of seventy-two (72) hours shall be deemed to have commenced but no two such seventy-two (72) hour periods shall overlap. The Company shall not be liable for any loss occurring before the effective date and time of the Policy. The Company will be liable for any losses occurring for a period of up to seventy-two (72) hours after the expiration of this Policy provided that the first windstorm loss or damage within that seventy-two (72) hours occurs prior to the date and time of expiration of this Policy.

In the event of there being a difference of opinion between the Insured and the Company as to whether or not all windstorm losses sustained by the Insured during an elected period of seventy-two (72) hours arose out of, or was caused by a single atmospheric disturbance, the stated opinion of the National Weather Service or comparable Authority in any other country or locality shall govern as to whether or

not a single atmospheric disturbance continued throughout the period at the location(s) involved.

b. Flood

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;
2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

such flood shall be deemed to be a single occurrence within the meaning of this Policy.

Should any time period referred to above extend beyond the expiration date of this Policy and commence prior to expiration, the Company shall pay all such flood losses occurring during such period as if such period fell entirely within the term of this Policy.

The Company shall not be liable, however, for any loss caused by any flood occurring before the effective date and time of this Policy or commencing after the expiration date and time of this Policy.

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:

1. overflow of inland or tidal water;
2. unusual and rapid accumulation or run off of surface waters from any natural source.

Flood shall also mean mudslide or mudflow, which is a river or flow of liquid mud caused by flooding as defined in 1. or 2. above.

The definition of flood does not include ensuing loss or damage by fire, explosion, or sprinkler leakage.

c. Flood Zone A and V

Flood zones A and V as referenced in this policy is defined by FEMA as being inclusive of all 100 year high risk flood areas. A one-hundred-year flood is a flood event that has a 1% probability of occurring in any given year.

d. Earthquake Shock

With respect to the peril of earthquake shock, any and all losses from this cause within a one hundred sixty-eight (168) hour period shall be deemed to be one loss. The Insured may elect the moment from which each of the aforesaid periods of one hundred sixty eight (168) hours shall be deemed to have commenced but no two such one hundred sixty eight (168) hour periods shall overlap.

The Company shall not be liable for any loss caused by an earthquake shock occurring before the effective date and time of this Policy. The Company will be liable for any losses occurring for a period of up to one hundred sixty eight (168)

hours after the expiration of this Policy provided that the first earthquake shock loss or damage within that one hundred sixty eight (168) hours occurs prior to the date and time of the expiration of this Policy.

In the event of there being a difference of opinion between the Insured and the Company as to whether or not all earthquake shock losses sustained by the Insured during an elected period of one hundred sixty eight (168) hours arose out of, or were caused by a single earthquake shock, the stated opinion of the National Earthquake Shock Information Service of the United States Department of the Interior or comparable Authority in any other country or locality shall govern as to whether or not a single earthquake shock continued throughout the period at the locations involved.

The term earthquake shock is defined as: earth movement meaning natural faulting of land masses, but not including subsidence, landslide, rock slide, earth rising, earth sinking, earth shifting or settling unless as a direct result of such earth movement. The definition of earthquake shock does not include ensuing loss or damage by fire, explosion or sprinkler leakage. Further Earthquake Sprinkler Leakage is covered outside of the "Earthquake Shock" definition and subject to the basic peril deductible.

2. PERSONAL PROPERTY OF OTHERS

Means, any property (other than real property) belonging to others for which an Insured has assumed liability. This includes but is not limited to:

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media & Hardware
- Valuable Papers
- Portable Electronic Equipment
- Employee Tools

3. IMPROVEMENTS AND BETTERMENTS

Means, additions or changes made by an Insured / lessee at their own expense to a building they are occupying that enhance the building's value.

4. VALUABLE PAPERS AND RECORDS

Means, all inscribed, printed, or written; documents, manuscripts or records; including but not limited to abstracts, books, deeds, drawing, films, maps, or mortgages. Valuable Papers are not money, securities, stamps or converted data program or instructions used in the Insured's data processing operations including the materials on which data is recorded.

5. TERRORISM

An act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

6. TIER I WINDSTORM COUNTIES

| <u>State</u> | <u>Tier I Counties, Parishes or Independent Cities</u> |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Alabama | Baldwin, Mobile |
| Florida | Entire State |
| Georgia | Bryan, Camden, Chatham, Glynn, Liberty, McIntosh, |
| Hawaii | Entire State |
| Louisiana | Calcasieu, Cameron, Iberia, Jefferson, Lafourche, Livingston, Orleans, Plaquemines, St. Bernard, St. Charles, St. James, St. John the Baptist, St. Mary, St. Tammany, Tangipahoa, Terrebonne, Vermilion |
| Mississippi | Hancock, Harrison, Jackson |
| North Carolina | Beaufort, Bertie, Brunswick, Camden, Carteret, Chowan, Columbus, Craven, Currituck, Dare, Hyde, Jones, New Hanover, Onslow, Pamlico, Pasquotank, Pender, Perquimans, Tyrell, Washington |
| South Carolina | Beaufort, Berkley, Charleston, Colleton, Georgetown, Horry, Jasper |
| Texas | Aransas, Brazoria, Calhoun, Cameron, Chambers, Galveston, Harris (entire County), Jackson, Jefferson, Kenedy, Kleberg, Liberty, Matagorda, Newton, Nueces, Orange, Refugio, San Patricio, Victoria, Willacy |
| Virginia | Accomack, Chesapeake City, Gloucester, Hampton City, Isle of Wight, James City, Lancaster, Mathews, Middlesex, Newport News, Norfolk City, Northampton, Northumberland, Poquoson City, Portsmouth City, Suffolk City, Surry, Virginia Beach City, Westmoreland, Williamsburg City, York |

AG. ADDITIONAL INSURED'S / LOSS PAYEES

It is hereby understood and agreed that the interest of Additional Insured's and/or Loss Payees is automatically included, as per schedule held on file with Alliant Insurance Services, Inc.

SECTION V

FINE ARTS

A. COVERAGE

This policy insures against all risks of physical loss of or damage except as hereafter excluded occurring during the policy period to fine arts, which are the property of the Insured or the property of others in the custody or control of the Insured while on exhibition or otherwise within the limits of the United States.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

1. PROPERTY COVERED

Objects of art of every kind and description, and property incidental thereto, which are the property of the Insured, or the property of others in the custody and control of the Insured, or in transit at the Insured's risk, and property in which the Insured shall have a fractional ownership interest which are owned by or have been leased, loaned, rented or otherwise made available to the Insured. "Property" shall mean paintings, drawings, etchings, prints, rare books, manuscripts, rugs, tapestries, furniture, pictures, bronzes, potteries, porcelains, marbles statuary and all other bonafide works of art and other objects of rarity, historic value, cultural interest or artistic merit, which are part of the collections of the Insured, or in the care, custody or control of the Insured, and their frames, glazing and shadow boxes.

2. "WALL TO WALL" ("NAIL TO NAIL") COVERAGE

This Section covers the Insured's property on a "Wall to Wall" ("Nail to Nail") basis, or domicile to domicile basis, as applicable, from the time said property is removed from its normal repository incidental to shipment until returned thereto or other point designated by the owner or owner's agent prior to return shipment, including while in transit to or from points of consolidation or deconsolidation, packing, repacking or unpacking, while at such locations during such processes or awaiting shipment.

Coverage shall terminate upon arrival of the covered property at the final destination designated by the owner or owner's agent, or upon expiration of this Policy, whichever may occur first, except that expiration of this Policy shall not prejudice coverage of any risk then in transit.

B. EXCLUSIONS

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;
2. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
 - ii. by military, naval or air forces; or
 - iii. by an agent of any such government, power, authority or forces;
 - b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.
3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
 - a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
 - b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured premises.
4. Any dishonest, fraudulent or criminal act by the Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

C. LOSS PAYMENT BASIS / VALUATION

The valuation of each article of property covered by this Section shall be determined as follows:

- a. Property of the Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Insured prior to loss, according to the Insured's valuation of each object covered.
- b. Property of others loaned to the Insured and for which the Insured may be legally liable, or which the Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Insured and owner(s) as recorded on the books and records of the Insured prior to loss.
- c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

D. SPECIAL CONDITIONS

1. **Misrepresentation and Fraud:** This entire Section shall be void if, whether before or after a loss, the Insured has concealed or misrepresented any material fact or circumstance concerning this Policy or the subject thereof, or the interest of the Insured therein, or in case of any fraud or false swearing by the Insured relating thereto.
2. **Notice of Loss:** The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.
3. **Examination under Oath:** The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company's liability.
4. **Settlement of Loss:** All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.
5. **No Benefit to Bailee:** This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.
6. **Subrogation or Loan:** If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered

hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company's option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured's name under the direction of and at the expense of the Company.

7. **Loss Clause:** Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.
8. **Protection and Preservation of Property:** In case of actual or imminent physical loss or damage of the type insured against by this Policy, the expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection and preservation of property insured hereunder shall be added to the total physical loss or damage otherwise recoverable under the Policy and be subject to the applicable deductible and without increase in the limit provisions contained in this Policy.
9. **Appraisal:** If the Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Insured shall not be held to have waived any of its rights by any act relating to appraisal.
10. **Civil Authority:** Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.
11. **Changes:** Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.
12. **Additional Covered Party(ies):** Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Insured(s) hereunder, but only as respects coverage afforded to said Insured's property.
13. **Packing:** It is agreed by the Insured that the property covered hereunder be packed and unpacked by competent packers.
14. **Other Insurance:** This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this Policy.

15. Pair And Set: In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Insured the full amount of the value of such set and the Insured agrees to surrender the remaining article or articles of the set to the Company.

SECTION VI

CONTRACTORS EQUIPMENT

A. COVERAGE

This Policy insures contractors equipment, whether self propelled or not, including equipment thereof while attached thereto or located thereon, such as bulldozers, drag lines, power shovels, derricks, drills, concrete mixers and other machinery of a similar nature, and not subject to motor vehicle registration.

If any of the property covered by this Section is also covered under any other provisions of the Policy of which this Section is made a part, those provisions are hereby amended to exclude such property, the intent being that the coverage under this Section is the sole coverage on such property.

B. PERILS EXCLUDED

This Section insures against all risks of direct physical loss or damage occurring during the policy period to the above described property from any external cause except as provided below.

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.
2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.
3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the Policy).
4. Loss or damage due to explosion arising from within steam boilers.
5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.
6. Loss or damage due to dishonesty of Insured's employees or persons to whom the Insured's property is entrusted.
7. Loss or damage caused by or contributed to failure of the Insured to keep and maintain the property in a thorough state of repair.
8. Loss or damage caused by or resulting from:
 - a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;
 - i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;
 - ii. any military, naval or air forces or;

- iii. by an agent of any such government, power, authority or forces;
 - b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
 - c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;
9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

C. PROPERTY EXCLUDED

1. Automobiles, motorcycles, motor trucks, or parts thereof.
2. Buildings
3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.
4. Property that is located underground.
5. Property while waterborne except while being transported on any regular ferry.
6. The storage risk of property not owned or required to be insured by the Insured at premises controlled or leased by the Insured, except where incidental to the regular or frequent use of the equipment or property.
7. Plans, blue prints, designs or specifications.

D. LOSS PAYMENT BASIS / VALUATION

On Contractors Equipment (whether self propelled or not), on or off premises, where Replacement Cost (New) values are specified, loss or damage shall be based on 100% of the Replacement Cost (New) at the time of loss. Partial losses shall be based on the cost of repairing or replacing the damaged portion, up to the fair market value of the Contractors Equipment. However, should these costs exceed the fair market value then recovery shall be based upon the Replacement Cost (New).

If the values, provided by the Insured, provides a valuation based on replacement cost, then recovery will be on the same basis, if replaced. If not replaced, the basis of recovery shall be actual cash value.

E. SPECIAL CONDITIONS

This section covers property only within the limits of the United States of America.

It is a condition of this Policy that all articles covered hereunder are in sound condition at the time of attachment of this Policy.

SECTION VII

ACCOUNTS RECEIVABLE

A. COVERAGE

This Policy covers the loss of or damage resulting from insured perils to the Insured's records of accounts receivable as defined below, occurring during the Policy period.

B. EXCLUSIONS

In addition to the exclusions in the General Conditions, this coverage does not apply:

1. To loss due to any fraudulent, dishonest or criminal act by the Insured, a partner therein, or an officer, director, employee or trustee thereof, while working or otherwise and whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.

2. To loss due to bookkeeping, accounting or billing errors or omissions.
3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support of claim for loss which the Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.
4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

C. LOSS PAYMENT BASIS / VALUATION

When there is proof that a loss covered by this Policy has occurred but the Insured cannot accurately establish the total amount of accounts receivable outstanding as of the date of such loss, such amount shall be based on the Insured's monthly statements and shall be computed as follows:

- a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately preceding the year in which the loss occurs;
- b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;
- c. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;
- d. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.

There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. All unearned interest and service charges shall be deducted.

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

- a. All sums due the Insured from customers provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.
- b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.
- c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.
- d. Other expenses, when reasonably incurred by the Insured, in re-establishing records of accounts receivable following such loss or damage.

SECTION VIII

BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

In consideration of the premium paid and subject to the terms, conditions and Exclusions of the policy to which this Extension is attached, and to the following terms and conditions, this Insurance is extended to cover direct damage to Covered Property caused by a Covered Cause of Loss.

2. Additional Coverage

(a) Hazardous Substance

The additional expense incurred for cleanup, repair or replacement or disposal of damaged, contaminated or polluted property as a result of an Accident, which causes property to become damaged, contaminated or polluted by a substance declared hazardous to health by an authorized governmental agency. The coverage provided by this clause is sublimited to USD as per Declaration Page. For the purpose of this coverage “Additional expense” means any expense that would not have incurred, if no substance hazardous to health had been involved in the accident

(b) Ammonia Contamination

The loss, including salvage expense, incurred with respect to damage by ammonia contacting or permeating property under refrigeration or in process requiring refrigeration, as a result of any one Accident to one or more Objects. The coverage provided by this clause is sublimited to USD as per Declaration Page.

(c) Water Damage

The loss, including salvage expense, with respect to property damaged by water, resulting from any one Accident. The coverage provided by this clause is sublimited to USD as per Declaration Page.

(d) Media Coverage

The loss to all forms of electronic, magnetic and optical tapes and discs used in any electronic computer or electronic data processing equipment directly damaged by an Accident to an Object. The coverage provided by this clause is sublimited to USD as per Declaration Page. For the purpose of this coverage, the valuation basis for “Media” is as follows:

- i. For “Media” that are mass-produced and commercially available, at the replacement cost.
- ii. For all other “Media”, at the cost of blank material for reproducing the records.

(e) Consequential Damage

The “Consequential Damage” to refrigerated and frozen goods of the Insured or for which the Insured is legally liable or under the Insured’s care, custody or control caused solely by an Accident to an Object. For the purpose of this coverage, “Consequential Damage” is defined as loss due to spoilage from lack of power, light, heat, steam or refrigeration, resulting from Accident. The coverage provided by this clause is sublimited to USD as per Declaration Page.

(f) Utility Interruption

The loss caused by an Accident to an Object that is owned, operated or controlled by a public or private entity that the Insured has contracted with to furnish them with electrical utility service including all direct electrical suppliers. The coverage provided by this clause is sublimited to USD as per Declaration Page.

(g) CFC Refrigerants and Halon

The replacement of any CFC (chlorofluorocarbon) refrigerant used in refrigeration or air conditioning equipment or Halon used in a fire suppression system due to an “Accident” to an Object.

(h) Ordinance or Law

If an Accident to an Object at the Insured’s location damages a building that is “Covered Property”, the Company will pay for

- i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:
 - a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
 - b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.
- ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.
- iii. Increased Cost of Construction, meaning the increased cost to:
 - a. Repair or reconstruct damaged portions of the building; and
 - b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

when the increased cost is a consequence of enforcement of building, zoning or land use ordinance or law. But the Company will only pay for this increased cost if the building is repaired, reconstructed or remodeled. Also, if the building is repaired, reconstructed or remodeled, it must be intended for similar occupancy as the current building, unless such occupancy is not permitted by zoning or land use ordinance or law.

Insurance under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Insurance under this section does not apply to:

- a. Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or
- b. Loss due to any ordinance or law that:
 - i. The Insured was required to comply with before the Accident to an Object even if the building was undamaged; and
 - ii. The Insured failed to comply with.

The coverage provided by this clause is sublimited to USD as per Declaration Page.

3. Definition of Accident

Accident shall mean a sudden and accidental breakdown of the Object, or a part thereof, which manifests itself at the time of its occurrence by physical damage to the Object that necessitates repair or replacement of the Object or part thereof; but Accident shall not mean:

- a. depletion, deterioration, corrosion, or erosion of material;
- b. wear and tear;
- c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;
- d. the breakdown of any vacuum tube, gas tube or brush;
- e. the breakdown of any structure or foundation supporting the Object or any part thereof;
- f. the functioning of any safety device or protective device.

4. Definition of Object

Except as otherwise specifically designated herein, Object as described below shall mean any equipment or apparatus which is owned by, leased by or operated under the control of the Insured subject to the Exclusions and Special Provisions specified herein:

- a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:
 - 1. Any boiler setting, any insulating or refractory material,
 - 2. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than
 - (a) Feed water piping between any boiler and its feed pumps or injectors
 - (b) Boiler condensate returning piping
- b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include
 - 1. Any structure or foundation other than a bedplate of a machine,
 - 2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,
 - 3. Any refractory material, or
 - 4. Any penstock or draft tube.

5. Covered Cause of Loss

A Covered Cause of Loss is an “Accident” to an Object insured hereon. An Object must be in use or connected ready for use at the time of the Accident.

6. Covered Property

Covered Property, as used in this Extension, means any property that:

- a. The Insured owns; or
- b. Is in the Insured’s care, custody or control and for which they are legally liable

7. Special Provisions

- a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.
- b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.
- c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as “connected ready for use” within the terms of this Extension of the Policy.
- d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as “connected ready for use” within the terms of this Extension of the Policy.
- e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a “furnace” as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.
- f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

8. Valuation

- a. The Company will pay the Insured the amount the Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:
 - 1) The Limit of Insurance;
 - 2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;

- 3) The cost at the time of the Accident to replace the damaged property on the same site with other property:
 - a) Of like kind, capacity, size and quality; and
 - b) Used for the same purpose
 - 4) The amount the Insured actually spends that is necessary to repair or replace the damaged property.
- b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
- 1) the cost of repairing the Object; or
 - 2) the cost of replacing the entire Object on the same site;
- The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:
- 1) of like kind, capacity, size and quality; and
 - 2) used for the same purpose.
- c. The Company will not pay:
- 1) if the loss or damage is to property that is obsolete or useless to the Insured; or
 - 2) for any extra cost if the Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,
- d. If the Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
- 1) cost it would have taken to repair; or
 - 2) actual cash value;
- at the time of the “accident”.

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.

- e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
- 1) If the CFC refrigerant or Halon is replaceable, the Insured may, at their option, elect to:
 - a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or

- b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:
 - i. Refrigeration or air conditioning equipment that uses an approved non - CFC refrigerant; or
 - ii. A fire suppression system that uses an approved non – Halon agent.
- i.

But this option is available only if the change to the equipment or system is made within 18 months after the date of the Accident or within any extended time period that the Company agrees to in writing.

If Option 1) b) above is elected, the Company will not pay more than the least of the following amounts:

- a) The Limit of Insurance;
 - b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;
 - d) The amount that the Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant; or
 - e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.
- f. If the CFC refrigerant or Halon is not replaceable and:
- (1) The Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:
 - (a) The Limit of Insurance;
 - (b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non – CFC refrigerant or non – Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;
 - (c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non – CFC refrigerant or non – Halon fire suppressant;

- (d) The amount that the Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non – CFC refrigerant or non – Halon fire suppressant.
- (2) If the Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:
- (a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or
 - (b) The actual cash value of the damaged equipment at the time of the Accident.
- g. As respects Insurance under Ordinance and Law, the most the Company will pay as a result of any one Accident for:
- a) Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:
 - i. The amount that the Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or
 - ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.
 - b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:
 - i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Insured actually spend to demolish and clear the site of the undamaged parts of the building;
 - ii. With respect to the coverage provided for Increased Cost of Construction:
 - (a) We will not pay for the Increased Cost of Construction:

Until the building is actually repaired or replaced at the same or another premises; and

Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. We may extend this period in writing during the 18 months.
 - (b) If the building is repaired or replaced at the same location, or if the Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.

- (c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.
- h. If a claim or “suit” is brought against the Insured alleging that the Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:
 - 1. Settle the claim or “suit”, or
 - 2. Defend the Insured against the “suit” but reserve the right for themselves to settle at any point.

9. Exclusions

- a. To loss:
 - 1) from explosion of an Object other than:
 - a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or
 - b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,
- b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,
- c. From fire concomitant with or following an Accident.
- d. From an Accident caused directly or indirectly by fire
- e. From a combustion explosion outside the Object concomitant with or following an Accident,
- f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

10. Conditions:

- a. Inspection

The Company shall be permitted but not obligated to inspect the Insured’s property and operations at any reasonable time. Neither the right to make inspections nor the making thereof nor any advice or report resulting therefrom shall constitute an undertaking, on behalf of or for the benefit of the Insured or others, to determine or warrant that such property or operations are safe or healthful, or are in compliance with any law, rule or regulation.
- b. Suspension

Upon the discovery of a dangerous condition with respect to any Object, Alliant Insurance Services, Inc., may immediately suspend the insurance, with respect to an Accident to said Object, by written notice mailed or delivered to the Insured at the address of the Insured stated in the Declaration Page, or at the location of the Object, as stated for it in a schedule or endorsement. The insurance so suspended may be reinstated by the Company but only by an endorsement issued to form a part of this Policy. The Insured shall be allowed the unearned portion of the premium paid for such suspended insurance, pro rata for the period of suspension.
- c. Notice of Accident and Adjustments

When an Accident occurs, written notice shall be given to the Company as soon as practicable. The Company shall be given like notice of any claim made on account of such Accident. The Company or their representative shall have reasonable time and opportunity to examine the property, and the Insured's Location of Risk, before repairs are undertaken or physical evidence of the Accident is removed, except for protection or salvage. Proof of loss shall be made in such form as the Company may require. If suit is brought against the Insured for loss to which this Section of the Policy is applicable, any summons or other process served upon the Insured shall be forwarded immediately to the Company.

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable Boiler & Machinery deductible.

**PROGRAM AND/OR MEMBER AND/OR DECLARATION SPECIFIC
ENDORSEMENTS TO BE PROVIDED AFTER THE ABOVE PAGE**

ENDORSEMENT 1

CANCELLATION CLAUSE AMENDMENT DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

It is hereby understood and agreed that Section IV, General Conditions, Clause N, Cancellation of this policy is amended.

This endorsement modifies insurance provided by the policy:

The Cancellation Provision, Cancellation Condition, or Cancellation Clause, whichever is applicable, is amended by adding the following paragraph to the end thereof:

Notwithstanding any other terms or conditions of this policy to the contrary, in the event that the financial strength rating of the **Company** is downgraded to: (1) below A- by A.M. Best Co., or (2) below BBB by Standard & Poor's Ratings Services (hereinafter, the **Credit Rating Downgrade**), this policy may be canceled by the **FIRST NAMED INSURED** by mailing prior written notice to the Company or by surrender of this policy to the **Company**.

If this policy is canceled by the **First Named Insured** due to such **Credit Rating Downgrade**, then the **Company** shall return the unearned pro rata proportion of the premium as of the effective date of cancellation and shall waive any minimum earned premium requirement specified herein.

The following definitions apply to this endorsement:

1. **Company** means Lexington Insurance Company.
2. **First Named Insured** means the first Named Insured as shown on the Declarations page of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT 2

This endorsement, effective July 1, 2013 12:01 AM EASTERN STANDARD TIME,

Forms a part of policy number: PEPiP USA Form No. 9 Master Policy Wording

Issued to: All APIP/PEPiP Members

By: Lexington Insurance Company

COVERAGE TERRITORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the US Treasury Department's Office of Foreign Assets Control ("OFAC").

PR 9885 (11/05)

ENDORSEMENT 3

WAR AND TERRORISM EXCLUSION ENDORSEMENT **(applies to locations outside the USA, its territories and possessions)**

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- (1) war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- (2) any act of terrorism.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organization(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to (1) and/or (2) above.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured. In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2918
08/10/2001



Workers' Compensation Program July 1, 2013 – July 1, 2014

| | |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurers: | CSURMA – primary pooled layer coverage Safety National Casualty Corporation – excess coverage |
| Covered Name Entity: | California State University Risk Management Authority (CSURMA) |
| Covered Member: | <ul style="list-style-type: none"> California State University, Bakersfield California State University, Chancellor's Office California State University, Channel Islands California State University, Chico California State University, Dominguez Hills California State University, East Bay California State University, Fresno California State University, Fullerton Humboldt State University California State University, Long Beach California State University, Los Angeles California Maritime Academy California State University, Monterey Bay California State University, Northridge California State Polytechnic University, Pomona California State University, Sacramento California State University, San Bernardino San Diego State University San Francisco State University San Jose State University California Polytechnic State University, San Luis Obispo California State University, San Marcos Sonoma State University California State University, Stanislaus |
| Coverages: | Self Insured Under Layer Workers' Compensation Specific Excess Workers' Compensation & Employer's Liability Insurance |
| Coverage Limits: | |
| <i>Primary - CSURMA</i> | <ul style="list-style-type: none"> \$2,500,000 Workers' Compensation - each accident \$2,500,000 Employer's Liability - each accident \$2,500,000 Employer's Liability – each employee for disease |
| <i>Excess</i> | <ul style="list-style-type: none"> Statutory Workers' Compensation – each accident \$2,500,000 Employer's Liability – each accident \$2,500,000 Employer's Liability – each employee for disease |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Workers' Compensation Program July 1, 2013 – July 1, 2014

- Coverage Extension(s):**
1. Allocable Loss Adjustment Expense (“defense costs”) included as loss to satisfy the retention
 2. All States Coverage
 3. USL&H (Incidental Only)
 4. Jones Act (Incidental Only)
 5. Ninety (90) days notice to Insured if policy is cancelled by carrier; except for non-payment of premium.

Claims Reporting:

The Insured has the duty to give immediate (within 30 days) notice to the Company as soon as the risk manager or the individual responsible for claims handling at the office of the Insured has knowledge of any of the following:

1. Any serious injury involving two or more employees;
 2. A fatality;
 3. An amputation of a major extremity;
 4. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
 5. Any injury to the spinal cord;
 6. Any disability likely to be of more than one year;
 7. Any second or third degree burn of 25% or more of the body;
- The reopening of any case which may involve the Company.

Claims Administrator:

Sedgwick CMS
PO Box 14629
Lexington, KY 40512-4629
Fax: 916-851-8089

[Note: Please refer to attached for your Campus' Claim Representative](#)

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Sedgwick CMS – CSU Team

Cindy Parker, CSU Program Manager
Tel: 916-771-2907
Email: cindy.parker@sedgwickcms.com

Patricia Daniels, Operations Manager
Tel: 916-771-2981
Cell: 916-580-8473
Email: patricia.daniels@sedgwickcms.com

Send SHC Bills to: Virginia.Potter@sedgwickcms.com or Fax to 916-851-8079

Rancho Cordova Office

Brian Montagnese, Claims Manager
Tel: 916-851-8060
Email: brian.montagnese@sedgwickcms.com

| Claim Representative: | Campus: | Tel: | Email: |
|-----------------------|----------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------|
| Stephen Purves | CSU Chico CSU Fresno SDSU FM | 916-851-8024 | Stephen.purves@sedgwickcms.com |
| Steven Gallegos | CSU Bakersfield CSU Sacramento | 916-851-8022 | Steven.gallegos@sedgwickcms.com |
| Ginger Pierce | CPSU, San Luis Obispo | 916-851-8032 | Ginger.pierce@sedgwickcms.com |
| Megan Warren | CSU Fullerton CSU Los Angeles | 916-851-8057 | Megan.warren@sedgwickcms.com |
| Susan Neville | CSU Northridge CSU San Bernardino | 916-851-8054 | Susan.neville@sedgwickcms.com |
| Joanne Michaels | CSU Chancellor's Office CSU Channel Islands CSU Los Angeles FM San Diego State University | 916-851-8003 | Joanne.michaels@sedgwickcms.com |
| Janel Walencik | CSU Dominguez Hills CSU East Bay | 916-851-8016 | Janel.walencik@sedgwickcms.com |
| Sadie White | All- high exposure desk | 916-851-8018 | Sadie.white@sedgwickcms.com |

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Oakland Office

Carmen Angeles, Claims Manager

Tel: 510-302-3167

Email: carmen.angeles@sedgwickcms.com

| Claim Representative: | Campus: | Tel: | Email: |
|------------------------------|------------------------------------------------------------------------------------------------|--------------|----------------------------------------------------------------------------------------------|
| Daniel Lee | CSU Long Beach SJSU FM | 510-302-3164 | Daniel.Lee@Sedgwickcms.com |
| Yvonne Rivera | San Jose State University CSU Stanislaus | 510-302-3041 | Yvonne.Rivera@sedgwickcms.com |
| Ginger Pennington | San Francisco State University | 866-484-1920 | Ginger.Pennington@sedgwickcms.com |
| Angela Crossley | CSU Monterey Bay CSPU, Pomona CSU San Marcos | 510-302-3139 | Angela.Crossley@sedgwickcms.com |
| Adrienne Ward-Lewis | Humboldt State University CA Maritime Academy CSPU, Pomona FM Sonoma State University | 510-302-3195 | Adrienne.Ward-Lewis@sedgwickcms.com |

| Medical Only Examiners: | Campus: | Tel: | Email: |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|--------------------------------------------------------------------------------------|
| Virginia Potter | CSU Chico CSU Dominguez Hills CSU East Bay CSU Fresno Humboldt State University CA Maritime Academy CSU Northridge CSU San Bernardino San Francisco State University San Jose State University Sonoma State University CSU Stanislaus | 916-851-8020 | Virginia.Potter@sedgwickcms.com |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



California State University Risk Management Authority

Brian Wood

CSU Bakersfield
CSU Chancellor's Office
CSU Channel Islands
CSU Fullerton
CSU Long Beach
CSU Los Angeles
CSU Monterey Bay
CSPU, Pomona
CSU Sacramento
San Diego State University
CPSU, San Luis Obispo
CSU San Marcos

916-851-8025

Brian.Wood@sedgwickcms.com

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**CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY
(CSURMA)**

MASTER COVERAGE DOCUMENTS

**WORKERS COMPENSATION and
EMPLOYER'S LIABILITY**



WORKERS' COMPENSATION and EMPLOYERS' LIABILITY COVERAGE TERMS

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CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

WORKERS' COMPENSATION & EMPLOYERS' LIABILITY COVERAGE TERMS

Throughout this document, words and phrases that appear in **bold** have special meanings. They are defined in SECTION I - **DEFINITIONS**.

SECTION I - DEFINITIONS

- A. **Accident** means each accident or occurrence or series of accidents or occurrences arising out of any one event.

An accident is deemed to end 72 hours after the event commences. Each subsequent 72 hours is deemed to be a separate accident period.

Disease is an accident only if it results directly from bodily injury by accident.

- B. **Claim Expenses** of the **Member** mean its litigation costs, interest as required by law on awards or judgments, and its claim investigation legal expenses which can be directly allocated to a specific claim. Claim expenses exclude salaries and travel expenses of employees of the **Member**, annual retainers, overhead and any fees it paid for claim administration.

- C. **Employers' Liability** means coverage for the Member against the claims for damages, which arise out of the injuries to employees in the course of their work. Employers' Liability provides protection in cases not covered by the **Workers' Compensation Law**.

- D. **Member** means the Member named in the Declarations.

- E. **Qualified Self-Insurer** means the **Member** represents that it is a member of a duly qualified self-insurer under the **Workers' Compensation Law** of California and will continue to maintain such qualifications during the term this **Coverage** is in effect. If the qualification of the **Member** as a member of a self-insurer is cancelled or revoked while this **Coverage** is in force, the amounts payable under this **Coverage** will not exceed the amounts which would have been payable if such qualifications had been maintained in full force and effect.

- F. **Workers' Compensation Law** means the Workers' Compensation Law and Occupational Disease Law of the State of California. It includes any amendments to that law which are in effect during the term of this **Memorandum of Coverage**. It does not include provisions of any law that provides non-occupational disability benefits.



SECTION II - COVERAGES

A. WORKERS' COMPENSATION COVERAGE

The CSURMA agrees to provide the following Workers' Compensation coverage:

1. To indemnify the **Member** for loss as a qualified self-insurer under the **Workers' Compensation Law** but not for more than the limit of indemnity stated in the Declarations.
 - (a) Workers' Compensation Law includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the coverage period.
 - (b) **Workers' Compensation Law** includes the United States Longshoremen and Harbor Workers' Act (33 USC Section 901-950) and amendment to that act that is in effect during the coverage period.
2. Loss means amounts actually paid by the **Member** as a self-insurer under the **Workers' Compensation Law** for bodily injury by accident or bodily injury by disease including resulting death, provided:
 - (a) the bodily injury accident occurs during the period this Coverage is in force; or
 - (b) the bodily injury by disease is caused or aggravated by the conditions of employment by the **Member**. The employee's last day of last exposure to those conditions of that employment causing or aggravating such bodily injury by disease must occur during the period this Coverage is in force.
3. Loss includes **claims expenses** as defined in Section I - **DEFINITIONS**

B. EMPLOYERS' LIABILITY COVERAGE

The CSURMA agrees to provide the following Employers' Liability Coverage:

1. The CSURMA shall indemnify the **Member** as a qualified member of a self-insurer of employers liability for loss but not for more than the limits of indemnity stated in the Declarations.
2. Indemnity by the CSURMA shall be made only if the original suit and any related legal actions for damages for bodily injury by accident or disease was brought in the United States of America, its territories or possessions, or Canada.

3. Loss means amounts which the **Member is** legally obligated to pay or has paid in cash as damages, because of bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death. Loss also includes **claims expenses** as defined in Section I - **DEFINITIONS**
4. This coverage applies to losses paid by the **Member** for employers liability for bodily injury which arises out of and in the course of the injured employee's employment by the **Member**, provided:
 - (a) the bodily injury by accident occurs during the period this coverage is in force; or
 - (b) the bodily injury by disease is caused or aggravated by the conditions of employment by the **Member**.
 - (c) the employment is necessary or incidental to work conducted by the **Member**.
5. DAMAGES INCLUDE:
 - (a) damages for which the **Member** is liable to a third party by reason of a claim, suit or proceeding against the **Member** to recover damages suffered by the third party;
 - (b) damages for care and loss of services of an injured employee of the **Member**; and
 - (c) damages for consequential bodily injury to a spouse, child, parent, brother, or sister of the injured employee of the **Member**; provided such damages in 1, 2 and 3 above are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by the **Member** arising out of and in the course of the injured employee's employment by the **Member**; and
 - (d) damages because of bodily injury to an employee of the **Member** arising out of and in the course of employment, claimed against the **Member** in a capacity other than as employer.

C. WORKERS' COMPENSATION - OTHER STATES COVERAGES

1. This **Coverage** applies to states other than California if an employee of the **Member** is injured in such a state and if the work of such injured employee of the **Member** was within the scope of such employee's employment, at the direction of the **Member**, and was temporary and transitory in such other state provided the **Member** is not insured or self-insured in such other state, and
 - (a) such injured employee was regularly employed in California;
 - (b) the work in the other state was incidental to work in California; and

- (c) the work of such injured employee was not a permanent or fixed location of the **Member** subject to the **Workers' Compensation Law** in such other state.

SECTION III The CSURMA's LIMIT OF INDEMNITY

A. Limit of Indemnity by The CSURMA:

The CSURMA shall indemnify the **Member** for loss subject to the limit of indemnity stated in the Declarations. The limit of indemnity for Employers' Liability coverage shall not exceed the limit stated in the Declarations. The total indemnity for Workers' Compensation and Employers' Liability coverage combined shall not exceed in any event the maximum limit stated in the Declarations for California Workers' Compensation.

B. How the Limit of Indemnity Applies:

The CSURMA's Limit of Indemnity stated in the Declarations apply to losses paid by the **Member** as a member of a **qualified self-insurer** of Workers' Compensation and Employers' Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
2. To any one employee for bodily injury or death by disease.

The inclusion of more than one legal entity as **Member** in the Declarations shall not increase the CSURMA's limit of liability.

SECTION III - EXCLUSIONS

A. WORKERS' COMPENSATION

The CSURMA shall not indemnify the **Member** for any payments made by the **Member** *in excess of benefits* regularly required by the **Workers' Compensation Law** if such excess payments are required because:

1. of serious and willful misconduct of the **Member**;
2. the **Member** or an Executive official thereof knowingly employed an employee in violation of law;
3. the **Member** knowingly failed to comply with a health or safety law or regulation;
4. in violation of the **Workers' Compensation Law**, the **Member** discharged, coerced, or knowingly otherwise discriminated against any employee; or
5. the **Member** violated or failed to comply with an **Workers' Compensation Law**.

B. EMPLOYERS' LIABILITY COVERAGE

The CSURMA shall not indemnify the **Member** for any payments made by the **Member** in connection with any claim made against a **Member** as follows:

1. Liability assumed under a contract;
2. punitive or exemplary damages;
3. bodily injury to an employee while knowingly employed in violation of law;
4. bodily injury intentionally caused or aggravated by or at the direction of the **Member**;
5. bodily injury occurring outside the United States of America, its territories or possessions, or Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily working outside these countries for the **Member**;
6. damages arising out of the **Member's** violation of law in the discharge of, coercion of, or discrimination against any employee;
7. any obligation imposed by a Workers' Compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law; or
8. damages arising out of operations for which the **Member**:
 - a) has violated or failed to comply with any Workers' Compensation Law,
or
 - b) has rejected any Workers' Compensation Law.



California State University Risk Management Authority

IDL / NDI / UI
July 1, 2013 – July 1, 2014

Insurer: California State University Risk Management Authority (CSURMA)
Named Cover Entity: California State University Risk Management Authority (CSURMA) - Campuses

Cover Member:
California State University, Bakersfield
California State University, Chancellor’s Office
California State University, Channel Islands
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Long Beach
California State University, Los Angeles
California Maritime Academy
California State University, Monterey Bay
California State University, Northridge
California State Polytechnic University, Pomona
California State University, Sacramento
California State University, San Bernardino
San Diego State University
San Francisco State University
San Jose State University
California Polytechnic State University, San Luis Obispo
California State University, San Marcos
Sonoma State University
California State University, Stanislaus

Coverage: Industrial Disability Leave (IDL)
Non-Industrial Disability Leave (NDI)
Unemployment Insurance (UI)

Coverage Description: This is a coordinated income benefit program for state employees involving Industrial Disability Leave (IDL), Non-Industrial Disability Leave (NDL), and Unemployment Insurance (UI) as applicable. Income benefits are coordinated with any eligible Workers’ Compensation benefits to which the employee is entitled.

Waiting Period: Normally, there is a three (3) day waiting period (including weekends) before the income for lost wage payments are effective under Workers’ Compensation Temporary Disability (TD) benefits.

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

IDL / NDI / UI July 1, 2013 – July 1, 2014

Payment Option: Payments will be made for the first three (3) days if an employee is hospitalized during the period or if an employee must stay off work for more than 14 days (if IDL) is selected or 21 days if (TD is selected).

Temporary Disability (TD)

Two-thirds of gross salary up to a statutorily defined maximum per week for injuries on or after January 1, 1994. These payments are based on current statutory benefits. There is no time limit; benefits are payable until the medical disability becomes permanent and stationary. No retirement contributions or voluntary deductions are made. Employees may “direct pay” for health/dental/vision plans.

Industrial Disability Leave (IDL)

Full pay for the first 22 work days of disability, two-thirds thereafter for the balance of 52 weeks. For disability beyond the expiration of IDL benefits, an employee may be eligible to receive Temporary Disability (TD) benefits. While IDL is being paid, normal retirement contributions and voluntary deductions including health/dental/vision plans continue. In addition, sick leave and vacation credits accrue.

Non-Industrial Disability Leave (NDL)

During the period that the claim for Workers’ Compensation benefits is being evaluated by the third-party claims administrator, Sedgwick CMS, an employee may submit an application for NDL leave benefits. The claim form must be prepared by the employee and Human Resources, and forwarded to the employee’s physician for completion and submission to the California Employment Department for determination of eligibility and benefits.

Sedgwick shall notify the employee of the benefit determination. Within 15 days of receipt of the benefit determination the employee must notify Human Resources of their option selection. If Human Resources is not notified, the employee will automatically receive IDL benefits.

Claims Administrator: Sedgwick CMS (**IDL/NDL**)
TALX (**UI**)

Claims Reporting: Sedgwick CMS
Patricia Daniels, Operations Manager
PO Box 3170
Rancho Cordova, CA 945741-3170
Tel: (916) 771-2981/ Fax: (916) 851-8089 / Email: patricia.daniels@sedgwickcms.com

TALX

Rose Mizak, Assistant Regional Director
10801 National Blvd., #330
Los Angeles, CA 90064
Tel: (800) 475-5768 ext. 7689 / Fax: (866) 286-6287 / Email: RMizak@Talx.com



CSU Builder's Risk Program July 1, 2013 – July 1, 2014

Insurer:

Illinois Union Insurance Company (ACE)

Policy No:

I20799754 008

Named Cover Entity:

The Trustees of the California State University (CSU)

Additional Insured(s):

All owners, all contractors and subcontractors of every tier, tenants of the Insured Project, and any other individual or entity specified in such contract, are recognized as Additional Insured hereunder to the extent required by any contract or subcontract for the Insured Project, and then only as their respective interests may appear.

Coverage:

“All Risk” Builder’s Risk Insurance, including Property Damage, Property in Transit, Off-Site Storage, Expediting Expense, Flood (including tidal waves), Terrorism*, and Earthquake**

- * Terrorism Risk Insurance Program Reauthorization Act, 2007
- ** CSU maintains a self-fund for losses in excess of the deductible caused by earthquakes as defined in CA Public Contracts Code, section 7105 (b) (2)

Coverage Description:

“ACE Builders Risk XTRA Coverage Form” covering direct physical loss to Insured Project(s) while in the course of construction, reconstruction or renovation. Covers CSU construction projects whose:

1. Construction begins within the Policy Period,
2. Project Enrollment form is completed and approved by underwriting
3. Notice to Proceed is issued by the CSU to the General Contractor

Until completion up to 42 months from start date of construction

Limit:

\$50,000.000 Per Occurrence

Sub-limit:

| | |
|---------------|------------------------------------------------|
| \$25,000,000 | Wood-Frame Construction |
| \$1,000,000 | Temporary Structures |
| \$1,000,000 | Property in Transit |
| \$1,000,000 | Property in Temporary Storage or Staging Areas |
| 25% of Loss / | Debris Removal |
| \$1,000,000 | |
| Maximum | |
| \$250,000 | Protection of Property |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



CSU Builder's Risk Program July 1, 2013 – July 1, 2014

| | |
|----------------------------|----------------------------------------------------|
| \$250,000 | Protection Service Charge |
| \$25,000 | Fire Protection Systems |
| \$10,000 | Valuable Papers & Records |
| \$100,000 | Installed Trees & Shrubs |
| \$100,000 | Expediting Expense |
| \$50,000 | Loss Data Preparation Costs |
| \$10,000,000 / 365 days | Loss of Rents (optional for additional premium) |
| \$10,000,000 | Flood (each Occurrence and Aggregate) |
| \$1,000,000 | Pollutant Clean-up (each Occurrence and Aggregate) |
| 105% | New Construction Escalation Clause |

Deductible:

| | |
|-----------|-----------------------------------|
| \$25,000 | per Occurrence |
| \$100,000 | per Occurrence - Flood |
| \$50,000 | per Occurrence – Water Damage |
| \$100,000 | per Occurrence - Earth Movement** |
| 30 days | Loss of Rents |

Exclusions (included but not limited to):

1. Earth Movement**
2. Pollution / Contamination
3. Electronic Data / Cyber Risk
4. Mold / Fungus
5. Nuclear, Biological, Chemical

** *Excluded by carrier, self-funded by CSU*

Loss Valuation:

Replacement Cost if replaced, otherwise
Actual Cash Value

Comments / Conditions:

1. Projects to be reported quarterly
2. Projects reported during the policy term are held covered for up to 42 months from project start date
3. Projects whose initial reported value is less than \$5,000,000 are not required to be reported upon completion
4. Projects whose initial value is \$5,000,000 or more shall report final contract values and terms during the next quarterly reporting period following project completion

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



CSU Builder's Risk Program July 1, 2013 – July 1, 2014

Claims Reporting:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Bob Frey, First Vice President, Claims Manager

Email: rfrey@alliant.com

Phone: 415-403-1445

Cell: 415-518-8490

Fax: 415-402-1466

Elaine Kim, Claims Advocate

Email: ekim@alliant.com

Phone: 415-403-1458

Fax: 415-402-1466

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Fidelity / Crime Insurance Program July 1, 2013 – July 1, 2014

Insurer: Lloyd's of London

Policy No.: B0621PTRU00613

Named Cover Entity: California State University Risk Management Authority (CSURMA)

Cover Member:

- California State University, Bakersfield
- California State University, Chancellor's Office
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

Limits: *Claims Made Coverage*

- \$20,000,000 any one loss
- \$40,000,000 aggregate

Member Deductible: \$250,000 any one loss

Warranties: All checks for amounts in excess of \$5,000 must include dual check signatures

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Fidelity / Crime Insurance Program July 1, 2013 – July 1, 2014

Coverages:

Employee Dishonesty, including Faithful Performance

1. Theft
2. Computer Crime
3. Counterfeiting
4. Forgery

Major Exclusions:

1. Fines or Penalties
2. Errors and omissions committed by you or your employees
3. Loss caused by anyone owing 10% or more of issued share capital
4. Loss caused by an employee after you are aware they have committed acts of fraud, dishonesty or criminal damages (unless the person who discovers is in collusion with employee)
5. Costs to establish value of a loss (except auditor's fees)
6. Indirect or consequential loss
7. Income or profit
8. Loss resulting from trading insecurities, commodities, etc.
9. Extortion, unless caused by Employee Dishonesty or Computer Crime

Discovery Period

90 days

Claims Administrator:

Financial Lines Claims
ACE Building
100 Leadenhall Street
London, EC3A 3BP

Claims Reporting:

Within 45 days of discovering a loss (to London)

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Diana Walizada
Toll Free: (877) 725-7695
Direct: (415) 403-1453
Fax: (415) 403-1466
Email: dwalizada@alliant.com

Risk Details

Type: Primary Fidelity Insurance

Proposal Form:

Policyholder: THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule

Address

Office of the Chancellor,
401 Golden Shore,
5th Floor, Long Beach,
California 90802-4210,
United States of America

Policy Period: From: 1st July 2013
To: 1st July 2014
Both days at 12.01am, local standard time at the address shown above.

Interest: Fidelity Insurance

Sum Insured: USD20,000,000 Any One Loss, Sublimit USD2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD40,000,000 Aggregate

Sub Limit

Computer Costs USD250,000

Excess: USD 250,000 Any One Loss in respect of The Trustees of California State University
USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule.
Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached)

Territorial Limits: Worldwide

Conditions: As per ACE Fraud Protector wording and endorsements attached.

Notices: California Notice LSW1147D attached hereto

Express Warranties: Warranted dual Cheque signatures for amounts in excess of USD15,000, but amounts in excess of USD5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

Subjectivities: As per the attached Subjectivities Clause

**Choice of Law
& Jurisdiction:**

This insurance shall be governed by and construed in accordance with the laws of California.
Each party agrees to submit to the jurisdiction of a Court of competent jurisdiction within the United States of America (as per the Service of Suit Clause (USA)) NMA1998 attached hereto.

Payment Terms:

30 days in accordance with the LSW3000 Premium Payment Clause

**Taxes Payable
by Insured and
administered by
Insurer(s):**

None

**Recording,
Transmitting and
Storing Information:**

Miller Insurance Services LLP will maintain risk and claim data, information and documents which may be held on paper or electronically.

**Insurer Contract
Documentation:**

This document details the contract terms entered into by the insurer(s) and constitutes the contract document.

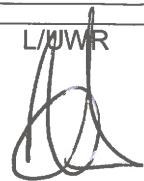
NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU

07/11
LSW1147D

MR CONTRACT
ENQ/QUO : P00217059/01

L/JWR


A

Schedule

Policy Number: B0621PTRU006113

- | | | |
|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Item 1. | Policyholder | THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY and various Auxiliary Organisations as per attached Schedule (also identified in the Policy as You/Your) |
| | Address | Office of the Chancellor, 401 Golden Shore, 5 th Floor, Long Beach, California 90802-4210, United States of America |
| Item 2. | Policy Period | From: 1 st July 2013 12.01am Local Standard Time To: 1 st July 2014 12.01am Local Standard Time At the Address above |
| Item 3. | i) Sum Insured | USD 20,000,000 Any One Loss, Sublimit USD 2,000,000 Any One Loss in respect of Auxiliary Organisations (as per Auxiliary Schedule attached) USD 40,000,000 Aggregate |
| | ii) Computer Costs Sub-Limit | USD 250,000 |
| Item 4. | Excess | USD 250,000 Any One Loss in respect of The Trustees of California State University USD 25,000 Any One Loss/USD 100,000 Annual Aggregate in Respect of Auxiliary Organisations per attached Schedule. Deductible to revert to expiring retentions for each Auxiliary Organisation upon erosion of USD 100,000 aggregate (as per Auxiliary Schedule attached) |
| Item 5. | Discovery Period | 90 Days |
| Item 6. | Endorsement effective at inception: | |
| | <ol style="list-style-type: none"> 1. NMA 1998 – Service of Suit Clause (naming Mendes & Mount California, USA) 2. Faithful Performance of Duty Coverage for Government Employees Endorsement 3. BEJH Discovery Limitation Clause 4. Aggregate Limit Endorsement 5. Fine Art and Jewellery Collection Exclusion 6. Notice of Cancellation or non-Renewal Amendment 7. Small Additional or Return Premiums Clause (USA) NMA 1168 8. No Claims Bonus Endorsement 9. Warranted dual Cheque signatures for amounts in excess of USD15,000. | |

8

- 10. Employee Benefit Asset Endorsement
- 11. Amended Notice Requirement
- 12. Amended Discover/ed or Discovery Clause
- 13. Choice of Law Clause
- 14.. LSW3000 Premium Payment Clause

Item 7. Premium

Item 8. Notification of Loss Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

Item 9. Notification of Claims to: Alliant Insurance Services, Inc, 100 Pine Street, 11th Floor, San Francisco, California 94111 United States of America

Proposal Form Dated:

ACE Fraud Protector (amended)

- Our promise to you** This policy is our promise to you to pay for your loss if:-
1. a problem of a type described under *What has gone wrong* occurs to prior to the end of the **policy period**,
 2. you have **discovered** and told us about this problem during the **Policy period** or **discovery period**,
 3. the problem is covered under *What does the policy pay*,
 4. the problem is not excluded under *What is not covered*, and
 5. you have met the duties under *Your obligations to us*.

Our promise is also subject to the conditions set out under *General matters*.

What has gone wrong

You have suffered a loss because of:-

- a. employee dishonesty,
- b. theft
- c. computer crime,
- d. counterfeiting, or
- e. forgery

What does the policy pay

We will pay up to the **sum insured** for loss (as described below) which you suffer as a result of an act or acts described under *What has gone wrong*, but we will not pay for loss referred to under *What is not covered*.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of **employee dishonesty, theft, computer crime, counterfeiting, or forgery**. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their **money, securities** or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the **policy period** or **discovery period**, if applicable.

We will also pay for any auditor's fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the **sum insured**.

When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

- i) the lesser of the mid market value of **securities** at the close of business on the day that you **discover** the lost, or the cost of replacing the **securities**. In addition the cost of issuing any loss instruments bond which may be required.
- ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.
- iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you **discover** the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under *General matters*.
- iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.
- v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the **sum insured**.

You must pay the **excess** for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the **sum insured**. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under *What has gone wrong*, involves one or more incidents of loss or is sustained in one or more **policy periods**.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the **Sum Insured** shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

- i) firstly, to you for any amount of the loss which exceeds the **sum insured** or settlement and the **excess**;
- ii) secondly, to us for any settlement made; and
- iii) thirdly, to you for the amount paid as the **excess**

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.

If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

What is not covered We will not pay loss consisting of or which is due to:-

- a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.
- b) any errors and omissions committed or omitted by you or your **employees**.
- c) any loss that you have **discovered** before the commencement of the **policy period**.
- d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.
- e) loss caused by an **employee** after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the **employee**.
- f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor's fees agreed under *What does the policy pay*.
- g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.
- h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.
- i) indirect or consequential loss.
- j) income or profit (including but not limited to interest and dividends).
- k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

- l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.
- m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.
- n) loss resulting directly or indirectly from trading in **securities**, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of **employee dishonesty**, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.
- o) extortion unless caused by **employee dishonesty** or **computer crime**.

Your obligations to us

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.

Before we agree to insure you

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

During the policy Period

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

When a problem arises

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within 45 days of **discovering** a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or

anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

The meaning of policy terms

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

Associated Company

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

Computer crime

means an act or acts of a person other than an **employee** amounting to:-

- 1) the theft of your:-
 - a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;
 - b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have been given by you or someone to whom you have given authorisation, but actually have been fraudulently transmitted, issued or fraudulently altered by another.
- 2) the malicious, intentional and wilful use of computer, network or electronic commerce services to erase, destroy, modify or corrupt data or to deny users access to your computer, network or electronic commerce services.

Counterfeiting

means an act by a person, other than an **employee**, which causes you to act upon or give value for a negotiable instrument that is an imitation of an authentic negotiable instrument and which deceives you into believing that the imitation is the authentic original negotiable instrument. If these instruments contain fraudulent misrepresentations of fact but are genuinely signed or endorsed then they are not counterfeit for the purposes of this insurance.

Discovered or Discovery

means the time at which you or one of your senior managers becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

Discovery Period

means the period stated in item 5 of the Schedule to this policy immediately following termination of this policy. Within this time you may report any loss which you have **discovered** that was connected to an act committed during the **policy period**. There is no **discovery period** on renewal of this policy nor upon the expiry, cancellation or other termination of this policy, if a similar policy or cover (whether issued by us or another insurer) replaces it.

- Employee** means a person in your regular service whom you compensate by wages, salary, fees and/or commissions and who you have a right to direct in the performance of this service.
- To the extent that any of your directors, trustees or consultants are **employees** they will only be covered whilst performing acts coming within the scope of the usual duties of an **employee**.
- Any student, secondee, volunteer or temporary personnel supplied by outside agencies will be deemed to be an **employee** whilst performing services which you have the right to direct.
- Any professionally qualified lawyer retained by you, or an employee of such lawyer, will be deemed to be an **employee** whilst performing services on your behalf under the retainer.
- Any trustee, fiduciary, administrator or officer of any pension or employee benefit plan established by you and falling within the definition of **insured** is deemed to be an **employee**.
- Cover in respect of **employees** will continue to apply for sixty days immediately following termination of their service.
- Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an **employee** with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.
- Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.
- Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by **employees**.
- Insured** means the **policyholder** and is deemed to include:-
- a) all subsidiary or **associated companies** existing at or before the inception date (or subsequent renewal date) and In respect of which we have received a proposal form.
 - b) any subsidiary or **associated companies** acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within

sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.

- c) pension and employee benefit plans which you maintain on behalf of your **employees** and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

Money means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques postal orders or money orders or money orders held for sale to the public.

Policy Period means the period of time from inception to expiry date in Item 2 of the Schedule.

Policy Holder means the entity named in Item 1 of the Schedule

Securities means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include **money**.

Sum insured our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

Theft means a dishonest and unlawful act, of a person, other than an **employee**, of taking your property, **money** or **securities** with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

General Matters References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the **Insured**.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the **Insured** and Underwriters.

The policy is a single contract of insurance between us and the **Insured** and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

- a) the **policyholder** will act for itself and for all of you for all purposes under this policy;
- b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

- c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the **policyholder** or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of **Insured** from the date that you no longer meet that definition.


Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with **discovery**, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.

Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation

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ENQ/QUO : P00217059/01

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33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"

66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus

ENDORSEMENTS

1. SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Mendes & Mount, LLP, 601 South Figueroa Street, Suite 4676, Los Angeles, California 90017, United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

NMA 1998 (24/4/86) Form approved by Lloyd's Underwriters' Non-Marine Association.

**2. FAITHFUL PERFORMANCE OF DUTY COVERAGE
FOR GOVERNMENT EMPLOYEES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

**GOVERNMENT CRIME COVERAGE FORM
GOVERNMENT CRIME POLICY**

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:

we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
- p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
 - q) damages for which you are legally liable as a result of:
 - (1) the deprivation or violation of the civil rights of any person by an "employee";
 - or
 - (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

3. the Indemnification is added to General matters Section:

We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

4. Part (l) of the Termination As To Any Employee Condition is replaced by the following:

- (1) As soon as:
 - (a) You; or
 - (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

3. B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

- (a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;
- (b) arising out of or in connection with any circumstances or occurrences known to the **Insured** prior to the inception hereof.

4. AGGREGATE LIMIT ENDORSEMENT

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

5. FINE ART AND JEWELLERY COLLECTION EXCLUSION

We will not pay loss consisting of or which is due to fine art and jewellery collections

6. NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the **Insured**, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the **Insured**, this Policy may be cancelled by Underwriters by mailing notice to the **Insured** stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the **Insured** or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the **Insured** with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the **Policy Period**. Notice shall be provided via regular U. S. mail to the address shown in Item 1 (b) of the Declarations.

7. SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of USD2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

8. NO CLAIM BONUS ON RENEWAL CLAUSE

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

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LSW718

9. EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD 15,000, but amounts in excess of USD 5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

10. It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

11. AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause "When a problem arises" is deleted and the following substituted therefore:

When a problem arises We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at **Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP** in writing within:

- a) as soon as practicable after discovering a loss; but
- b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under *What has gone wrong*. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

12. AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

Discover/ed or Discovery means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.

13. CHOICE OF LAW

This insurance shall be governed by and construed in accordance with the laws of California.

14. PREMIUM PAYMENT CLAUSE

The **Insured** undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the **Insured** via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01
LSW3000

15. MPR SUBJECTIVITIES CLAUSE

Underwriters have agreed to undertake this Insurance on the understanding that the **Insured** undertakes to provide a satisfactory signed and dated proposal form to Underwriters within 30 days of the inception date of this Insurance.

Between the inception date of this Insurance and the end of the period specified above, cover is provided by the Underwriters on the terms and conditions specified in the Insurance to which this clause is attached.

1. **If the proposal form, requested by Underwriters, has not been provided** to Underwriters by the end of the period specified, Underwriters shall have the right to cancel this Insurance by notifying the **Insured** via the broker in writing. In the event of cancellation, premium is

due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the premium for the full period of Insurance shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy. It is agreed that Underwriters shall give no fewer than 15 days' prior notice of cancellation to the **Insured** via the broker. If the item(s) listed above, requested by (Re)Insurers, are provided by the (Re)insured before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

2. **In the event that the proposal form provided by the Insured is unsatisfactory** to Underwriters, Underwriters shall have the right to amend the terms and conditions of this Insurance by notifying the **Insured** via the broker in writing of such amendments. It is agreed that Underwriters shall give no fewer than 15 days' prior notice of such amendments changes to the terms and conditions to the **Insured** via the broker. Between the inception date of this Insurance and the date of receipt of notice by the **Insured** of such amendments, cover is provided by Underwriters on the original terms and conditions specified in the Insurance to which this clause is attached.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on its own behalf and on behalf of all Underwriters participating on the Insurance to which this clause is attached.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

SUBJECT OTHERWISE TO THE TERMS, CONDITIONS AND LIMITATIONS OF THIS INSURANCE

Information

As per Alliant renewal presentations held on brokers file and seen by Underwriters.

Security Details

LMA3333

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer's liability several not joint

The liability of a (re)insurer under this contract is several and not joint with other (re)insurers party to this contract. A (re)insurer is liable only for the proportion of liability it has underwritten. A (re)insurer is not jointly liable for the proportion of liability underwritten by any other (re)insurer. Nor is a (re)insurer otherwise responsible for any liability of any other (re)insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by a (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is a (re)insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other (re)insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

Proportion of liability

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".


Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

Order Hereon: 100% of 100%

**Basis of
Written Lines:** Percentage of Whole

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ENq/Quo : P00217059/01

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Signing Provisions: In the event that the written lines hereon exceed 100% of the order, any lines written "to stand" will be allocated in full and all other lines will be signed down in equal proportions so that the aggregate signed lines are equal to 100% of the order without further agreement of any of the (re)insurers.

However:

- a) in the event that the placement of the order is not completed by the commencement date of the period of insurance then all lines written by that date will be signed in full;
- b) the signed lines resulting from the application of the above provisions can be varied, before or after the commencement date of the period of insurance, by the documented agreement of the (re)insured and all (re)insurers whose lines are to be varied. The variation to the contracts will take effect only when all such (re)insurers have agreed, with the resulting variation in signed lines commencing from the date set out in that agreement.

Written Lines: In a co-insurance placement, following (re)insurers may, but are not obliged to, follow the premium charged by the lead (re)insurer.

(Re)insurers may not seek to guarantee for themselves terms as favourable as those which others subsequently achieve during the placement.

SIGNED
LINE %



AGM
2488

[Signature] 2/6/13

ace global markets

33.34%

| | | | | | | | | | | | | |
|-----|---|---|---|---|---|---|---|---|---|---|---|----|
| A | K | F | K | 6 | D | 4 | K | 5 | 4 | 8 | 2 | BB |
| SIF | | | | | | | | | | | | |

33.33%

SJC
2003

[Signature] 2/6/13

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| B | X | 5 | 0 | 0 | 0 | 3 | 9 | 8 | 5 | 6 | 3 | BB |
| SIF | | | | | | | | | | | | |

BRIT
GLOBAL SPECIALTY

[Signature] 2/6/13

BRT
2987

33.33%

| | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|----|
| T | H | 7 | 9 | 0 | C | 1 | 3 | A | 0 | 0 | 0 | BB |
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California State University Risk Management Authority

CSU Inland Marine Program July 1, 2013 – July 1, 2014

Insurer:

AGCS Marine Insurance Company

Policy No:

MXI0098308874

Named Cover Entity:

California State University Risk Management Authority (CSURMA)

Coverage:

All Risk equipment floater for scheduled of equipment on file with the company

Limit:

\$10,000.000 Per Occurrence
\$500,000 Sublimit - Inland Transit

Deductible:

| <u>Item:</u> | <u>Deductible:</u> | <u>Rate (per \$100 of value)</u> |
|--------------------------|--------------------|----------------------------------|
| Musical Instruments | \$1,000 | 0.665 |
| Fine Arts | \$1,000 | 0.361 |
| EDP (less than \$1mm) | \$1,000 | 0.779 |
| EDP (greater than \$1mm) | \$10,000 | 0.15 |
| Laptops | \$1,000 | 1.539 |
| Camera Equipment | \$1,000 | 3.696 |
| Office Equipment | \$1,000 | 0.779 |
| Miscellaneous Equipment | \$1,000 | 0.779 |

Deductible applies against total loss from any one occurrence. The total to be deducted shall not exceed the largest deductible applicable.

Loss Valuation:

1. Property of Insured: replacement cost
2. Property of others: the Insured's interest and for the valuation consistent with the liability of the Insured.

Insuring Agreements:

Computer Form

1. Covered properties: EDP and media owned, leased, rented, or controlled by the Insured and for which the Insured is liable.
2. Perils Insured: all risk of direct physical loss or damage, except:
 - a. mechanical failure
 - b. dishonest acts
 - c. electrical disturbance

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

CSU Inland Marine Program July 1, 2013 – July 1, 2014

Commercial Article Floater

1. Covered properties: musical instruments, fine arts, camera equipment owned, leased, rented or controlled by the Insured and for which the Insured is liable.
2. Perils Insured: all risk of direct physical loss or damage, except:
 - a. wear and tear
 - b. hostile or warlike action, insurrection, rebellion
 - c. nuclear reaction, radiation, contamination
 - d. unexplained loss, mysterious disappearance
 - e. mechanical breakdown, latent defect
 - f. corrosion, rust
 - g. misappropriation, dishonest acts
 - h. earthquake, flood
 - i. as to Fine Arts: damage from repairing, restoration or retouching process; breakage, unless caused by an insured peril, or endorsed thereon

Property Not Covered

- Vehicles
- Watercraft
- Property rented or leased to others while away from your premises
- Property while waterborne”, unless on transporting land conveyances aboard any regular ferry operation on inland waterways
- Any “Data” which cannot be replaced unless such items are covered for a specific amount per article and such items and values per article are endorsed onto this EDP policy
- Accounts, bills, evidences of debt, money, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to Data Processing “Media” form, and then only in that form
- Contraband or property in the course of illegal transportation or trade

Exclusions (included but not limited to):

- Earth Movement
- Governmental Action
- Nuclear Hazard
- War And Military Action
- Water / Flood
- Fungi, Wet Rot And Dry Rot
- Virus, Bacterium Or Other Microorganism

Comments / Conditions:

Fine Arts:

- a. must be packed/unpacked by competent packers
- b. declared/agreed value
- c. pair and set: full value of set



CSU Inland Marine Program July 1, 2013 – July 1, 2014

Musical Instruments:

- a. not played for remuneration, unless endorsed thereon

Claims Administrator:

AGCS Marine Insurance Company
Attn: FNOL Marine Claims Unit
One Progress Point Parkway
O'Fallon, MO 63368

Tel: 1-800-558-1606

Fax: 1-888-323-6450

Email: FNOLMarine@agcs.allianz.com

Claims Reporting:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

Elaine Kim, Claims Advocate

Direct: (415) 403-1458

Fax: (415) 403-1466

E-mail: ekim@alliant.com

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Inland Marine & Related Property

Inland Marine & Property Claims Reporting

Our highly skilled Marine Claims professionals are committed to providing our valued clients with the best service possible and they will respond quickly to any claim situation that you may have.

You can notify us of a new claim via any of the following reporting options:

Telephone: **+1.800.558.1606**
Outside of the US: +1.314.513.1353

Email: FNOLMarine@agcs.allianz.com

Fax: **+1-888.323.6450**
Outside of the US: +1.314.513.1345

Mailing Address: **FNOL Marine Claims Unit**
AGCS Marine Insurance Company
One Progress Point Parkway
O'Fallon, MO 63368

If possible, please include the following information in your claim notice or have it available for our customer service representative:

Contact information
Policy #
Date of loss
Description of loss



Allianz Global Corporate & Specialty®

POLICY NUMBER
MXI98308874

Transaction Type
RENEWAL

**Coverage for policies other than
WORKERS' COMPENSATION is
provided in the following company
54 - AGCS MARINE
INSURANCE COMPANY**

MANDATORY PREMIUM TRANSACTION FORM

Named Insured and Mailing Address

**THE STATE OF CALIFORNIA
401 GOLDEN SHORE, 5TH FLOOR
LONG BEACH, CA 90802**

Change Effective Date: 07/01/2013

Policy Period Inception Date: 07/01/2013
Expiration Date: 07/01/2014

PREMIUM SUMMARY:

**Producer: AMWINS ACCESS
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311**

Transaction Date 07/18/2013

THIS IS NOT A BILL

Mandatory Premium Transaction Form 01 05



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

MXI98308874

“Original”

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POLICY NUMBER MXI-98308874

Named Insured

**THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE**

Producer

**AMWINS ACCESS
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311**

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Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

COMPLAINT PROCEDURES AND TOLL FREE NUMBER

IMPORTANT NOTICE FOR CALIFORNIA POLICYHOLDERS

If you have question about your policy, or about any insurance matter, you can contact your independent agent or broker. If you have additional questions, contact the company issuing the policy at the following address:

**AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606**

Phone: 1-888-466-7883

If you have been unable to obtain satisfaction from either the agent or the company, you may contact the California Department of Insurance at the following address:

**California Department of Insurance
Consumer Communications Bureau
300 South Spring St. South Tower
Los Angeles, CA 90013**

Phone: 1-800-927-4357

The Department of Insurance should be contacted only after the contacts with agent and the company have failed to produce a satisfactory solution to your problem.



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

**IMPORTANT NOTICE REGARDING TERRORISM COVERAGE –
TER 9020PHN 01 10**

Insured: THE STATE OF CALIFORNIA Policy Number: MXI98308874
ACTING BY AND THROUGH THE
TRUSTEES OF THE CALIFORNIA
STATE UNIVERSITY
C/O CALIFORNIA STATE
UNIVERSITY CHANCELLORS
OFFICE

Producer: AMWINS ACCESS Effective Date: 07/01/2013

This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act you have a right to purchase insurance coverage for losses arising out of **certified acts of terrorism**, as defined in Section 102(1) of The Act: The term **certified act of terrorism** means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHEN COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM **CERTIFIED ACTS OF TERRORISM**, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER'S LIABILITY FOR LOSSES RESULTING FROM **CERTIFIED ACTS OF TERRORISM** WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEEDS \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Our records indicate that you previously rejected coverage for losses arising out of **certified acts of terrorism**, as defined by The Act, when we provided you a quote for insurance. Accordingly, your policy does not currently provide this coverage. However, The Act requires that we again make an offer at this time. If you wish to change your decision and purchase terrorism coverage, you must contact your agent or broker representing the AGCS Marine Insurance Company and request coverage so we can provide you with a new quote. If you do not do so, it will be presumed that you have rejected this offer of terrorism coverage.

Please note that any coverage mandated by applicable Standard Fire Policy laws in your state will not be affected by your rejection of terrorism coverage.

This offer of coverage for losses due to terrorist acts, as defined by The Act, if accepted, will be subject to the limit(s), terms and conditions of any policy or endorsement subsequently issued.

If you have any questions about this or any other insurance matter, please contact your agent or broker representing AGCS Marine Insurance Company.



Allianz Global Corporate & Specialty®

INLAND MARINE - GENERAL DECLARATIONS

Policy Number
MXI98308874

The Company issuing this policy is indicated by the Company Code (first letter or number) in the POLICY NUMBER, as follows:
A STOCK COMPANY

Renewal of Policy Number/Previous Policy Number
MXI98308874

054 - AGCS Marine Insurance Company

**AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606**

Producer Code:

S-00035250

Producer or Agent Name

AMWINS ACCESS

Address:

**19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311**

**Named Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE**

**Mailing Address: 401 GOLDEN SHORE, 5TH FLOOR
LONG BEACH, CA 90802**

Policy Period: From: 07/01/2013 To: 07/01/2014 at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n) SOLE OWNER

Business or Operations of the Named Insured: CALIFORNIA STATE UNIVERSITY

In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in the policy.

INLAND MARINE COVERAGES:

COVERAGE FORMS AND CORRESPONDING ENDORSEMENTS ATTACHED AT INCEPTION:

CM 1017 DEC 01 10, CM 00 01 09 04, CM 00 20 03 10, IL 00 17 11 98, IM 1000DEC 01 10, IM 8002 01 10, CL 9603PHN 01 10, IL 01 02 05 05, IL 01 04 09 07, IL 02 70 08 11, TER 9020PHN 01 10, TER 9000 01 10, IM 8013 06 10, EDP 6210 05 11, NIM 1050 01 10, EDP 6200DEC 05 11, CA 8601 01 10, FR 5017DEC 01 10, FR 5017 01 10, SA 5011 01 10, SA 5011DEC 01 10, ENDORSEMENT 001, ENDORSEMENT 002, ENDORSEMENT 003, ENDORSEMENT 004, ENDORSEMENT 005

The premium may be subject to adjustment.

- Terrorism Risk Insurance Act - Certified Acts Coverage - Covered \$**
- Terrorism Risk Insurance Act – Certified Acts Coverage - Not Covered \$ 0**

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary.



Secretary



President

Countersignature of Authorized Agent: _____

Producer: **AMWINS ACCESS**
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311

Date 07/18/2013



Allianz Global Corporate & Specialty®

This endorsement changes
the policy

PLEASE READ THIS CAREFULLY

AMENDATORY ENDORSEMENT CALIFORNIA

1. In all coverage forms, Actual Cash Value, if applicable, is amended to include the following:
 - a. The actual cash value of covered property will be determined as:
 - 1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
 - 2) the limit applicable to that property at the time of the loss.whichever is less.
 - b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.
 - c. a. and b. above do not apply to property subject to Agreed Amount valuation terms or an item of property specifically scheduled with a value applicable to such item.
2. Under Loss Conditions, F. Other Insurance is deleted and replaced by the following:

F. Other Insurance

You may have another policy covering identical risks, whether or not both policies are subject to the same terms, such insurers are liable to make loss payment as described below. In the event you have double insurance, and incur:

- a. a total or constructive total loss, we will pay our share of the covered loss if that policy has the same effective date as this policy. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

However, if there is a total or constructive loss and that policy has an effective date other than the effective date on this policy, we will pay according to the effective dates on the policies. This policy will be primary to any policy with an effective date after the effective date of this policy. This policy will be excess over any policy with an effective date before the effective date of this policy.

- b. a partial loss, we will pay our share of the covered loss. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

Commercial Inland Marine Conditions

Policy Amendment(s) Commercial Inland Marine

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

Loss Conditions

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be established by appraisal. To start the appraisal process either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within 30 days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the covered property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the loss. You will pay your appraiser and we will pay ours. The umpire's fee and other appraisal expenses will be shared equally by you and us.

If we submit to an appraisal, we will still retain our right to deny the claim.

C. Duties in the Event of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.

2. Give us prompt notice of the loss or damage. Include a description of the property involved. You must also file with us or our agent, a detailed sworn proof of loss within ninety (90) days following the loss or damage. We will supply you with the necessary forms.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination. If you move the covered property to a safe place, that property will continue to be covered and we will reimburse you for the reasonable expenses for doing so. You must tell us as soon as practical that you have moved the covered property to a safe place.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
9. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property.

We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense. The expenses we incur will not reduce the applicable limit for coverage described under Property Covered.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.
7. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the recovery with you. Your share will be the

proportion that your share of the loss bears to the total amount of the loss.

8. We will pay for the removal of covered property damaged from a covered cause of loss up to the lesser of 10% of the limit of insurance or \$50,000. This is in addition to the limit of insurance.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets or Parts

1. Pair or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Labeled Goods

If covered property bearing labels, packaging or wrappers is lost or damaged, we will pay you an amount sufficient to replace those labels, packaging or wrappers.

I. Loss Payee

If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interest of each may appear.

J. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

K. Reinstatement of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

L. Transfer of Rights of Recovery Against Others to Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. If that person or organization does anything to impair our rights after a loss, we will not have to pay the loss. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if; at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

General Conditions

A. Concealment, Misrepresentation or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

1. No one may bring us a legal action against us under this Coverage Part unless:
 - a. There has been full compliance with all the terms of this Coverage Part; and
 - b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.
2. You agree not to sue us or involve us in another action proceeding after 2 years have past since you discovered the loss or damage giving rise to such action. If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

D. No Benefit to Bailee

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the General Declarations and the policy period begins and ends at 12:01 a.m., Standard Time, at your address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time. And,
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;
2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

G. Your Name and Address

Your name and address as the Named Insured shall be as specified in the General Declarations.

H. The Declarations

The Declarations shows you which coverages you have purchased and the limits of insurance that apply. You have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, you agree that:

- a. The statements in the Declarations are your agreements and representations.
- b. That this policy is issued in reliance on the truth of such representations.

COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.
8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.
10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
 - a. We have reached agreement with you on the amount of the loss; or
 - b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts

1. Pair Or Set

In case of loss or damage to any part of a pair or set we may:

- a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
- b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
 - a. Someone insured by this insurance; or
 - b. A business firm:
 - (1) Owned or controlled by you; or
 - (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS

A. Concealment, Misrepresentation Or Fraud

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us

No one may bring a legal action against us under this Coverage Part unless:

1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

D. No Benefit To Bailee

No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory

We cover loss or damage commencing:

1. During the policy period shown in the Declarations; and
2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time

during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
 - a. Make inspections and surveys at any time;
 - b. Give you reports on the conditions we find; and
 - c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
 - a. Are safe or healthful; or
 - b. Comply with laws, regulations, codes or standards.
3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except

in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your

legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 FARM COVERAGE PART
 STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

- A.** In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
 1. The Limit of Insurance applicable to that building or structure; or
 2. The fair market value of the building or structure.
- B.** In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
 1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
 2. The Limit of Insurance applicable to the property.
- C.** In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
 1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
 2. The Limit of Insurance applicable to the property.
- D.** An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGES, CONDITIONS, DEFINITIONS
 FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
 FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
 STANDARD PROPERTY POLICY

- A.** When this endorsement is attached to the Standard Property Policy **CP 00 99** the term Coverage Part in this endorsement is replaced by the term Policy.
- B.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:
- We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. That insured's ("insured's") interest in the Covered Property; or
 4. A claim under this Coverage Part or Coverage Form.
- C.** The **Concealment, Misrepresentation Or Fraud** Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:
- This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:
1. This Coverage Part;
 2. The Covered Property;
 3. An insured's ("insured's") interest in the Covered Property; or
- 4.** A claim under this Coverage Part or Coverage Form.
- D.** Except as provided in **E.**, the **Appraisal** Condition is replaced by the following:
- If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:
1. Pay its chosen appraiser; and
 2. Bear the other expenses of the appraisal and umpire equally.
- If there is an appraisal, we will still retain our right to deny the claim.
- E.** The Appraisal Condition in:
1. Business Income (And Extra Expense) Coverage Form **CP 00 30**; and
 2. Business Income (Without Extra Expense) Coverage Form **CP 00 32**;

is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
 COMMERCIAL AUTOMOBILE COVERAGE PART
 COMMERCIAL GENERAL LIABILITY COVERAGE PART
 COMMERCIAL INLAND MARINE COVERAGE PART
 COMMERCIAL PROPERTY COVERAGE PART
 CRIME AND FIDELITY COVERAGE PART
 EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
 EQUIPMENT BREAKDOWN COVERAGE PART
 FARM COVERAGE PART
 LIQUOR LIABILITY COVERAGE PART
 MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
 POLLUTION LIABILITY COVERAGE PART
 PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

- a.** 10 days before the effective date of cancellation if we cancel for:
 - (1)** Nonpayment of premium; or
 - (2)** Discovery of fraud by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
- b.** 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

- a.** If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:
 - (1)** Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
 - (2)** Discovery of fraud or material misrepresentation by:
 - (a)** Any insured or his or her representative in obtaining this insurance; or
 - (b)** You or your representative in pursuing a claim under this policy.
 - (3)** A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
 - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
 - (b) Continuation of the policy coverage would:
 - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
 - (ii) Threaten our solvency.
 - (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
 - (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or
 - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.
- 5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.
The cancellation will be effective even if we have not made or offered a refund.

B. The following provision is added to the **Cancellation** Common Policy Condition:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
 - (1) Accepted an offer of earthquake coverage; or
 - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of Paragraphs **C.2.** and **C.3.** below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in **b.**, **c.** and **d.** below.
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

(3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or
- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.
- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (**d.**) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
 - (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
 - (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph **D.** Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.

- b.** If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph **C.1**.
- c.** If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d.** If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e.** If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f.** If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph **C.1.**, to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.



Allianz Global Corporate & Specialty®

Electronic Data Processing Declarations

Commercial Inland Marine

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

Schedule

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Schedules.

Locations of Property Covered

Loc. 001 As per schedule on file with us dated 05/08/2013

Loc.

Loc.

Location and Limit of Insurance

| Type of Coverage | Loc. # 001 | Loc. # | Loc. # |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|----------------------------------------------|--------|
| EDP Equipment and Software | \$222,437 | \$ | \$ |
| EDP Equipment | \$ | \$ | \$ |
| EDP Software | \$ | \$ | \$ |
| EDP Extra Expense | \$ | \$ | \$ |
| • Measure of Recovery | \$ Per | \$ Per | \$ Per |
| EDP Business Income | \$ | \$ | \$ |
| • Measure of Recovery | \$ Per | \$ Per | \$ Per |
| Covered Property while in transit or while temporarily within other premises | \$ | \$ | \$ |
| Limit of Insurance in any one loss, disaster, or casualty for all coverages | \$222,437 | | |
| Deductible Amount:\$1,000 except \$10,000 as respects loss or damage to covered property locations with EDP values at risk to loss or damage of greater than \$1,000,000 | | Coinsurance Percentage:100% (Equipment Only) | |

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.



Secretary



President



Allianz Global Corporate & Specialty®

Electronic Data Processing Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

a. Covered Property means:

- (1) "Electronic Data Processing Equipment" including component parts.
- (2) "Software" including "Data" and "Media", unused "Media", and "Computer Programs". We cover your property or property of others leased or rented to you for which you have a contractual responsibility to insure.

2. Property Not Covered

Covered Property does not include:

- a. Property rented or leased to others while away from your premises.
- b. "Property while waterborne", unless on transporting land conveyances aboard any regular ferry operation on inland waterways.
- c. Any "Data" which cannot be replaced with others of the same kind or quality, unless such items are covered for a specific amount per article and such items and values per article are endorsed onto this EDP policy.
- d. "Voice Communication Systems" including their operating programs,

unless coverage has been added to this policy by endorsement.

- e. Accounts, bills, evidences of debt, money, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to Data Processing "Media" form, and then only in that form.
- f. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any cause except those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Debris Removal Coverage

- (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is the lesser of 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy

applicable to that loss or damage; or

(b) The applicable Limit of Insurance.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

(c) This Additional Coverage does not apply to costs to:

- (i) Extract "pollutants" from land or water; or**
- (ii) Remove, restore or replace polluted land or water.**

b. Removal Coverage

If you, due to an imminent danger of loss, must move covered property to a safe location, we will continue to cover that property at the safe location and while in transit to and from the safe location.

You must tell us about the move within ten (10) days of first moving the covered property, or else no coverage will apply to the removed property.

c. Additionally Acquired EDP Equipment

We cover additional "Electronic Data Processing Equipment" you acquire. Our limit of insurance for this coverage is 25% of the largest Equipment Limit at any one location shown on the Declarations page, or \$250,000, whichever is less.

You must report this additionally acquired equipment to us within sixty (60) days of receiving the equipment, and pay any additional premium or this Extension of Coverage will cease to apply at the location where the additional equipment is kept.

d. New Location Coverage

We cover property insured under this form which is transferred to a location you acquire that is not shown in the Declarations page applicable to this coverage part. Our limit of insurance for this coverage is \$250,000.

You must report the value of the covered property at the new location to us within sixty (60) days from the date the transfer begins, and pay us any additional premium that may be due as a result of the transfer to the new location.

If you do not report the new location to us within sixty (60) days from the date the transfer begins, we will not cover property at the new location.

e. Transfer Between Locations Coverage

We cover property insured under this form which you transfer between scheduled locations, for up to \$250,000 additional limit at any one scheduled location. You must report the values of covered property involved in this transfer to us within sixty (60) days from the date of transfer, and pay us any additional premium that may be due as a result of the transfer between locations.

If you do not report the transfer between locations to us within sixty (60) days from the date of transfer, the additional limit provided by this clause will be voided.

f. Storage and Duplicate Data

We cover "Data" and "Computer Programs" which are a duplicate of "Data" and "Computer Programs" covered under this form, and are kept at other than the locations scheduled in this form.

Our limit of insurance for this coverage is \$50,000.

g. Fire Protection Devices

We will cover the expense you incur to recharge or refill any fire protection devices at covered locations which are designed specifically to protect covered property, as well as other fire protection devices in the same room where the covered property is located when these devices have been discharged as a result of a covered cause of loss.

We also cover such expense which occurs from a sudden malfunction of the fire protection system except while work is being performed upon the system or while the system is being tested.

Coverage for such expenses shall apply in addition to insurance otherwise provided by this policy, but in no event will we pay more than \$50,000 for such recharge, or refill expenses incurred.

No deductible shall apply to this extension of coverage.

h. Worldwide Transit Extension

When coverage is provided in the Declarations for Property While in Transit or While Temporarily Within Other Premises, such coverage is extended to apply world-wide. However, in no event will we pay more than 10% of the Limit shown for such coverage or \$10,000, whichever is lesser, for a covered loss.

i. Extra Expense Coverage

When a Limit of Insurance for "Extra Expense" is shown on the Electronic Data Processing Declarations, we will cover you for the necessary "Extra Expense", as defined, you incur in order to continue as nearly as practicable the "normal" operation of "your business" as a direct result of physical loss or damage (except as may be excluded) to covered property while located at the premises scheduled on the Electronic Data Processing Declarations.

- (1) This policy is extended to include covered extra expenses, sustained during the period of time, hereinafter defined,
 - (a) When as a direct result of a covered cause of loss, the premises in which the property is located is so damaged as to prevent operation of covered property, or
 - (b) When as a direct result of a covered cause of loss, the air conditioning system or electrical system necessary for the operations of your data processing system is so damaged as to reduce or suspend your ability to perform the operations normally performed by the data processing system.
- (2) If the covered property is so destroyed or damaged by a covered

loss during the term of this policy so as to necessitate the incurrence of "Extra Expense", we shall be liable for the "Extra Expense" so incurred, not exceeding the actual loss sustained, commencing with the date of loss, damage or destruction and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the covered property as may be destroyed or damaged. As soon as practical after any loss, you must resume complete or partial business operations of the covered property and, insofar as practical, reduce or dispense with such additional charges and expenses as are being incurred.

Our liability, during the determined period of restoration, shall be limited to the declared amount per period of time specified in the "Measure of Recovery", if any, but in no event to exceed the Limit of Insurance provided for "Extra Expense". The "Extra Expense" incurred will be paid until the Limit of Insurance is exhausted or operations have been resumed, whichever occurs first.

This policy is extended to include the actual loss sustained by you, resulting directly from an interruption of business as covered hereunder, during the period of time, not exceeding two consecutive weeks, when as a direct result of a covered cause of loss, access to the premises in which the property described is located is specifically prohibited by order of civil authority.

- (3) In addition to the exclusions under **B. Exclusions**, the following exclusions are added with respect to this "Extra Expense" coverage:
 - (a) The suspension, lapse, expiration, nonrenewal or cancellation of any lease, license, contract or order;
 - (b) Interferences at premises by strikers or other participants in labor disputes with repairing or replacing the property damaged or destroyed or with the

resumption or continuation of your occupancy;

- (c) Loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to a form usable in your Data Processing Operations;
 - (d) Error in machine programming or instructions to machine.
- (4) It is a condition of this insurance that if you could reduce the loss resulting from the interruption of business:
- (a) By complete or partial resumption of operation of the covered property, whether damaged or not, or;
 - (b) By making use of other property at the location(s) described herein or elsewhere.

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

j. Business Income Coverage

When a Limit of Insurance for Business Income is shown on the Electronic Data Processing Declarations, we will cover you for your loss of revenue resulting from necessary interruption of business, total or partial, as a direct result of physical loss or damage (except as may be otherwise excluded) to your covered property while located at the premises scheduled in the Electronic Data Processing Declarations.

- (1) This policy is extended to include actual loss as covered hereunder, sustained during the period of time, hereinafter defined,
- (a) when as a direct result of a covered cause of loss the premises in which the property is located is so damaged as to prevent operation of covered property, or
 - (b) when as a direct result of a covered loss, the air conditioning system or electrical system necessary for the operations of the Data Processing System is so damaged as to reduce or suspend your ability to perform the operations normally performed by the Data Processing System.

- (2) This policy covers such expenses as are necessarily incurred for the purpose of reducing your business interruption loss (except expenses incurred to extinguish a fire), but in the absence of prior authorization by us or our adjuster, not exceeding the amount by which your business interruption is thereby reduced.
- (3) This policy is extended to include the actual loss sustained by you, resulting directly from an interruption of business as covered hereunder, during the period of time, not exceeding two consecutive weeks, when, as a direct result of a covered cause of loss, access to the premises in which the covered property is located is specifically prohibited by order of civil authority.
- (4) This policy is extended to cover loss of revenue resulting from necessary interruption, total or partial, caused by or resulting from loss or damage to covered property while such property is in transit, but for an amount not to exceed 10% of the highest Business Income Limit shown in the Electronic Data Processing Declarations.
- (5) If loss or damage results in either a total or partial suspension of business, then we will pay:
 - (a) in the event of total suspension, for the declared amount per period of time specified in the Measure of Recovery, if any, but in no event to exceed the Limit of Insurance provided;
 - (b) in the event of partial suspension, for such proportion of the declared amount per period of time specified in the Measure of Recovery, if any, of total production which would have been obtained during the period of partial suspension had no damage occurred, but in no event to exceed the Limit of Insurance provided commencing with the date of damage or destruction, and not limited by the expiration date of this policy, as would be required through the exercise of due diligence and dispatch to repair, rebuild, or replace such covered property as has been damaged or destroyed
- (6) In addition to the exclusions under **B. Exclusions**, the following exclusions

are added with respect to this Business Income Coverage:

- (a) the suspension, lapse, expiration, non-renewal or cancellation of any lease, license, contract or order;
 - (b) interferences at premises by strikers or other participants in labor disputes with repairing or replacing the property damaged or destroyed or with the resumption or continuation of your occupancy;
 - (c) the loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to a form usable in your data processing operations.
 - (d) error in machine programming or instructions to machine;
- (7) It is a condition of this insurance that if you could reduce the loss resulting from the interruption of business:
- (a) by complete or partial resumption of operation of the covered property, whether damaged or not, or;
 - (b) by making use of other property at the location(s) described herein or elsewhere.

Such reduction shall be taken into account in arriving at the amount of loss hereunder.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

But if Earth Movement, as described in **b.(1)** through **(5)** above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

This exclusion does not apply to covered property while away from your premises.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

c. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

d. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

e. Water

- (1) "Flood", surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, we will pay for the direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

This exclusion does not apply to covered property while away from your premises.

f. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

g. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.g.** apply whether or not the loss event results in widespread damage or affects a substantial area.

- 2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Delay, loss of use, loss of market or any other consequential loss.

- b. Unexplained disappearance.
- c. Shortage found upon taking inventory.
- d. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - f. Unauthorized instructions to transfer property to any person or to any place.
 - g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.
 - b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
 - c. Wear and tear.

- d. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
- e. Insects, birds, rodents or other animals.
- f. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature, unless directly resulting from physical damage to the Data Processing system's air conditioning facilities. This damage to the air conditioning facilities must have resulted from a covered cause of loss under this policy.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$100,000 or 10% of the limit of insurance whichever is less.

2. Removal Coverage

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

- a. For “Electronic Data Processing Equipment” and component parts owned by you:

The value of the covered property shall be the actual replacement cost, at the place and time of loss. Replacement Cost means the cost to replace with new property of comparable material and quality and used for the same purpose without deduction for depreciation.

When replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace the property with similar property intended to perform the same functions.

Property of others will be valued in the same manner, but we will not pay more than the amount for which you are liable.

- b. For “Software”, “Data”, “Media” or “Computer Programs”;

(1) “Data” or “Computer Programs” not specifically listed by endorsement on this policy shall be valued at the actual cost of reproduction, provided that the “Data” or “Computer Programs” are replaced or reproduced. If the “Data” or “Computer Programs” are not replaced, we will only pay for blank “Media” similar to that on which the “Data” or “Computer Programs” were recorded. With respect to “Media”, we will pay the actual cost to repair or replace the property with material of the same kind or quality.

(2) “Data”, “Media” or “Computer Programs” that are listed by endorsement on this policy shall be valued at the amount per item specified on the endorsement. This listed amount shall be the agreed value for the purpose of this coverage.

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

(1) We cover property wherever located within:

- (a) The United States of America;
(b) The District of Columbia;

(c) Puerto Rico; and

(d) Canada.

b. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;
(2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);
(3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and
(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the applicable Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If one Limit of Insurance applies to two or more separate locations, this condition will apply to the total of all property at all such covered locations.

c. Release of Carrier’s Liability

Permission is granted to you to accept released value bills of lading from common carriers.

d. Property of Others

At our option, any loss or damage to property of others may be adjusted with and paid to the owner of the property.

F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Computer Programs" means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.
4. "Data" means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.
5. "Electronic Data Processing Equipment" means machines, or a network of machines, whose function is the acceptance and processing of "Data" in accordance with a plan or "Computer Program".
6. "Extra Expense" means the excess (if any) of the total cost during the period or restoration of the operation of the business over and above the total cost of such operation that would normally have been incurred during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other necessary emergency expenses. In no event, however, shall we be liable for loss of profits or earnings resulting from diminution of business; nor for any direct or indirect property damage loss covered under Property Damage policies, or for expenditures incurred in the purchase, construction, repair or replacement of any physical property unless incurred for the purpose of reducing any loss under this form not exceeding, however, the amount by which the loss is so reduced. Any salvage value of property so acquired which may be sold or utilized by you upon resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.
7. "Flood" means
 1. the overflow of water from any natural or man-made body or stream of inland or tidal waters,
 2. the accumulation of surface waters from any source,
 3. any earth movement, or mudslide caused by or resulting from the accumulation of water on or under the surface of the ground.
8. "Media" means materials on which Data are recorded or stored.
11. "Normal" means the condition that would have existed had no loss occurred.
12. "Software" means any combination of "Data", "Media" or "Computer Programs".
13. "Voice Communication Systems" means telephones, telephone systems, telephone switchgear including operating programs and related "software", voice terminals, telephone circuit packs, and other such equipment and component parts whose function is the transmission of voice communications.
14. The words "Work Day" or "Day", however modified, means a period of twenty-four (24) consecutive hours and shall mean a day on which the operations of your business are usually performed.
15. "Your Business" means the trade, profession or occupation in which you are engaged.
16. "Property While Waterborne" means any property on or within any vessel supported, carried or otherwise moved by any water.



Allianz Global Corporate & Specialty

Fine Arts Coverage Declarations

Policy Amendment - Commercial Inland Marine

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

Schedule

1. Fine Arts

| | | |
|-----------------------------------------------------------------------------------|------------------------------------------------|----------------------------|
| <input checked="" type="checkbox"/> Per Schedule on file with us dated 05/08/2013 | <input type="checkbox"/> Per Schedule Attached | Deductible \$ <u>1,000</u> |
| Loc. | Loc. | Coinsurance _____% |
| Limit of Insurance | | Limit of Insurance |
| \$14,260,944 | | \$ |

(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.

Secretary

President

Allianz Global Corporate & Specialty®

Fine Arts Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property

a. Covered Property means:
"Fine Arts" provided such property has a Limit of Insurance shown in the Declarations applicable to this coverage.

b. Coverage Conditions:

You agree that the covered property will be packed and unpacked by competent packers.

2. Property Not Covered

Covered Property does not include Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

4. Additional Coverages

a. Debris Removal Coverage

(1) We will pay your reasonable expenses to remove debris of Covered Property caused by or

resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.

(2) The most we will pay under this Additional Coverage is the lesser of 25% of:

- (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy applicable to that loss or damage; or
- (b) The applicable Limit of Insurance for Covered Property.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

(c) This Additional Coverage does not apply to costs to:

- (i) Extract "pollutants" from land or water; or
- (ii) Remove, restore or replace polluted land or water.

b. Additionally Acquired Property Coverage

If during the term of this policy you acquire other objects of art, the provisions of this policy shall cover their actual cash value not exceeding 25% of

the aggregate amount of the applicable schedule, PROVIDED you report such additional objects within 90 days from the date acquired and pay pro rata additional premium from the date acquired.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

c. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

d. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

e. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.e.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Wear and tear.
 - b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.
 - c. Insects, birds, rodents or other animals.
 - d. Dishonest or criminal act committed by:

- (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
- (2) A manager or a member if you are a limited liability company;
- (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
- (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- f. Unauthorized instructions to transfer property to any person or to any place.
- g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.
- h. As to "Fine Arts", we do not cover loss or damage caused by or made worse by:

- (1) Repairing, restoration or retouching;
- (2) From breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage or collision, derailment or overturn of conveyance, unless such additional cause is endorsed onto this policy;
- (3) Exhibition at fair grounds or on the premises of any national or international exposition unless such event is covered by endorsement to this policy.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

we will pay up to an additional \$100,000 or 10% of the limit of insurance whichever is less.

2. Additionally Acquired Property Coverage

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

We will not pay for more than the amount set opposite the respective articles in the applicable schedules of covered property. The amounts so indicated are agreed to be the value of the articles.

If a total loss occurs to any covered article or articles which are a part of a set, we will pay you the full amount of the value of such set as specified in the applicable schedule, and you agree to surrender the remainder article or articles of the set to us.

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

- (1) We cover property wherever located except that Fine Arts are only covered within:

- (a) The United States of America;
- (b) The District of Columbia;
- (c) Puerto Rico; and
- (d) Canada.

b. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

Instead, we will determine the most we will pay using the following steps:

- (1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;

- (2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);
- (3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and
- (4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the applicable Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If one Limit of Insurance applies to two or more separate locations, this condition will apply to the total of all property at all such covered locations.

c. Fine Arts Premium

The premium for the coverage has been computed based upon your statement that the property was at the locations shown in the Declarations applicable to this Amendment on the date this coverage became effective.

F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Fine Arts" means:

Fine arts of every description including but not limited to antiques, paintings, etchings, drawings, tapestries, sculptures and fragiles property such as porcelains, china and marble.

Allianz Global Corporate & Specialty®

Scheduled Property Floater Declarations

Commercial Inland Marine

| | | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

Schedule of Coverage

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.

Description of Covered Property:

Office Equipment per schedule on file with us 05/08/2013
Miscellaneous Property per schedule on file with us dated 05/08/2013

| Location of Covered Property | Limit of Liability |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|
| As per schedule on file with us dated 05/08/2013 | \$840,485 \$ \$ \$ |
| All Covered Property in any one occurrence | \$840,485 |
| <input type="checkbox"/> If this box is checked, Exclusion B.1.a. Earth Movement is deleted. <input type="checkbox"/> If this box is checked, Exclusion B.1.e. Water is deleted. | |
| Deductibles | |
| A. All Covered Causes of Loss other than B. or C. below | \$1,000 |
| B. Earth Movement (as defined in Exclusion B.1.a.) | \$ |
| C. Water (as defined in Exclusion B.1.e.) | \$ |

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.



Secretary



President

Scheduled Property Floater Coverage Form

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

1. Covered Property

- a. Covered Property means:
 - (1) Your property; or
 - (2) Property of others in your care, custody, and control.

b. Coverage Conditions

We only cover your property and property of others that are described in the Declarations.

2. Property Not Covered

Covered Property does not include:

- a. Aircraft, watercraft or vehicles licensed or designed for highway use.
- b. Buildings or land (including land on which the property is located) or water.
- c. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities.
- d. Property while waterborne except while in transit in the custody of a carrier for hire operating on inland waterways.
- e. Contraband or property in the course of illegal transportation or trade.

4. Additional Coverages

a. Debris Removal Coverage

- (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
- (2) The most we will pay under this Additional Coverage is the lesser of 25% of:
 - (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy applicable to that loss or damage.
 - (b) The applicable Limit of Insurance.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

3. Covered Causes of Loss

(3) This Additional Coverage does not apply to costs to:

- (i) Extract "pollutants" from land or water; or
- (ii) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of loss, we will pay for any direct physical loss to that property:

- (1) While it is being moved or while temporary stored at another location; and
- (2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Pollutant Cleanup And Removal

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if reported to us within 180 days on which the Covered Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is \$10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

5. Coverage Extensions

Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the

policy period. The most we will pay for loss or damage is \$10,000.

B. Exclusions

- 1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Earth Movement

- (1) Earthquake, including any earth sinking, rising or shifting related to such event;
- (2) Landslide, including any earth sinking, rising or shifting related to such event;
- (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
- (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

But if Earth Movement, as described in a.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

- (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

- (a) Airborne volcanic blast or airborne shock waves;
- (b) Ash, dust or particulate matter; or
- (c) Lava flow.

All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

c. Nuclear Hazard

- (1) Any weapon employing atomic fission or fusion; or
- (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

d. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

e. Water

- (1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or

- (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, we will pay for the direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

f. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

- (1) When "fungi", or wet or dry rot results from fire or lightning; or
- (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

g. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a

particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.g.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:
 - a. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.
 - b. Delay, loss of use, loss of market or any other consequential loss.
 - c. Unexplained disappearance.
 - d. Shortage found upon taking inventory.
 - e. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
 - (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to

acts of destruction by your employees. But theft by employees is not covered.

- f. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
 - (1) Electrical or electronic wire, device, appliance, system or network; or
 - (2) Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

- (1) Electrical current, including arcing;
 - (2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
 - (3) Pulse of electromagnetic energy; or
 - (4) Electromagnetic waves or microwaves.
- g. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
 - h. Unauthorized instructions to transfer property to any person or to any place.
 - i. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.
3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
 - a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

we will pay up to an additional \$100,000 or 10% to the limit of insurance whichever is less.

c. Faulty, inadequate or defective:

- (1) Planning, zoning, development, surveying, siting;
- (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
- (3) Materials used in repair, construction, renovation or remodeling; or
- (4) Maintenance;

of part or all of any property wherever located.

d. Wear and tear.

e. Marring or scratching.

f. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.

g. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

h. Insects, birds, rodents or other animals.

i. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.

j. "Additional Water Damage".

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:

- a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
- b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

2. Preservation Of Property

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

- a. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.
- b. The value of all Covered Property, including newly acquired property, will be the least of the following amounts:
 - (1) The actual cash value of that property;
 - (2) The cost of reasonably restoring that property to its condition immediately before loss; or
 - (3) The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

- (1) We cover property wherever located within:
- (a) The United States of America;
 - (b) The District of Columbia;
 - (c) Puerto Rico; and
 - (d) Canada.

F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.
2. "Pollutants" means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.
3. "Additional Water Damage" means:
 - a. Mudslide or mudflow;

- b. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.
- c. Water under the ground surface pressing on, or flowing or seeping through:
 - (1) Foundations, walls, floors or paved surfaces;
 - (2) Basements, whether paved or not; or
 - (3) Doors, windows or other openings; or
- d. Waterborne material carried or otherwise moved by any of the water referred in paragraph b. or c.; or material carried or otherwise moved by mudslide or mudflow.

Allianz Global Corporate & Specialty®

Fungi Limitation Endorsement

Commercial Inland Marine

| | | | |
|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

This endorsement modifies insurance provided under the following:

**Commercial Inland Marine Coverage Part
All Other Property or Inland Marine Coverage Forms, Sections, or Endorsements attached to this policy**

Schedule of Additional Limit

- \$50,000
- \$100,000
- \$250,000

1. The terms fungus and mold are deleted wherever they may appear in the coverage parts, coverage sections, forms or endorsements described above and attached to this policy.
2. The following exclusion applies to any coverage part, coverage form, coverage section, coverage provision, extension of coverage, additional coverage, coverage enhancement, or amendatory endorsement attached to this policy:
 - a. This insurance does not apply to any loss, damage, expense, injury, economic loss, economic detriment, liability, or claim, directly or indirectly, arising out of, caused by, resulting from, happening through, or in consequence of "fungi", notwithstanding any other provision of this policy to the contrary. This includes the cost to test for, monitor, abate, mitigate, remove, dispose of, or remediate "fungi".
 - b. Such loss, damage, expense, injury, economic loss, economic detriment, liability, or claim is excluded regardless of any other cause, condition, event, material, product or building component, that contributes concurrently or in any sequence to the loss, damage, expense, injury, economic loss, economic detriment, liability or claim.
3. The following coverage extension is added:

Fungi

 - a. If "fungi" is the result of a Covered Cause of Loss, we will pay, subject to the limitation in subsection 3.d. (below), for:
 - (1) Direct physical loss of or damage to Covered Property, or Property Insured; or
 - (2) Your liability for property of others;

At the premises shown in the Declarations, caused by or resulting from "fungi". This includes the necessary and reasonable cost incurred to test for, monitor, abate, mitigate,

remove, dispose of, or remediate "fungi".

- b. Coverage provided by this extension applies only if the presence of "fungi" is reported to us within 30 days of the occurrence of the covered loss that is alleged to have caused this condition.
- c. Coverage provided by this extension includes:
 - (1) The actual loss of Business Income you sustain;
 - (2) The necessary Extra Expense you incur; or
 - (3) Ordinance or Law Coverage;

if the Coverage Section, policy Declarations, or an endorsement attached to this policy show that you have Business Income, Extra Expense, or Ordinance or Law Coverage.

- d. Regardless of any other limits or coverages stated in this policy, or the number of locations involved, the most we will pay under this coverage extension in any one occurrence or in the "annual aggregate" during this policy period is \$25,000 or the amount indicated in the above Schedule of Additional Limit. The provisions of this

extension do not increase any Limits of Insurance provided by this policy.

4. Additional Definitions

- a. "Annual Aggregate" means the most we will pay for all loss or damage arising from all occurrence(s) during any one Policy Period. "Annual Aggregate" Limit(s) of Insurance are reduced by the amount of any paid loss insured under this coverage extension.

If the policy is written for a term of more than one year, we will apply the "annual aggregate" limit of insurance separately to each consecutive year of the Policy Period. If the policy is extended for a period of time that is less than a year, the "annual aggregate" from the prior term applies to the extended period of time.

- b. "Fungi" means all types of fungus, such as mildew and mold, and all of their resulting spores and byproducts, including mycotoxins and allergens. "Fungi" does not mean "fungi" for human ingestion.

For purposes of this "Fungi" Coverage Extension, "fungi" is not considered a "pollutant".

This endorsement is otherwise subject to all other terms, conditions, provisions and stipulations of the policy to which it is attached.

This Form must be attached to Change Endorsement when issued after the policy is written.



Allianz Global Corporate & Specialty®

AGCS Marine Insurance Company

POLICY NUMBER: MXI98308874

CERTIFIED ACTS OF TERRORISM EXCLUSION – TER 9000 01 10

This endorsement modifies insurance provided under the following:

**Commercial Inland Marine Coverage Part(s)
Commercial Property Coverage Part(s)**

I. Certified Acts of Terrorism Exclusion

We will not pay for loss, damage, or any liability caused directly or indirectly by a **certified act of terrorism**. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

II. Coverage for Certain Fire Losses

- A. 1. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that does not exempt Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:

Commercial Inland Marine Coverage Part(s)
Commercial Property Coverage Part(s)

2. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that exempts Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:

Commercial Property Coverage Part(s)

- B. If a **certified act of terrorism** results in fire, then we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property or Property Insured. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form, or the Leasehold Interest Coverage Form, or the Net Leasehold Coverage Form.

- C. Notwithstanding II.B. above, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed \$100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

III. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IV. Definitions

The following definition is added with respect to the provisions of this endorsement:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act, as amended. The criteria contained in that Act for a **certified act of terrorism** include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and
- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- V. All other terms and conditions of the policy remain unchanged.

ENDORSEMENT 001

LEASED, RENTED, BORROWED EQUIPMENT AND TEMPORARY UNITS

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

This policy is extended to cover Leased, Rented or Borrowed Equipment and Temporary Fine Art Items. This includes Equipment Leased or Rented by University Students for course related projects, but only when authorized to do so by University Administration or Faculty.

The most we will pay for loss or damage to Leased, Rented or Borrowed Equipment or Temporary Art related Items is \$500,000 per loss unless a higher limit is reported to the company.

Other terms remain unchanged.

ENDORSEMENT 002

POLICY LIMIT OF INSURANCE

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
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This Company's liability will not exceed the respective Limits of Liability shown elsewhere for the coverage involved. However, in no event will the company's total limit exceed \$10,000,000 as a result of any one loss, disaster or occurrence, regardless the number of perils, coverages or locations involved.

ENDORSEMENT 003

REPORTING CONDITIONS AND RATES

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

REPORTING CONDITIONS

The following reporting conditions applies:

1. Premium Computation and Adjustment -- The premium will be adjusted as of each adjustment period indicated in the Reporting Schedule below and will be computed using the rate indicated.

When a quarterly adjustment period is indicated in the schedule, at the end of each quarter "we" will compare the total computed premium to the deposit premium, any premium residual will apply to the next quarter. If the deposit premium is exhausted, "you" will pay "us" the difference. If at the end of the policy term there is any premium left "we" will pay "you" the difference, subject to the minimum premium indicated in the schedule.

If "your" coverage is canceled "you" will report the total value of all covered property, up to and including the date of cancellation.

2. Reports -- The following provisions apply to reports that are submitted and may affect How Much We Pay:
 - a. if "you" have failed to submit the required reports of value as of the time of a loss "we" will not pay "you" more than the amount included in "your" last report. If no report has been submitted the most "we" will pay is 90% of the "limit".

Reporting Period -- (check one)

- Monthly
- Quarterly
- Annual

Adjustment Period -- (check one)

- Monthly
- Quarterly
- Annual

Reports Of Value -- Within 30 days after the end of each reporting period indicated above, "you" will report to "us" the total value of:

- (X) FINE ARTS
- (X) CAMERA EQUIPMENT
- (X) MUSICAL INSTRUMENTS
- (X) OFFICE EQUIPMENT
- (X) EDP
- (X) LAPTOPS
- (X) Miscellaneous

ENDORSEMENT 004

FINE ARTS NEWLY ACQUIRED PROPERTY, PROPERTY AT TEMPORARY LOCATIONS AND EXPANDED COVERAGE TERRITORY

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

The limit of insurance described in b. Additionally Acquired Property Coverage of 4. Additional Coverages of Section A. Coverage of the Fine Arts Coverage Form FR 5017 is amended to \$500,000.

The following is added to E. Additional Conditions, 2.a. Coverage Territory of the Fine Arts Coverage Form FR 5017,
e. Worldwide, except that the most we will pay for any loss to covered property that occurs outside The United States of America, The District of Columbia, Puerto Rico, or Canada is \$500,000

All other terms remain unchanged.

ENDORSEMENT 005

COMMERCIAL ARTICLES NEWLY ACQUIRED PROPERTY

| | | | |
|----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|-------------|
| Insured | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number | MXI98308874 |
| Producer | AMWINS ACCESS | Effective Date | 07/01/2013 |

The limit of insurance described in b. of 3. Additional Acquired Property of E. Additional Conditions of The Commercial Articles Coverage Form CM 00 20 is amended to \$500,000.

All other terms remain unchanged.



Allianz Global Corporate & Specialty®

COMMERCIAL ARTICLES DECLARATIONS

AGCS Marine Insurance Company

| | | | |
|------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|-------------|
| Named Insured: | THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE | Policy Number: | MXI98308874 |
| Producer or Agent Name: | AMWINS ACCESS | Effective Date: | 07/01/2013 |

PREMIUM FOR THIS COVERAGE FORM \$ _____

LIMITS OF INSURANCE

| | | Limit Of Insurance |
|-------------------------------------------------------------------------------------|--------------|---------------------------|
| A. Cameras, projection machines, films and related equipment and accessories | | |
| Description of Property | | |
| As per schedule on file with us dated 05/08/2013 | | \$ <u>111,835</u> |
| | Total | \$ <u>111,835</u> |
| B. Musical instruments and related equipment and accessories | | |
| Description of Property | | |
| As per schedule on file with us dated 05/08/2013 | | \$ <u>3,654,091</u> |
| | Total | \$ <u>3,654,091</u> |

DEDUCTIBLE

| | |
|----------------------------------------------------------------|-----------------|
| The Deductible amount is \$500 unless otherwise stated. | \$ <u>1,000</u> |
|----------------------------------------------------------------|-----------------|

COINSURANCE

For covered items that are not individually listed and described, the Coinsurance percentage is 100% unless otherwise stated. _____ %

RATE AND PREMIUM

| | Rate | Premium |
|-------------------------------------------------------------------------------------|---------------------------|----------------|
| A. Cameras, projection machines, films and related equipment and accessories | As per Endorsement 003 | \$ _____ |
| B. Musical instruments and related equipment and accessories | As per Endorsement 003 | \$ _____ |

SPECIAL PROVISIONS (if any)

This Form must be attached to a Change Endorsement when issued after the policy is written.



Secretary



President

COMMERCIAL ARTICLES COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this coverage form, means:

- a. Cameras, projection machines, films and related equipment and accessories;
- b. Musical instruments and related equipment and accessories; and
- c. Similar property of others that is in your care, custody or control.

2. Property Not Covered

Covered Property does not include contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

- a. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this coverage form, if such collapse is caused by one or more of the following:

- (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;
 - (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;
 - (3) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.
 - (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:
 - (a) A cause of loss listed in Paragraph (1) or (2);
 - (b) One or more of the following causes of loss: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this coverage form;
 - (c) Weight of people or personal property; or
 - (d) Weight of rain that collects on a roof.
- c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this coverage form.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard

Nuclear reaction or radiation, or radioactive contamination, however caused.

But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

c. War And Military Action

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

Exclusions **B.1.a.** through **B.1.c.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

- a. Delay, loss of use, loss of market or any other consequential loss.
- b. Dishonest or criminal act committed by:
 - (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
 - (2) A manager or a member if you are a limited liability company;
 - (3) Anyone else with an interest in the property, or their employees or authorized representatives; or

- (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

- c. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.
- d. Unauthorized instructions to transfer property to any person or to any place.
- e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

- a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.
- b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
- c. Faulty, inadequate or defective:
 - (1) Planning, zoning, development, surveying, siting;
 - (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
 - (3) Materials used in repair, construction, renovation or remodeling; or
 - (4) Maintenance;
of part or all of any property wherever located.
- d. Collapse, including any of the following conditions of property or any part of the property:
 - (1) An abrupt falling down or caving in;
 - (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or

- (3) Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion, **d.**, does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

- e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located.

2. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies to all items that are covered but not individually listed and described.

We will not pay the full amount of any loss if the value of Covered Property, except property in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

- a. Multiply the value of Covered Property, except property in transit, at the time of loss by the Coinsurance percentage;
- b. Divide the Limit of Insurance of the property by the figure determined in Step a.;
- c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step b.; and
- d. Subtract the deductible from the figure determined in Step c.

We will pay the amount determined in Step d. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

3. Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the policy period. The most we will pay for loss or damage is the lesser of:

- a. 25% of the total Limit of Insurance shown in the Declarations for that type of property; or
- b. \$10,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired or at the end of the policy period, whichever occurs first.

Allianz Global Corporate & Specialty®

Pollutant Removal Endorsement

Policy Amendment(s) Commercial Inland Marine

Insured THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number MXI98308874

Producer AMWINS ACCESS

Effective Date 07/01/2013

A. Coverage

1. We will pay your reasonable cost to extract "pollutants" from land or water. The release, discharge or dispersal of the "pollutants" must result from a covered loss and must occur during the policy period.
2. This coverage only applies if no later than 180 (one hundred eighty) days from the date of loss or from the end of the policy period, whichever comes first, you:
 - a. discover the loss; and
 - b. report the loss to us in writing.

has been specifically extended to cover property at that location;

- (2) at any location if the "pollutants" are released, dispersed or discharged from a location which is used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
- (3) at any location if the "pollutants" arise out of or are a consequence of nuclear reaction or radiation, or radioactive contamination.

B. Limits of Insurance

1. The most we will pay in any one loss is the lesser of:
 - a. 10% of the applicable Limit of Insurance; or
 - b. \$10,000.
2. Under this coverage, the most we will pay for all claims for loss which occurs at any one location during the policy period is \$10,000. If this policy is written for a term of more than one year, we will apply this limit separately to each consecutive year of the policy period.
3. We will not pay:
 - a. the cost to repair, replace or restore property damaged or destroyed by extraction of pollutants;
 - b. the cost to extract "pollutants" from land or water:
 - (1) at any location used for the handling, treatment, storage or disposal of waste unless the policy

C. Coinsurance

The Coinsurance provision, if any, in this policy does not apply to this Extension of Coverage.

D. Exclusions

The following exclusions are added:

1. Ordinance or Law

We do not cover loss or damage caused by or resulting from the enforcement of any ordinance or law:

- a. regulating the use or repair of any property; or
- b. requiring the tearing down or removal of any property, including the cost of removing its debris.

2. "Pollutants"

We do not cover loss or damage caused by or resulting from the release, discharge or dispersal of "pollutants" unless the release, discharge or dispersal is caused by one of the perils listed below applying to the insured property. But we do cover loss caused by:

- a. Fire or Lightning
- b. Explosion;
- c. Aircraft or Vehicles;
- d. Windstorm or Hail;
- e. Riot or Civil Commotion;
- f. Leakage from Fire Extinguishing Equipment;

- g. Volcanic Action;
- h. Vandalism or Malicious Mischief;
- i. Collision, upset or overturn of a transporting vehicle; which results in the release, discharge or dispersal of pollutants.

E. Definitions

- 1. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This Form must be attached to Change Endorsement when issued after the policy is written.

www.agcs.allianz.com



Student Travel Accident December 31, 2013 – December 31, 2014

| | |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurer: | QBE Insurance Company |
| Policy No.: | NHH000314 |
| A.M. Best Rating: | A |
| Named Cover Entity: | The Trustees of the California State University (CSU) |
| Covered Parties: | Enrolled students, including students enrolled only in extended education programs, of the California State University |
| Medical Expense Benefit: | Full Excess |
| Medical Expense Limit: | \$25,000 Total Maximum Benefit Amount Per Covered Person, Per Covered Accident |
| Medical Expense Deductible: | \$0 Per Covered Person / Per Injury |
| Hazards Insured Against: | Injuries to the Insured while: (1) away from Campus, or (2) traveling to or from or participating in a school sponsored activity |
| School Sponsored Activity: | Travel or participation in activities away from campus which: (1) is a part of a course requirement, or (2) is sponsored by a university auxiliary organization or other recognized student organization or club, or (3) includes travel to or from intercollegiate athletic events away from campus but does not include participation in such events or practices |
| Claims Reporting: | Report claims within 30 days after the covered loss occurs or begins or as soon as reasonably possible. |
| Claim Administrator: | Health Special Risk, Inc. (HSR) 4100 Medical Parkway Carrollton, Texas 75007-1517 Phone: (972) 512-5600 Fax: (972) 512-5820 Email: CSRM@hsri.com |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



QBE INSURANCE CORPORATION

Administrative Office

Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

RENEWAL AMENDMENT

This Amendment is attached to and made part of the Policy specified above. It is subject to all of the Policy provisions that do not conflict with its provisions.

Policyholder: Trustees of California State University
Policy No.: NHH000314
Effective Date: December 31, 2013

Policyholder and We hereby agree that the Policy and any Certificates delivered under the Blanket Accident Policy are amended as follows:

1. An Additional Policy Term is added to Page 1. This Additional Policy Term is
December 31, 2013 to December 31, 2014

This Premium Guarantee is subject to the *Cancellation* and *Premium Rate Change* sections of the *Administrative Provisions* of this Policy.

2. Medical Expense Benefits have been deleted in its entirety and replaced with:

Medical Expense Benefits

| | |
|-----------------------------------|-----------------------------------------------------------------------------------------------|
| Total Lifetime Maximum for all | |
| Accident Medical Expense Benefits | \$25,000 |
| First Covered Expenses must | |
| be Incurred within | 180 days after a Covered Accident |
| Benefit Period | 1 year from the date of the Covered Accident |
| Deductible | \$0 |
| applies to | each Covered Accident and includes Covered Expenses paid under another Health Care Plan |

QBE Insurance Corporation

John Rumpler, President



QBE INSURANCE CORPORATION

Administrative Office

Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

RENEWAL AMENDMENT

This Amendment is attached to and made part of the Policy specified above. It is subject to all of the Policy provisions that do not conflict with its provisions.

Policyholder: Trustees of California State University
Policy No.: NHH000314

Policyholder and We hereby agree that the Policy and any Certificates delivered under the Blanket Accident Policy are amended as follows:

1. Effective Date: December 31, 2010
The CLAIM PROVISIONS section of the policy is deleted in its entirety and replaced with the attached CLAIM PROVISIONS section, with Form Number BAM-03-1600.05.
2. Effective Date: December 31, 2012
An Additional Policy Term is added to Page 1. This Additional Policy Term is
December 31, 2012 to December 31, 2013

Premium Guaranteed for the Additional Policy Term is .

This Premium Guarantee is subject to the *Cancellation* and *Premium Rate Change* sections of the *Administrative Provisions* of this Policy.

3. Medical Expense Benefits have been deleted in its entirety and replaced with:

Medical Expense Benefits

| | |
|---------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Total Lifetime Maximum for all Accident Medical Expense Benefits | \$15,000 |
| First Covered Expenses must be Incurred within | 180 days after a Covered Accident |
| Benefit Period | 1 year from the date of the Covered Accident |
| Deductible | \$0 |
| applies to | each Covered Accident and includes Covered Expenses paid under another Health Care Plan |

QBE Insurance Corporation

Robert D. Byler, President

BAM-03-4500.00
BAM-03-4500.38 Oregon
BAM-03-4500.47 Virginia

Amendment No. 2

CLAIM PROVISIONS

Notice of Claim

Written or authorized electronic/telephonic notice of claim must be given to Us within 31 days after the occurrence or commencement of a Covered Loss, or as soon thereafter as is reasonably possible. Notice given by or on behalf of the Covered Person to Us at Our Administrative Office in New York, New York, or to any authorized agent of Ours with information sufficient to identify the Covered Person, shall be deemed notice to Us.

Claim Forms

We, upon receipt of a written or authorized electronic/telephonic notice of claim, will furnish to the Covered Person such forms as are usually furnished by Us for filing proofs of loss. If such forms are not furnished within 15 days after the giving of such notice, the Covered Person shall be deemed to have complied with the requirements of this Policy as to proof of loss upon submitting, within the time fixed in the policy for filing proofs of loss, written or authorized electronic proof covering the occurrence, the character and the extent of the loss for which the claim is made.

Proof of Loss

Written or authorized electronic proof of loss must be furnished to Us, within 90 days after the date of such loss. Failure to furnish such proof within the time required shall not invalidate nor reduce any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the Covered Person, later than one year from the time proof is otherwise required.

Time of Payment of Claims

We will pay benefits due under this Policy immediately upon receipt of due written or authorized electronic proof of such loss.

Payment of Claims

All benefits will be paid in United States currency. Benefits for loss of life will be payable in accordance with the Beneficiary provision and these Claim Provisions. All other proceeds payable under this Policy, unless otherwise stated, will be payable to the Covered Person or to his estate.

If We are to pay benefits to the estate or to a person who is incapable of giving a valid release, We may pay up to \$1,000 to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

Beneficiary

The beneficiary is the person or persons the Covered Person names or changes on a form executed by him. This form may be in writing or by any electronic means agreed upon between Us and the Policyholder. Consent of the beneficiary is not required to affect any changes or to make any assignment of rights or benefits permitted by this Policy, unless the beneficiary has been designated as an irrevocable beneficiary.

A beneficiary designation or change will become effective on the date the Covered Person executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the Covered Person has specified otherwise. The share of any beneficiary who does not survive the Covered Person will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary, or if the Covered Person dies while benefits are payable to him, We may make direct payment to the first surviving class of the following classes of persons:

1. Spouse;
2. Child or Children;
3. mother or father;
4. sisters or brothers;
5. estate of the Covered Person.

Physical Examination and Autopsy

We, at Our own expense, have the right and opportunity to examine the person of the Covered Person whose Covered Accident is the basis of claim when and as often as We may reasonably require while a claim is pending and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions

No action at law or in equity may be brought to recover under this Policy less than 60 days after written or authorized electronic proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

Recovery of Overpayment

If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when the Covered Person dies, We may recover the overpayment from the Covered Person's estate.

Under California regulation, it is Our obligation to provide the Covered Person a written accounting of the basis for overpayment.



QBE INSURANCE CORPORATION

Administrative Office

Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

RENEWAL AMENDMENT

This Amendment is attached to and made part of the Policy specified above. It is subject to all of the Policy provisions that do not conflict with its provisions.

Policyholder: The Trustees of California State University
Policy No.: NHH000314
Amendment Effective Date: December 22, 2011

Policyholder and We hereby agree that the Policy and any Certificates delivered under the Blanket Accident Policy are amended as follows:

An Additional Policy Term is added to Page 1. This Additional Policy Term is

December 31, 2011 to December 31, 2012

Premium Guaranteed for the Additional Policy Term is

This Premium Guarantee is subject to the *Cancellation* and *Premium Rate Change* sections of the *Administrative Provisions* of this Policy.

QBE Insurance Corporation

Robert D. Byler, President



QBE INSURANCE CORPORATION

Administrative Office

Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

RENEWAL AMENDMENT

This Amendment is attached to and made part of the Policy specified above. It is subject to all of the Policy provisions that do not conflict with its provisions.

Policyholder: The Trustees of California State University
Policy No.: NHH000314
Amendment Effective Date: December 22, 2011

Policyholder and We hereby agree that the Policy and any Certificates delivered under the Blanket Accident Policy are amended as follows:

An Additional Policy Term is added to Page 1. This Additional Policy Term is

December 31, 2011 to December 31, 2012

Premium Guaranteed for the Additional Policy Term is

This Premium Guarantee is subject to the *Cancellation* and *Premium Rate Change* sections of the *Administrative Provisions* of this Policy.

QBE Insurance Corporation

Robert D. Byler, President



QBE INSURANCE CORPORATION

Administrative Office
New York, New York 10005

APPLICATION FOR BLANKET ACCIDENT INSURANCE
Accidental Death and Accident Medical Benefits

Part I Proposed Policyholder

- a. **Full Legal Name of Proposed Policyholder**
The Trustees of California State University - NHH000314

- b. **Address**
1325 J Street, Room 1800, Sacramento, CA 95814

- c. **Proposed Policyholder is** Educational institution
please describe type of entity that will own policy
- d. **Requested Effective Date** December 31, 2010
Policy will become effective on the Requested Effective Date only if (a) all required information is provided and (b) all required premium is paid.
- e. **Who will be insured?** Eligible Persons participating in Covered Activities as shown on the Schedule of Benefits

Part II Plan of Insurance and Premium Calculation

Annual Premium: \$

Plan of Benefits: Accident Medical Expense Benefits - \$10,000

Scope of Coverage: Full Excess **Deductible:** \$0 **Accidental Death Benefit \$10,000**
Accidental Dismemberment Benefit up to \$10,000

Part III Acknowledgements and Signatures

- a. **Fraud Warning** Any person who, knowingly and with intent to injure, defraud or deceive an insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information, may be guilty of insurance fraud.
- b. **Applicant's Acknowledgement** I, the applicant, declare, to the best of my knowledge and belief, that all statements and answers in this application are true and complete. I understand and agree that (a) this application will form part of any policy issued, (b) no information given to or acquired by any representative of QBEIC will bind it, unless it is in writing on this application, (c) no waiver or modification will bind the Company unless it is in writing and is signed by an executive officer of QBEIC, and (d) only those persons eligible under the terms of an issued policy will be insured.

Dated at _____ **on the** _____ **day of** _____ , **20** _____

Signed for the Proposed Policyholder

Signed by Licensed Agent

Title

Agent License Number



QBE INSURANCE CORPORATION

Administrative Office

Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

POLICYHOLDER: The Trustees of California State University
GROUP POLICY NUMBER: NHH000314
POLICY EFFECTIVE DATE: December 31, 2010
POLICY ISSUE DATE: December 17, 2010
POLICY TERM December 31, 2010 to December 31, 2011
STATE OF ISSUE: California

QBE Insurance Corporation, herein called the Company or We, Us or Our, in consideration of the Application for this Policy and the timely payment of Premiums, agrees, subject to the terms and conditions of the Policy, to insure the Policyholder's eligible member.

This Policy describes the terms and conditions of insurance. It goes into effect, subject to its applicable terms and conditions, at 12:01 AM on the Policy Effective Date shown above, at the Policyholder's address. It will remain in effect for the duration of the Policy Term shown above if premium is paid according to agreed terms.

This Policy terminates at 12:01 AM on the last day of the Policy Term unless the Policyholder and We have agreed to continue this Policy for an additional Policy Term. The laws of the State of Issue shown above govern this Policy.

We and the Policyholder agree to all of the terms of this Policy.

IN WITNESS WHEREOF QBE Insurance Corporation has caused this Policy to be executed on its Issue Date, to take effect on the Effective Date.

Stephen Fitzpatrick, President

Peter T. Maloney, Corporate Counsel & Corporate Secretary

• BLANKET ACCIDENT POLICY •
• NON-PARTICIPATING •

THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENTS ONLY. IT DOES NOT PAY BENEFITS FOR SICKNESS

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SCHEDULE OF BENEFITS

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits, please read all the policy provisions carefully.

Eligible Persons: All enrolled students, including students enrolled only in extended education programs, of the California State University.

CONDITIONS OF COVERAGE

The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages.

| | |
|------------------------------------------------------------------------------------------------|---------------|
| School Coverage | |
| Personal Deviations covered | No |
| Covered School Travel Limits | |
| Travel arranged or provided by the Policyholder | No time limit |
| Any other covered travel immediately before or after a School Supervised or Sponsored Activity | No time limit |

Covered Activities **School Coverage:** Policyholder Supervised and Sponsored Activities while away from the Policyholder's campus which:

- 1) are part of a course requirement; or
- 2) are sponsored by a university auxiliary organization, including but not limited to associated student associations, or other recognized student organization or club, including Policyholder supervised and sponsored field trips.

On-campus Policyholder activities are not included under Covered Activities.

Covered travel includes travel to and from intercollegiate athletic events away from campus, but does not include participation in such events or practices, nor does it include travel for participants in such events or practices.

Overnight Supervised and Sponsored Activities with duration of more than 7 days and related travel are not covered unless specifically agreed to in writing by Us.

Any Policyholder activities or field trips that are covered under other QBE Insurance Corporation policies issued to CSU are excluded from coverage under this policy.

INDEMNITY BENEFITS

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

| | |
|------------------------|----------------------------------|
| Principal Sum | \$10,000 |
| Loss must occur within | 365 days of the Covered Accident |

| Covered Loss | Schedule of Covered Losses Benefit |
|----------------------------------------------------|-----------------------------------------------|
| Loss of Life | 100% of the Principal Sum |
| Loss of Two or More Hands or Feet | 100% of the Principal Sum |
| Loss of Sight of Both Eyes | 100% of the Principal Sum |
| Loss of One Hand or Foot and Sight in One Eye | 100% of the Principal Sum |
| Loss of One Hand or Foot | 50% of the Principal Sum |
| Loss of Sight in One Eye | 50% of the Principal Sum |
| Loss of Thumb and Index Finger of the Same Hand | 25% of the Principal Sum |
| Aggregate Limit of Indemnity | \$500,000 |
| Applies to: | All Conditions of Coverage |

Not more than the Aggregate Limit of Indemnity specified above will be paid for all Covered Losses suffered by all Covered Persons insured under this Accidental Death and Dismemberment Benefit as the result of any one Covered Accident that occurs under one of the Conditions of Coverage, as specified above. If this amount does not allow all Covered Persons to be paid the amounts this Policy otherwise provides, the amount paid will be the proportion of the Covered Person's loss to the total of all losses, multiplied by the Aggregate Limit of Indemnity.

ACCIDENT MEDICAL EXPENSE BENEFITS

Any benefit limits and Benefit Percentages for Accident Medical Expense Benefits apply, unless otherwise specified, on a per-Covered Person – per Covered Accident basis. Any applicable Deductibles must be satisfied within the time periods specified before benefits are payable.

Scope of Coverage Applicable to Accident Medical Benefits

| | |
|-----------------------------|-----|
| Full Excess Medical Expense | |
| Other Health Plan Reduction | 50% |

Medical Expense Benefits

| | |
|------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| Total Lifetime Maximum for all Accident Medical Expense Benefits | \$10,000 |
| First Covered Expenses must be Incurred within | 180 days after a Covered Accident |
| Benefit Period | 1 year from the date of the Covered Accident |
| Deductible | \$0 |
| applies to | each Covered Accident and includes Covered Expenses paid under another Health Care Plan |

| Covered Expense | Benefit Amount, Percentage, Other Limits |
|------------------------------------------------------------|----------------------------------------------------------|
| In-Patient Hospital Services | |
| Daily ICU or CCU Benefit | 100%, up to two times the average semi-private room rate |
| Daily In-Hospital Benefit | 100% of the average semi-private room rate |
| Miscellaneous Services | 100% |
| Ambulatory Medical Center | 100% |
| Emergency Room Treatment | 100% |
| Physician Services | |
| Surgery Benefit | 100% |
| Assistant Surgeon | 100% |
| Physician's Surgical Facilities | 100% |
| Second Opinion or Consultation | 100% |
| Physician's Assistant | 100% |
| Anesthesia Benefit | 100% |
| Inpatient Visits | 100% |
| Office Visits | 100% |
| Outpatient X-Ray, CT Scan, MRI and Laboratory Tests | 100% |
| Outpatient Physiotherapy | 100% |
| Outpatient Nursing Services | 100% |
| Ambulance Services | 100% |
| Medical Equipment Rental | 100% |

Medical Services and Supplies 100%

Covered Services include:

- (a) initial artificial limbs, eyes and larynx, including fitting; and
- (b) replacement or repair of damaged eyeglasses, contact lenses or hearing aids.

Dental Services 100%

Prescription Drug Benefit 100%

RATE TABLE

Premium

Mode of Premium Payment Annual

Premium Due Date Policy Effective Date

Contributions The cost of this insurance is paid by the Policyholder. Minimum and deposit premiums are fully earned and non-refundable.

GENERAL DEFINITIONS

Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have the meanings set forth below.

Aircraft means a vehicle which has a valid certificate of airworthiness and is being flown by a pilot with a valid license to operate the Aircraft.

Appropriate Treatment means care, services or supplies, provided by or at the direction of a Physician that are appropriate, according to accepted standards of medical practice, for the Covered Person's injury and are provided during the course of treatment of an injury sustained in a Covered Accident. Appropriate Treatment must be provided no less frequently than monthly, unless the Covered Person's Physician specifies in writing to Us that such treatment of injuries sustained in a Covered Accident can be provided at less frequent intervals.

Benefit Percentage means the percentage of Covered Expenses We pay that are Incurred by the Covered Person after he satisfies any applicable Deductible. Benefit Percentages are shown in the *Schedule of Benefits*.

Covered Activity means any recurring activity that is shown in the *Schedule of Benefits* and:

1. takes place under one of the Conditions of Coverage specified in the *Schedule of Benefits*; and
2. is sponsored, organized, scheduled or otherwise provided by the Policyholder.

Company or We, Us, Our, means QBE Insurance Corporation (QBEIC), domiciled in Pennsylvania.

Covered Accident means a sudden, unforeseeable, external event that results, directly and independently of all other causes, in an injury or loss and meets all of the following conditions:

1. occurs while the Covered Person is insured under this Policy;
2. is not contributed to by disease, sickness, or mental or bodily infirmity; and
3. is not otherwise excluded under the terms of this Policy.

Covered Expenses means the lesser of the Usual and Customary Charge and the maximum benefit shown, for services or supplies listed, in the *Schedule of Benefits* and described in the *Accident Medical Expense Benefits* section of this Policy. Covered Expenses must be Incurred by a Covered Person for Appropriate Treatment for injuries sustained in a Covered Accident.

Covered Person means an Eligible Person, as defined in the *Schedule of Benefits*, whom for required premium has been paid when due and for whom coverage under this Policy remains in force.

Deductible means the amount of Covered Expenses that each Covered Person must Incur before benefits are paid under this Policy. The Covered Person may use Covered Expenses paid under another Health Care Plan to satisfy the Deductible under this Policy only if so indicated in the *Schedule of Benefits*.

He, Him or His means an individual, male or female.

Health Care Plan means any arrangement, whether individually purchased or incident to employment or membership in an association or other group, which provides benefits or services for health care, dental care, disability benefits or repatriation of remains. A Health Care Plan includes group, blanket, franchise, family or individual:

1. insurance policies;
2. subscriber contracts;
3. uninsured agreements or arrangements;

4. coverage provided through Health Maintenance Organizations, Preferred Provider Organizations and other prepayment, group practice and individual practice plans;
5. medical benefits provided under automobile "fault" and no-fault" – type contracts;
6. medical benefits provided by any governmental plan or coverage or other benefit law, except:
 - a. a state-sponsored Medicaid plan; or
 - b. a plan or law providing benefits only in excess of any private or non-governmental plan;
7. other valid and collectible medical or health care benefits or services.

Hospital means an institution that meets all of the following:

1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

The term Hospital does not include a clinic, facility, or unit of a Hospital for:

1. rehabilitation, convalescent, custodial, or educational or nursing care;
2. the aged, drug addicts or alcoholics; or
3. a Veteran's Administration Hospital or Federal Government Hospitals unless the Covered Person Incurs an expense.

Hospital Stay means a confinement in a Hospital, ordered by a Physician, over one or more nights when room and board and general nursing care are provided at a per diem charge made by the Hospital. The Hospital Stay must result directly and independently of all other causes from a Covered Accident.

Incurred or Incurs means an obligation to pay for a Covered Expense for treatment, service or purchase of supplies, deemed to be the date it is provided to the Covered Person.

In-Patient means a Covered Person who is confined for at least one full day's Hospital room and board. The requirement that a person be charged for room and board does not apply to confinement in a Veteran's Administration Hospital or Federal Government Hospital and in such case, the term "Inpatient" shall mean a Covered Person who is required to be confined for a period of at least a full day as determined by the Hospital.

Nurse means a licensed registered nurse (R. N.) or a licensed practical nurse (L. P. N.) who is not:

1. the Covered Person;
2. a parent, sibling, spouse or child of the Covered Person or the Covered Person's spouse;
3. a person living in the Covered Person's household; or
4. a person employed or retained by the Policyholder.

Out-Patient means a Covered Person who receives treatment, services and supplies while not an Inpatient in a Hospital.

Personal Deviation means any activity which:

1. is neither reasonably related to or incidental to the purpose of travel for which coverage is provided by this Policy; and
2. the Covered Person performs before, during or after covered travel.

When coverage is provided during a Personal Deviation, the time period covered is shown in the *Conditions of Coverage* section of the *Schedule of Benefits*.

Physician means a licensed health care provider practicing within the scope of his license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality and who is not:

1. employed or retained by the Policyholder; or
2. living in the Covered Person's household; or
3. a parent, sibling, spouse or child of the Covered Person.

Usual and Customary Charge means the normal charge, in the absence of insurance, made by the provider of any Appropriate Treatment, but not more than the prevailing charge in the area:

1. for a like service by a provider with similar training or experience; or
2. for a supply that is identical or substantially equivalent.

ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

Policy Effective Date

We agree to provide Blanket Accident Insurance Benefits described in this Policy in consideration of the Policyholder's application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown on this Policy's first page.

Eligibility

An individual becomes eligible for insurance under this Policy on the date he meets all of the requirements of one of the Covered Classes and completes any Eligibility Waiting Period, as shown in the *Schedule of Benefits*. An Eligible Person may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

Effective Date for Individuals

Insurance becomes effective for an Eligible Person on the latest of the following dates:

1. the effective date of this Policy; and
2. the date the individual becomes eligible.

Effective Date of Changes

Any increase or decrease in the amount of insurance for a Covered Person resulting from a change in benefits provided by this Policy will take effect on the date of such change.

Termination of Insurance

The insurance on a Covered Person will end on the earliest date below:

1. the date the person is no longer in an Eligible Class;
2. the end of the last period for which premium is paid; or
3. the date this Policy terminates.

Termination will not affect a claim for a Covered Loss resulting from a Covered Accident that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:

1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit or Maximum, as shown in the *Schedule of Benefits*, have been paid;
3. the date benefits paid equal any applicable Policy Aggregate Maximum, as shown in the *Schedule of Benefits*.

COMMON EXCLUSIONS

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the *Description of Benefits* Section:

1. intentionally self-inflicted Injury, suicide or any attempt thereof while sane or insane;
2. commission or attempt to commit a felony or an assault;
3. commission of or active participation in a riot or insurrection;
4. bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
5. declared or undeclared war or act of war;
6. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as a fare-paying passenger on a regularly scheduled commercial or charter airline;
7. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
8. participation in any motorized race or contest of speed;
9. an accident if the Covered Person is the operator of a motor vehicle and does not possess a valid motor vehicle operator's license; except while participating in Driver's Education Program;
10. sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food;
11. travel or activity outside the United States or Canada;
12. the Covered Person's intoxication as determined according to the laws of the jurisdiction in which the Covered Accident occurred;
13. voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage;
14. injuries compensable under Workers' Compensation law or any similar law;

We will not pay benefits for:

15. services or treatment rendered by a Physician, Nurse or any other person who is:
 - a. employed or retained by the Policyholder;
 - b. living in the Covered Person's household;
 - c. who is a parent, sibling, spouse or child of the Covered Person;
16. any Hospital Stay or days of a Hospital Stay that are not Appropriate Treatment for the condition and locality.
17. A Covered Person's Covered Loss if:
 - a. he was driving a private passenger automobile at the time of the Covered Accident that resulted in the Covered Loss; and
 - b. he was intoxicated, as that term is defined by the law of the jurisdiction in which the Covered Accident occurred.

CLAIM PROVISIONS

Notice of Claim

Written or authorized electronic/telephonic notice of claim must be given to Us within 31 days after a covered loss occurs or begins or as soon as reasonably possible. If written or authorized electronic/telephonic notice is not given in that time, the claim will not be invalidated or reduced if it is shown that such notice was given as soon as was reasonably possible. Notice can be given to Us at Our Administrative Office in New York, New York, to such other place as We may designate for the purpose, or to Our authorized agent. Notice should include the Policyholder's name and policy number and the Covered Person's name and address.

Claim Forms

We will send claim forms for filing proof of loss when We receive notice of a claim. If such forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time fixed in this Policy for filing proof of loss, written or authorized electronic proof of the nature and extent of the loss for which the claim is made.

Claimant Cooperation Provision

Failure of a claimant to cooperate with Us in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Proof of Loss

Written or authorized electronic proof of loss satisfactory to Us must be given to Us at Our office, within 90 days of the loss for which claim is made. If written or authorized electronic notice is not given within that time, no claim will be invalidated or reduced if it is shown that such notice was given as soon as reasonably possible. In any case, written or authorized electronic proof must be given not more than one year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

Time of Payment of Claims

We will pay benefits due under this Policy immediately upon receipt of due written or authorized electronic proof of such loss.

Payment of Claims

All benefits will be paid in United States currency. Benefits for loss of life will be payable in accordance with the Beneficiary provision and these Claim Provisions. All other proceeds payable under this Policy, unless otherwise stated, will be payable to the Covered Person or to his estate.

If We are to pay benefits to the estate or to a person who is incapable of giving a valid release, We may pay up to \$1,000 to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

Beneficiary

The beneficiary is the person or persons the Covered Person names or changes on a form executed by him and satisfactory to Us. This form may be in writing or by any electronic means agreed upon between Us and the Policyholder. Consent of the beneficiary is not required to affect any changes or to make any assignment of rights or benefits permitted by this Policy, unless the beneficiary has been designated as an irrevocable beneficiary.

A beneficiary designation or change will become effective on the date the Covered Person executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.

If more than one person is named as beneficiary, the interests of each will be equal unless the Covered Person has specified otherwise. The share of any beneficiary who does not survive the Covered Person will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary, or if the Covered Person dies while benefits are payable to him, We may make direct payment to the first surviving class of the following classes of persons:

1. Spouse;
2. Child or Children;
3. mother or father;
4. sisters or brothers;
5. estate of the Covered Person.

Physical Examination and Autopsy

We, at Our own expense, have the right and opportunity to examine the Covered Person when and as often as We may reasonably require while a claim is pending and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions

No action at law or in equity may be brought to recover under this Policy less than 60 days after written or authorized electronic proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

Recovery of Overpayment

If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.

1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when the Covered Person dies, We may recover the overpayment from the Covered Person's estate.

ADMINISTRATIVE PROVISIONS

Cancellation

We or the Policyholder may cancel this Policy as of any Premium Due Date by giving the other 60 days advance written notice. Any premium rate guarantee will not affect Our or the Policyholder's right to cancel this Policy.

If a premium is not paid when due, We will cancel this Policy at the end of the last period for which premium was paid, subject to any Grace Period provision. Premium Due Dates are shown in the *Schedule of Benefits*.

Cancellation will not affect a claim for a Covered Loss resulting from a Covered Accident that occurred before the cancellation date.

Premiums

All premium rates are expressed in, and all premiums are payable in, United States currency. The premiums for this Policy will be based on the rates, as set forth in the *Schedule of Benefits* or subsequently changed, the plan and amounts of insurance in effect for Covered Persons and the premium mode selected, as shown in the *Schedule of Benefits*. We will provide notifications of premiums due or premium changes, by mail to the most current address in our files, to the Policyholder.

Premium Payment

The total premium paid by the Policyholder is the sum of premiums for all Covered Persons. The initial premium is due on the Policy Effective Date and each succeeding premium is due on the next succeeding Premium Due Date, as shown in the *Schedule of Benefits*, unless the Policyholder and We agree to another mode of premium payment. Premiums are paid at our Administrative Office or to Our authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premiums, except as provided in the Grace Period provision.

Changes in Premium Rates

We may change the premium rates from time to time with at least 31 days advance written notice to the Policyholder. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period. However, We reserve the right to change rates at any time if any of the following events take place:

1. the terms of this Policy change;
2. a change in any federal or state law or regulation is enacted, adopted or amended to the extent that it affects Our benefit obligations under this Policy; or
3. the Policyholder fails to provide sufficient information, as required by Us, to confirm adequacy of premiums and rates currently being paid.

Any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro-rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

Premium Audit

We will have the right to audit books and records of the Policyholder at its place of business and during regularly-scheduled business hours, in order to determine the accuracy of premium paid.

Reinstatement

This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of the Policyholder satisfactory to Us and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to the earliest period for which premium was not previously paid.

GENERAL PROVISIONS

Entire Contract; Changes

This Policy, including the endorsements, amendments and any attached papers, constitutes the entire contract of insurance. No change in this Policy will be valid until approved by one of Our executive officers and endorsed on or attached to this Policy. No agent has authority to change this Policy or to waive any of its provisions.

Misstatement of Fact

If a Covered Person has misstated any fact, all amounts payable under this Policy will be such as the premium paid would have purchased had such fact been correctly stated.

Assignment

The rights and benefits under this Policy may not be assigned and any attempt to assign will be void.

Incontestability

1. Of This Policy

All statements made by the Policyholder to obtain this Policy are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of this Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Policy Effective Date, no such statement will cause this Policy to be contested except for fraud.

2. Of A Covered Person's Insurance

All statements made by a Covered Person are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, unless a copy of the instrument containing the statement is, or has been, furnished to the claimant. In the event of a claimant's death or incapacity, his applicable representative shall be given a copy.

After two years from the Covered Person's effective date of insurance, or from the effective date of increased benefits, no such statement will cause insurance or the increased benefits to be contested except for fraud or lack of eligibility for insurance.

Reporting Requirements

The Policyholder or its authorized agent must report all of the following to Us by the premium due date:

1. the number of persons insured on the Policy Effective Date;
2. the number of persons who are insured after the Policy Effective Date;
3. the number of persons whose insurance has terminated;
4. any additional information required by Us.

Clerical Error

A Covered Person's insurance will not be affected by error or delay in keeping records of insurance under this Policy. If such error or delay is found, We will adjust the premium fairly.

Conformity with Statutes

Any provisions in conflict with the requirements of any state or federal law that applies to this Policy are automatically changed to satisfy the minimum requirements of such laws.

Compensation Insurance

This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation law.

CONDITIONS OF COVERAGE

This section describes the Conditions of Coverage under which benefits provided by this Policy become payable. Any benefits are payable only once, even though more than one Condition of Coverage may apply. Please read these and the *Common Exclusions* sections in order to understand all of the terms, conditions and limitations of coverage.

SCHOOL COVERAGE

Provisions, exclusions and other conditions concerning travel apply only if indicated on the Schedule of Benefits.

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when a Covered Person suffers a Covered Loss or Incurs Covered Expenses resulting directly and independently of all other causes from a Covered Accident that occurs while he is participating in or attending one of the following School Covered Activities:

1. regularly-scheduled classroom instruction;
2. regularly-scheduled and supervised recess or lunch period;
3. a study period or special instruction period supervised by a member of the school's faculty;
4. a Supervised and Sponsored School Activity; or
5. Covered School Travel.

Covered School Travel includes travel, only within the United States, and only directly and without interruption:

1. between home and school;
2. between home and another meeting place designated by the school;
3. between home and another school or site designated by the School, where a Supervised and Sponsored School Activity is scheduled;
4. between the school or other meeting place designated by the school, and another school or site designated by the school, where a Supervised and Sponsored School Activity is scheduled.

School Travel Coverage for Overnight Supervised and Sponsored School Activities

Covered School Travel also includes travel to a Supervised and Sponsored School Activity, within or outside the United States when a Covered Person's participation in or attendance at it requires him to be away from his normal residence for a stay of one or more nights. Coverage for travel to any Covered Activity that takes place outside the United States will be covered only if We have agreed to it in writing.

Definitions For purposes of this coverage:

Supervised and Sponsored School Activity means a Covered Activity that:

1. takes place:
 - a. on school premises during, before or after normal school hours; or
 - b. at another school or site at which the Covered Activity is scheduled;
2. is sponsored, organized or otherwise provided, or at which student attendance is required, by the school; and
3. is supervised by a member of the faculty or staff of the school, or by another adult specifically assigned supervisory duties and authority for that Covered Activity by the school.

Supervised and Sponsored School Activities does not include participating in tryouts, practice or any competitions or games for any interscholastic, intercollegiate or any sports activity not specifically shown in the *Schedule of Benefits*.

Covered School Travel means transportation for a Covered Person on a common carrier, school bus or private passenger automobile driven by a member of the faculty or staff of the school, a parent of the Covered Person or an adult with a valid driver's license. It will also include travel by foot or non-motorized bicycle between the Covered Person's home and a Supervised and Sponsored Activity.

- Exclusions**
1. This coverage will not be in effect during a Covered Person's Personal Deviation.
 2. This coverage will not be in effect during travel to any Covered Activity that takes place outside the United States unless We have agreed in advance to provide it.

Other exclusions that apply to this coverage are in the *Common Exclusions* Section.

NO SPORTS

ACCIDENT INDEMNITY BENEFITS

This Section describes the Accident Indemnity Benefits provided by this Policy. Benefit amounts and any applicable time requirements and limitations are shown in the *Schedule of Benefits*. Please read this and the *Common Exclusions* section in order to understand all of the terms, conditions and limitations applicable to these benefits.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Covered Loss

We will pay the benefit for any one of the Covered Losses listed in the *Schedule of Benefits*, if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident within the applicable time period specified in the *Schedule of Benefits*.

If the Covered Person sustains more than one Covered Loss as a result of the same Covered Accident, the total of Benefits We will pay will not exceed the Principal Sum.

If a Covered Accident causes the Covered Person's death, the total of all Benefits We will pay for Accidental Death and any other Covered Losses will not exceed the Principal Sum.

Definitions *Each definition described below will apply to this Policy only if a corresponding Covered Loss is listed for it in the Schedule of Benefits.*

Loss of a Hand or Foot means complete Severance through or above the wrist or ankle joint.

Loss of Sight means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.

Loss of Speech means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.

Loss of Hearing means total and permanent loss of ability to hear any sound in both ears which is irrecoverable by natural, surgical or artificial means.

Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand means complete Severance of at least one whole phalanx of the same hand.

Paralysis or Paralyzed means total loss of use of a limb. A Physician must determine the loss of use to be complete and irreversible.

Quadriplegia means total Paralysis of both upper and both lower limbs.

Paraplegia means total Paralysis of both lower limbs or both upper limbs.

Hemiplegia means total Paralysis of the upper and lower limbs on one side of the body.

Severance means the complete and permanent separation and dismemberment of the part from the body.

Exclusions The exclusions that apply to this benefit are in the *Common Exclusions* Section.

SCOPE OF COVERAGE APPLICABLE TO MEDICAL EXPENSE BENEFITS

Only the Scope of Coverage listed on the Schedule of Benefits will apply.

Covered Expenses and any applicable Deductibles are shown in the *Schedule of Benefits*.

Other Health Care Plan Benefits

When another Health Care Plan provides benefits in the form of services rather than cash payments, We will consider the reasonable cash value of such service in determining whether any Deductible has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

Primary Medical Expense

We will pay Covered Expenses without regard to any Health Care Plan the Covered Person may have, after any applicable Deductible has been satisfied.

Primary Excess Medical Expense

We will pay Covered Expenses, up to the Primary Excess Benefit shown in the *Schedule of Benefits* after the Covered Person satisfies any applicable Deductible, without regard to any other Health Care Plan he may have. We then pay Covered Expenses only when they are in excess of amounts payable by any other Health Care Plan, whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the *Schedule of Benefits* if:

1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for:

- (a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
- (b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Full Excess Medical Expense

We will pay Covered Expenses:

1. after the Covered Person has satisfied any applicable Deductible; and
2. only when they are in excess of amounts payable by any Other Health Care Plan whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the *Schedule of Benefits* if:

1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for:

- (a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
- (b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Definitions For purposes of the Accident Medical Benefits provided by this Policy:

HMO or Health Maintenance Organization means any organized system of health care that provides health maintenance and treatment services for a fixed sum of money agreed and paid in advance to the provider or service.

PPO or Preferred Provider Organization means an organization offering health care services through designated health care providers who agree to perform those services at rates lower than non-Preferred Providers.

ACCIDENT MEDICAL EXPENSE BENEFITS

We will pay benefits shown in the *Schedule of Benefits* for Covered Expenses Incurred by a Covered Person, subject to all applicable conditions and exclusions, for treatment of an injury that resulted directly and independently of all other causes from a Covered Accident.

Benefits will be paid:

1. when Covered Expenses Incurred exceed any applicable Deductible within the number of days from the date of the Covered Accident specified in the *Schedule of Benefits*; and
2. as long as the first expense has been Incurred within the number of days specified in the *Schedule of Benefits*; and
3. until any applicable Benefit Period shown in the *Schedule of Benefits* has expired; and
4. until the total of Covered Expenses paid equals any applicable Benefit Limit or maximum benefit shown in the *Schedule of Benefits*; and
5. until benefits paid equal the Maximum for Accident Medical Expense Benefits shown in the *Schedule of Benefits*.

Covered Expenses

Inpatient Hospital Services

Room and Board Expenses – We will pay for

1. confinement in an intensive or coronary care unit, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of such confinement; and
2. any other confinement, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of the Hospital Stay.

Miscellaneous Expenses – We will pay the Miscellaneous Expenses charged by a Hospital or ambulatory surgical center for outpatient surgery. Miscellaneous Expenses include, but are not limited to, X-ray, laboratory, in-Hospital physiotherapy, nurse services, orthopedic appliances, pre-admission tests and all necessary charges other than room and board, for services received during a Hospital Stay.

Ambulatory Medical Center

We will pay Covered Expenses Incurred for medical or surgical treatment provided in a licensed facility that provides ambulatory surgical or medical treatment and is not a Hospital or Physician's office.

Emergency Room Treatment

We will pay Covered Expenses Incurred for outpatient emergency room treatment performed in a Hospital, up to the Maximum Benefit shown in the *Schedule of Benefits*. When emergency room treatment is immediately followed by admission to a Hospital, such treatment will be a Hospital Covered Expense.

Physician Services – We will pay Covered Expenses for Covered Expenses listed below.

Surgery

1. Covered Expenses charged for performing a surgical procedure through one incision. For the second procedure through the same incision, during the same surgical session, we will pay up to an additional 50% of the benefit payable for the primary surgical procedure. For the third procedure and each procedure thereafter through the same incision, during the same surgical session, we will pay up to an additional 25% of the benefit payable for the primary surgical procedure; and
2. Covered Expenses charged by an assistant surgeon assisting a Physician performing a surgical procedure;

3. Covered Expenses charged for treatment of fractured and dislocated bones, operations that involve cutting or incision and/or suturing of wounds or any other surgical procedure, including aftercare, which is given in the outpatient department of a Hospital or an ambulatory surgical center;
4. Any braces, splints or other devices required after surgery to ensure proper healing.

Use of Physician's Surgical Facilities – Covered Expenses charged for the use of a Physician's surgical facilities.

Second Opinion or Consultation – Covered Expenses charged by a Physician for a second surgical opinion or consultation.

Physician's Assistant – Covered Expenses charged by a Physician's Assistant for other than pre-or post-operative care, second opinion or consultation:

1. for in-Hospital visits; and
2. for office visits.

Anesthesia and its administration – Covered Expenses charged by a Physician for anesthesia and its administration.

In-Hospital or Office Visits – Covered Expenses charged by a Physician for other than pre-or post-operative care, second opinion or consultation;

1. for in-Hospital visits; and
2. for office visits.

Outpatient X-Ray, CT Scan, MRI and Laboratory Tests

We will pay Covered Expenses Incurred for X-rays except dental X-rays, CT Scans, MRI's and laboratory tests.

Outpatient Physiotherapy

We will pay Covered Expenses Incurred for outpatient physiotherapy, which includes (a) acupuncture, (b) microthermy, (c) chiropractic adjustment, (d) manipulation, (e) diathermy, (f) massage therapy, (g) heat treatment, and (h) ultrasound treatment.

Outpatient Nursing Services

We will pay Covered Expenses Incurred for services other than routine Hospital care, rendered by a Nurse.

Ambulance Services

We will pay Covered Expenses Incurred for ground or air ambulance service to transport a Covered Person from the place where a Covered Accident occurred to the nearest medically appropriate facility. We will pay Covered Expenses Incurred for ground ambulance transportation from the nearest medical facility to another appropriate medical facility if a Physician specifies in writing that specialized care not available in the first facility to which the Covered Person was transported is necessary to treat his injury.

Medical Equipment Rental

We will pay Covered Expenses Incurred for rental or, if less, for purchase of:

1. a wheelchair or hospital bed; or
2. other medical equipment that has permanent or temporary therapeutic value for the Covered Person and that can only be used by him. Examples of items that are not covered include but are not limited to computers, motor vehicles and modifications thereof, and ramps and installation costs.

Medical Services and Supplies

We will pay Covered Expenses Incurred for:

1. blood and blood transfusions, including processing and administration; and
2. cost and administration of oxygen and other gasses.

We will not pay for storage of blood for any reason.

Dental Services

We will pay Covered Expense Incurred for dental treatment, including X-rays, for injury to a tooth:

1. with no fillings or cavities or only fillings or cavities that do not undermine the tooth cusps; and
2. for which pulpal tissues are healthy and intact; and
3. for which periodontal tissue shows little or no signs of active or chronic inflammation. For insurance review purposes, each tooth unit is evaluated under these criteria rather than a blanket rating of the whole mouth.

Covered Expenses include examinations, X-rays, restorative treatment, endodontics, oral surgery, initial braces required for treatment of an injury and treatment of gingivitis resulting from trauma.

Covered Expenses must be Incurred within the Benefit Period shown in the *Schedule of Benefits*. If there is more than one way to treat a dental problem, We will pay based on the least expensive procedure if that procedure meets commonly accepted standards of the American Dental Association.

Prescription Drugs

We will pay Covered Expenses Incurred for drugs that

1. can only be obtained through a Physician's written prescription; and
2. are approved for such prescription use by the Federal Drug Administration (FDA).

We will also pay Covered Expenses Incurred for drugs that meet (a) above and are prescribed by a Physician for therapeutic use not specifically approved by the FDA. The Covered Expense for a prescription drug is limited to the cost of a generic drug unless substitution of a generic drug is prohibited by law, no generic drug is available, or the Covered Person's Physician specifically request that a non-generic drug be dispensed.

Excluded Expenses

None of the following will be considered Covered Expenses unless coverage is specifically provided.

1. Blood, blood plasma or blood storage except expenses by a Hospital for processing or administration of blood.
2. cosmetic surgery or care, or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to:
 - a cosmetic surgery resulting from an accident, if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
 - b reconstruction incidental to or following surgery resulting from a Covered Accident.
3. Any elective or routine treatment, surgery, health treatment or examinations.
4. Examination or prescriptions for, or purchase of, eyeglasses, contact lenses or hearing aids.
5. Treatment in any Veterans' Administration, Federal or state facility unless there is a legal obligation to pay.
6. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay.
7. Rest cures or custodial care.

8. Repair or replacement of existing dentures, partial dentures, braces or bridgework.
9. Personal services such as television and telephone, or transportation.
10. Expenses payable by any automobile insurance policy without regard to fault.
11. Services or treatment provided by an infirmary operated by the Policyholder.
12. Treatment of injuries that result over a period of time, such as blisters, tennis elbow, et al, that are a normal, foreseeable result of participation in the Covered Activity.
13. Treatment or service provided by a private duty nurse.
14. Treatment of hernia of any kind.
15. Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.

Other Exclusions that apply to this Benefit are in the *Common Exclusions* Section.

LIMITATIONS

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Medical Expense, this provision applies.

Non-Duplication of Benefits

This provision applies if:

1. any other Health Care Plan covers the Covered Person; and
2. total benefits under all Plans would exceed the expenses actually incurred; and
3. We are not defined as primary under another Health Care Plan's Coordination of Benefits provision.

When the total of benefits payable by all Health Care Plans, whether or not claim is made for those benefits, exceeds Covered Expenses incurred, any Expense-Incurred Medical Benefits We pay will be reduced by such excess.

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Excess Medical Expense or Full Excess Medical Expense, this provision applies.

**Non-Duplication of Benefits
When This Policy and Other
Plans Are Excess**

This provision applies if benefits under any other Health Care Plan are Covered Expenses under this Policy and coverage under this Policy and the other Plan are excess.

We pay a pro rata share of the total amount of Covered Expenses. In no case will the total benefits payable exceed 100% of the Covered Expenses.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits We pay and the denominator is the total of benefits payable by all Health Care Plans for the same Covered Accident.

ADDITIONAL BENEFIT RIDER

This Rider is attached to and made part of this Policy or Certificate. It is subject to all of the Policy or Certificate provisions that do not conflict with its provisions.

Policy Number: NHH000314
Rider Effective Date: December 31, 2010

The following Excluded Expense is deleted from the list of Excluded Expenses under the *Description of Accident Medical Expense Benefits*:

Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.

All other benefits and provisions of the Policy or Certificate remain the same.

QBE Insurance Corporation



Stephen Fitzpatrick, President



Notice to Policyholders

U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY'S *SCHEDULE OF BENEFITS* FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED.

THIS NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO DIRECTIVES ISSUED BY OFAC.

PLEASE READ THIS NOTICE CAREFULLY

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any person insured under this policy, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, insurance provided to such SDN will be considered a blocked or frozen contract, and all provisions of this insurance applicable to him are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made to or on behalf of the SDN without authorization from OFAC. Other limitations on the premiums and payments also apply.



RESPECTING YOUR RIGHT TO PRIVACY

QBE PRIVACY NOTICE

At QBE, we value the trust of our customers and are committed to protecting the privacy of customer information. That is why we only collect and disclose information needed to provide our customers with quality products and services. We welcome this chance to describe the steps we take to protect our customer information. Our goal is to ensure that you and individuals covered under your policy fully understand our policies and practices regarding the collection, use and protection of this information.

This privacy notice applies to all policyholders and their insureds who have a relationship with one or more of the following QBE insurance companies:

- QBE Insurance Corporation
- QBE Specialty Insurance Company
- Praetorian Insurance Company
- Praetorian Specialty Insurance Company
- Redland Insurance Company
- North Pointe Insurance Company
- North Pointe Casualty Insurance Company
- Midfield Insurance Company
- Capital City Insurance Company

You will receive a copy of our privacy notice at the beginning of our business relationship and annually thereafter. The privacy policies described in this notice apply to our current and former customers. As our products and services continue to evolve, it may be necessary to review and revise our privacy policies, in which case we will provide an updated privacy notice.

Information We Collect. In order to provide high quality products, benefits and services, we must collect and often share information about you and individuals covered under your policy that is not publicly available. We do this to better service your policy and process claims in a timely manner. We collect the following types of information about you and individuals covered under your policy:

- Information about the identity of you and individuals covered under your policy, including the names, addresses and social security numbers of such individuals;
- Information we receive from you on applications or other insurance forms, such as the claims history or medical history of individuals covered under your policy; and
- Information about your transactions and experiences with us, such as the products you purchased from us, your payment history, account balance, and amounts you paid for insurance.

Should we need to verify or obtain additional information about you or individuals covered under your policy, we may contact outside sources, such as agents, brokers, administrators, insurance support organizations, consumer reporting agencies, medical providers and government reporting agencies. Information collected from these outside sources may include claims history, employment information and medical reports. Information obtained from outside sources may be retained by these outside sources and disclosed to other persons, in accordance with applicable laws.

How Your Information is Used. In many cases, we need to share some or all of the information listed above to help us deliver the best possible services to you and individuals covered under your policy. These disclosures are often necessary to fulfill transactions you have requested and to service the insurance policies that you have applied for and/or purchased.

Service Providers. We may provide information about you and individuals covered under your policy to trusted service providers inside or outside of QBE to provide operational and other support services. For example, we may share information with your insurance agent or broker, claims adjusters and administrators, claims investigators, and outside companies that perform administrative services on our behalf.

Other Permitted Disclosures. We may share information about you and individuals covered under your policy to comply with legal and regulatory requirements and for other limited purposes that are required or permitted by law. For example, we may share information about you and individuals covered under your policy to:

- Service and maintain your policy;
- Process a transaction that you request;
- Protect against fraud or criminal activity;
- Report account activity to credit bureaus;
- Comply with local, state or federal laws; and
- Provide information requested by reinsurers, state insurance regulators and self regulatory organizations, insurance support agencies and law enforcement agencies.

Under no circumstance do we sell or share customer information to or with any party outside of QBE for purposes of independently selling their products or services to you.

Access to and Correction of Your Information. Individuals covered under your policy may write to us if they have any questions about the information that we may have in our records about them or the identity of those persons to whom their information was disclosed during the two years prior to their request. If they wish, they may review this information in person or receive a copy at a reasonable charge. Individuals covered under your policy can notify us in writing if they believe any information should be corrected, amended, or deleted, and we will review their request. We will either make the requested change or explain why we did not do so. If we do not make the requested change, they may submit a short written statement identifying the disputed information, which will be included in all future disclosures of their information. All questions or requests should be directed to QBE's Privacy Officer at the address provided below.

Confidentiality and Security of Information. QBE dedicates significant resources to protect the security of our customer information. We restrict access to customer information to those individuals who need to know that information to provide products or services to you or individuals covered under your policy. We also maintain physical, electronic, and procedural safeguards to protect customer information and guard against its unauthorized use.

Whom to Contact Regarding Privacy Matters. If you have any privacy questions, you may contact QBE's Privacy Officer by email at roberta.anderson@qbeamericas.com or by mail at QBE the Americas, Attn: Privacy Officer, 88 Pine Street, 10th Floor, New York, New York 10005.

NOTICE TO POLICYHOLDERS/INSUREDS

We are here to serve you...

As our policyholder/insured, your satisfaction is very important to us. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

If you are not satisfied...

If you have any questions or complaints about your insurance, please write to our Director of Claims or Department of Consumer Relations at the following address, or call us using our toll-free telephone number.

**QBE Insurance Corporation
88 Pine Street
New York, New York 10005
212-422-1212**

If, after contacting us, you feel that your problem is not resolved or you are not being treated fairly, you may contact the California Department of Insurance by writing to them at the following address or using their toll-free telephone number:

**Consumer Services Division
State of California
Department of Insurance
300 South Spring Street
South Tower, Suite 201
Los Angeles, CA 90013**

**Toll-Free Consumer Hotline in California: 1-800-927-HELP
Area codes 213, 310, and 818 and out-of-state: 1-213-897-8921**



California Life and Health Insurance Guarantee Association Act Summary Document and Disclaimer

Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting insurers. Below is a brief summary of this law's coverages, exclusions and limits. This summary does not

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. **However, insurance companies and their agents are prohibited by law from using the existence of the Guarantee Association to induce you to purchase any kind of insurance policy.**

Policyholders with additional questions should first contact their insurer or agent or may then contact:

California Life and Health Insurance
Guarantee Association
8383 Wilshire Blvd.
Beverly Hills, CA 90211

or

Consumer Service Division
California Department of Insurance
300 South Spring Street
Los Angeles, CA 90013

cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

(please turn to back of page)

EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

- Their insurer was not authorized to do business in this state when it issued the policy or contract;
- Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- Employer and association plans, to the extent they are self-funded or uninsured;
- Synthetic guaranteed interest contracts;
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- Any policy of reinsurance unless an assumption certificate was issued;
- Interest rate yields that exceed an average rate;
- Any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNT OF COVERAGE The Act limits the Association to pay benefits as follows:

LIFE AND ANNUITY BENEFITS

- 80% of what the insurance company would owe under a life policy or annuity contract up to:
 - \$100,000 in cash surrender values;
 - \$100,000 in present value of annuities; or
 - \$250,000 in life insurance death benefits.
- A maximum of \$250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

HEALTH BENEFITS

- A maximum of \$200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.



Athletic Injury Medical Expense (AIME) Program July 1, 2013 – July 1, 2014

Insurer: CSURMA (Self Insured Plan of Benefits)
Mutual of Omaha (Travel Accident and AD&D)

Covered Name Entity: California State University Risk Management Authority (CSURMA)

Covered Members:

1. California State University, Bakersfield
2. California State University, Chico
3. California State University, Dominguez Hills
4. California State University, East Bay
5. California State University, Fresno
6. California State University, Fullerton
7. Humboldt State University
8. California State University, Long Beach
9. California State University, Los Angeles
10. California Maritime Academy
11. California State University, Monterey Bay
12. California State University, Northridge
13. California State Polytechnic University, Pomona
14. California State University, Sacramento
15. San Diego State University
16. San Francisco State University
17. San Jose State University
18. California Polytechnic State University, San Luis Obispo
19. California State University, San Bernardino
20. California State University, San Marcos
21. Sonoma State University
22. California State University, Stanislaus

Coverage Parties: Any regularly enrolled student who is a participant on the intercollegiate team roster of the participating CSU campus, or is engaged in scheduled activities to become a roster participant of an intercollegiate team of the participating CSU campus

Covered Activities: [Self Insured Plan:](#)
Regularly scheduled intercollegiate sports events and the supervised or customary activities within the scope of such sport. Coverage includes the sports listed on the sports census from each participating CSU campus

[Travel Accident and AD&D:](#)

Provides Travel Accident benefits to all athletes participating in sports, including off-season conditioning, listed on sports census. Travel to and from a sponsored game (including play or practice and off season physical conditioning) as part of a group in transportation arranged by the policy holder

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Athletic Injury Medical Expense (AIME) Program July 1, 2013 – July 1, 2014

Scope of Coverage:

- Excess Accident provision
- HMO/PPO provision
- Expanded medical
- Re-injuries and Aggravations of prior injury
- Cardiovascular accident / similar traumatic event caused by exertion
- Third Party Refunds are defined

Limits / Sub-limit / Deductible:

Self Insured Plan (CSURMA)

\$90,000 Each Condition
 \$0 Deductible
 104 weeks Benefit Period

Travel Accident and Accidental Death & Dismemberment (Mutual of Omaha)

\$15,000 Accidental Death & Dismemberment
 \$90,000 Accident Medical Expense
 \$7,000 Emergency Medical Evacuation
 \$10,000 Deductible (Accident Medical Only)
 104 weeks Benefit Period

Exclusion:

- Suicide
- Travel outside of the United States

Program Administrator:

Alliant Insurance Services
 100 Pine Street, 11th Floor
 San Francisco, CA 94111

Rob Leong: (415) 403-1441 / rleong@alliant.com
 Stacey Weeks: (415) 403-1448 / sweeks@alliant.com

Claims Reporting:

A-G Administrators
 P. O. Box 979
 Valley Forge, PA 19482-0979
 Dixon Gillis: (800) 634-8628
dgillis@agadm.com

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CSU Foreign Travel Insurance Program (FTIP) July 1, 2013 – July 1, 2014

Insurer:

ACE USA – U.S International Advantage Program

Named Cover Entity:

California State University Risk Management Authority (CSURMA)
California State University (CSU)
CSU Auxiliary Organizations

Coverage Territory:

ANYWHERE IN THE WORLD but excluding:

1. The United States of America, Puerto Rico, (including its territories and possessions); and
2. Any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws regulations of the United States of America

Limits / Sub-limits:***Primary General Liability***

| | |
|-------------|------------------------------------------------------------------------------------------------------------------------------------|
| \$5,000,000 | Coverage A – Bodily Injury/Property Damage Each Occurrence |
| \$5,000,000 | Aggregate Limit/Products/Completed Ops |
| \$1,000,000 | Premises Damage Limit |
| \$5,000,000 | Coverage B – Personal Injury & Advertising Injury – Aggregate Limit |
| \$10,000 | Coverage C – Medical Expense Limit (any one person) |
| \$1,000,000 | Employee Benefits Liability Endorsement- Each Claim (Subject to \$1,000 Deductible) (Claims Made Coverage) and Annual Aggregate |

Contingent Auto Liability (Excess)

| | |
|-------------|---------------------------------------------------------|
| \$1,000,000 | Bodily Injury/Property Damage Liability Each “accident” |
| \$100,000 | Hired Auto Physical Damage/any one policy period |
| \$25,000 | Auto Medical Payments/each person/ each accident |

Employers Responsibility Coverage Voluntary Compensation

| | |
|----------------|---------------------------------------------|
| State of Hire | North Americans – State of Hire |
| Country Origin | Third Country Nationals – Country of Origin |
| Country Origin | Local Nationals – Country of Origin |

Employers Liability

| | |
|-------------|--------------------------------------------------------------------|
| \$1,000,000 | Bodily Injury by Accident/each Accident |
| \$1,000,000 | Bodily Injury by Disease/each Employee (including Endemic Disease) |
| \$1,000,000 | Bodily Injury by Disease/Policy Limit (including Endemic Disease) |

Primary Medical Expense

| | |
|-----------|--------------------------------------------------|
| \$250,000 | Employee/Student (Primary Med Expense) |
| \$250,000 | Spouse/Dependent/Volunteer (Primary Med Expense) |
| \$1,000 | Maximum Preexisting Conditions |
| \$1,000 | Maximum for Dental Treatment – Injury Only |
| \$500 | Alleviation of Pain – Maximum |
| \$2,000 | Emergency Medical Treatment of Pregnancy |

365 Maximum Period of Coverage

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

CSU Foreign Travel Insurance Program (FTIP) July 1, 2013 – July 1, 2014

Emergency Medical Benefits

Up to \$10,000 Emergency Medical Benefit Maximum

Emergency Medical Evacuation

100% of Covered Expense Emergency Medical Evacuation Benefit Maximum

Repatriation of Remains Benefit

100% of Covered Expense Repatriation of Remains Benefit Maximum

Emergency Reunion

\$5,000 Benefit Maximum
 \$300 Daily Benefit Maximum
 10 days Maximum Number of Days
 Round Trip Ticket to fly to injured participant included in maximum benefit

Political Evacuation & Repatriation Benefit War Risk Coverage

\$2,000,000 Aggregate Limit/Benefit Maximum

Accidental Death & Dismemberment Benefit

\$100,000 Employee – AD&D Benefit
 \$50,000 Student – AD& D Benefit

Trip Cancellation

\$2,500 Benefit Reimbursement of non-refundable covered expenses paid for trip up to Benefit Maximum
 Maximum Maximum if prevented from taking trip as a result of injury, sickness, or death

Trip Interruption Benefit

\$2,500 Benefit Reimbursement of cost for one-way economy air/or ground transportation ticket, up to Maximum
 Maximum benefit maximum, if participant's trip is interrupted as a result of a death of a family member or unforeseen injury or sickness of participant's family member.

Trip Cancellation (Self-Funded)

\$2,500 Benefit Limited self-insured coverage for trip cancellation, addressing the cost of cancelling or Maximum
 Maximum early return from travel triggered by critical events that may not be covered under the insurance program (recent examples – Tsunami in Japan and the disruption caused by the Icelandic volcano).

Premium Rate:

Faculty/Employee

\$60.00* Trips up to 15 days duration per trip/employee
 \$75.00* Trips up to 30 days duration per trip/employee

Students/Other

\$50.00* Trips up to 15 days duration per trip/employee
 \$60.00* Trips up to 30 days duration per trip/employee

Note: Additional Premium for high-hazardous / war risk countries. Contact Alliant Program Administrator for details.



CSU Foreign Travel Insurance Program (FTIP) July 1, 2013 – July 1, 2014

Comments / Conditions:

1. Report all trips
2. For any high hazardous /war risk country both the Campus President and Chancellor approval is needed

Claims Reporting / Administrator:

ACE Travel Assistance Program
1-800-243-6124 (Inside the USA)
1-202-659-7803 (Outside USA Call Collect)
Email: OPS@europassistance-use.com

Plan Number: 01AH585
Policyholder: California State University Trustees
Policy Number: GLMN04950872R
Assistance Provider: Europ Assistance USA

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Student Professional Liability Insurance Program (SPLIP) July 1, 2013 – July 1, 2014

Insurer:

Lloyd's of London

Insureds:

- California State University (CSU)
- All campuses of the CSU
- Employees, Faculty, Staff of the CSU
- CSU Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU

*Enrolled Students means students who are enrolled and are in good standing while completing an internship and registered/enrolled in a course that requires the internship experience, including academic breaks during the policy period. Enrolled Students also include students who have not received a letter grade in a course (e.g., assigned an "Incomplete"), but remain registered for that course until the Incomplete objectives are met, but for no more than one (1) year from the granting of the Incomplete.

Additional Insureds:

Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy

Coverage:

- A. General Liability
- B. Professional Liability
- C. Educator's Errors & Omissions Liability

Coverage Description:

Covers General Liability and Professional Liability of CSU students enrolled in a Health Profession practicum, Social Welfare program, Social Work program, or Education Credential program of the CSU who are required by a host institution to obtain general liability and/or professional liability insurance for participation in the institution's affiliation program.

Limits:

\$2,000,000 Each Loss
\$4,000,000 Aggregate for all Covered Parties, and not per student

Member's Deductible:

\$0 Per Claim

Premium Rate:

\$20.00 per student in Nursing, Allied Health, Social Work, or Education

This flat rate is non-refundable, and is not subject to a prorate premium return if student is enrolled for less than one year.

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Student Professional Liability Insurance Program (SPLIP) July 1, 2013 – July 1, 2014

Coverage Extension:

1. **Legal Representation:** defense cost included for covered claims.
2. **Personal Injury Liability:** protects up to the Coverage Limits against covered claims arising from charges of privacy violation, libel, slander, assault & battery, and other alleged personal injuries.
3. **School Grievance/ Academic Disciplinary Hearings:** reimburses for expenses incurred for defense of a school grievance or academic disciplinary hearing or proceeding; \$5,000 per proceeding; \$100,000 aggregate.
4. **Damage to Property of Others:** for damage caused accidentally by a Covered Party to the property of others at your location; \$5,000 per incident; \$100,000 aggregate.
5. **Assault Coverage:** covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; \$5,000 per incident; \$100,000 aggregate.
6. **Medical Payments:** reimbursement of medical expenses to others injured on your location; \$5,000 per incident; \$100,000 aggregate.
7. **First Aid Expenses:** for expenses you incur in rendering first aid to others: \$5,000 per defendant; \$100,000 aggregate.
8. **Defendant Expense Benefit:** reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim: \$5,000 per defendant; \$100,000 aggregate.

No Exclusion for:

- Sexual Harassment
- Abuse or Molestation
- Corporal Punishment

Comments / Conditions:

1. This is a “claims- made” policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Carrier as soon as practicable, but not later than 3 years after the Policy Period. Coverage is only provided for claims arising from Professional Services which are rendered or Incidents which occurred during the Policy Period.
2. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
3. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

COVERED PROFESSIONS, Including but not limited to:

NURSING PROFESSIONS

Case Manager
 Geriatric Nursing Assistant
 Nurses Aide - Facility Setting
 Nurses Aide - In-home Setting
 Nursing Assistant - Facility Setting
 Nursing Assistant - In-home Setting
 Home Health Aide
 LPN/LVN
 Nurse - Anesthetists
 Nurse - Midwives
 Registered Nurse

Nurse Practitioner:
 Geriatric/Adult/Family Planning-GYN
 OB-GYN/Acute Critical Care OB-GYN
 Pediatric/Neonatal/Family Practice/Acute Care
 Psychiatric

ALLIED HEALTH PROFESSIONS

Art Therapist
 Athletic Trainer
 Audiologist
 Blood Bank Technician
 Bio-Medical Technician
 Cardiographic Technician
 Cardiology Technician
 Case Manager
 Certified Laboratory Technician
 Certified Medical Assistant
 Certified Occupational Therapy Assistant
 Chiropractic Assistant
 Circulation Technician
 Clinical Laboratory Technician
 Community Health Assistant
 Community Health Technician
 Corrective Therapist
 Dance Therapist
 Dental Hygienist
 Diagnostic Medical Sonographer
 Dialysis Technician
 Dietitian
 EEG (Electroencephalogram) Technician
 EKG (Electrocardiogram) Technician
 Optometry Assistant/Technician
 Orthopedic Assistant
 Podiatrist
 Perfusionist
 Personal Trainer

Electrologist
 EMT- Paramedic
 EMT- Basic/Intermediate
 EMT- Volunteer
 Enterostomal Therapist
 Exercise Physiologist
 Health Educator
 Histologic Technician
 Hospital Pharmacy Technician
 Kinesiologist/Kinesiotherapist
 Laboratory Aide
 Massage Therapist
 Medical Assistant
 Medical Laboratory Technician
 Medical Records Administrator
 Medical Records Technician
 Medical Technician
 Medical Technician Assistant
 Mental Retardation Worker
 Music Therapist
 Nuclear Medical Technician
 Nutritionist
 Occupational Therapist
 Occupational Therapist Assistant
 Rehabilitation Assistant
 Rehabilitation Therapist
 Respiratory Care Practitioner
 Respiratory Care Provider
 Respiratory Therapist

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Pharmacist
Pharmacist Technician
Physical Therapist
Physical Therapist Assistant
Physician Assistant Podiatric Assistant
Psychologist
Radiation Therapist
Radiological Technician
Recreation Therapist

Respiratory Therapist Technician
Speech Hearing Therapist
Speech Language Pathologist
Sports Medicine Instructor
Sports Medicine Therapist
Surgical Technician
Vascular Technologists
X-Ray Machine Operator

SOCIAL WORK / SOCIAL WELFARE PROFESSIONS

Alcohol/Drug Counselor
Bodywork Counselor
Career Counselor
Case Manager
Clinical Counselor
Counselor Educator
Forensic Counselor
Genetic Counselor
Licensed Professional Clinical Counselor

Licensed Professional Counselor
Life Coach Counselor
Marriage/Family Counselor
Mental Health Counselor
Pastoral Counselor
Psychological Counselor
Rehabilitation Counselor
Social Worker

EDUCATION / TEACHING PROFESSIONS

School Administration:

Admittance
Desegregation
Enrollment
Expulsion
Extracurricular Activities
Integration

Educational Instruction:

Career Guidance
Guidance Counseling
School Counselor
Student Consumerism
Teaching Assistants

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP) July 1, 2013 – July 1, 2014

Insurer:

Lloyd's of London

Insureds:

- California State University (CSU)
- All campuses of the CSU
- Employees, Faculty, Staff of the CSU
- CSU Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU

*Enrolled Students means students who are enrolled and are in good standing while completing an internship and registered/enrolled in a course that requires the internship experience, including academic breaks during the policy period. Enrolled Students also include students who have not received a letter grade in a course (e.g., assigned an "Incomplete"), but remain registered for that course until the Incomplete objectives are met, but for no more than one (1) year from the granting of the Incomplete.

Additional Insureds:

Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy

Coverage:

- A. General Liability
- B. Professional Liability

Coverage Description:

Covers General Liability and Professional Liability of CSU enrolled students performing community service or volunteer work for academic credit; and students enrolled in radio, television or film credential programs of the CSU.

Limits:

\$1,000,000 Each Loss
\$2,000,000 Aggregate for all Covered Parties, and not per student

Member's Deductible:

\$0 Per Claim

Premium Rate:

\$5.00 per student performing community service or volunteer work for academic credit and/or students in Radio, Television or Film academic programs.

This flat rate is non-refundable, and is not subject to a prorated premium return if student is enrolled for less than one year.

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Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP) July 1, 2013 – July 1, 2014

Coverage Extension:

1. **Legal Representation:** defense cost included for covered claims.
2. **Personal Injury Liability:** protects up to the Coverage Limits against covered claims arising from charges of privacy violation, libel, slander, assault & battery, and other alleged personal injuries.
3. **School Grievance/ Academic Disciplinary Hearings:** reimburses for expenses incurred for defense of a school grievance or academic disciplinary hearing or proceeding; \$5,000 per proceeding; \$100,000 aggregate.
4. **Damage to Property of Others:** for damage caused accidentally by a Covered Party to the property of others at your location; \$5,000 per incident; \$100,000 aggregate.
5. **Assault Coverage:** covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; \$5,000 per incident; \$100,000 aggregate.
6. **Medical Payments:** reimbursement of medical expenses to others injured on your location; \$5,000 per incident; \$100,000 aggregate.
7. **First Aid Expenses:** for expenses you incur in rendering first aid to others: \$5,000 per defendant; \$100,000 aggregate.
8. **Defendant Expense Benefit:** reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim: \$5,000 per defendant; \$100,000 aggregate.

No Exclusion for:

- Sexual Harassment
- Abuse or Molestation
- Corporal Punishment

Comments / Conditions:

1. This is a “claims- made” policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Carrier as soon as practicable, but not later than 3 years after the Policy Period. Coverage is only provided for claims arising from Professional Services which are rendered or Incidents which occurred during the Policy Period.
2. CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP).
3. Other CSU Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium. Please refer to SPLIP summary for details.



California State University Risk Management Authority

SERVICE LEARNING COURSES, Including but not limited to:

| | |
|--------------------------------------|------------------------------------------|
| Accounting | Human Services |
| Afro American Studies | Humanities |
| Agricultural Education | Hutchins School |
| Agricultural Mechanics | Industrial Arts |
| Animal Science | Information Systems |
| Anthropology | Inter,Multi Studies |
| Apparel Merchandising and Management | Japanese |
| Art | Jewish Studies |
| Asn, Eur Arm/American Studies | Journalism |
| Biology | Landscape Architecture |
| Broadcast Communication Arts | Liberal Arts |
| Business | Liberal Studies |
| Chemistry | Library Science |
| Child Development | Linguistics |
| Chinese | Management |
| City and Regional Planning | Marketing |
| Communications | Mathematics |
| Community Services | Mexican American Stds |
| Computer Sciences | Music |
| Creative Arts | Native American Studies |
| Creative Writing | Natural Resources |
| Criminology | Philosophy |
| Curriculum and Instruction | Physical Education |
| Dance | Police Science |
| Design and Industry | Political Science |
| Drama | Public Administration |
| English | Public Relations |
| Environmental Studies | Quantitative Methods |
| Foreign Languages | Radio Television |
| French | Small College |
| Geography | Social Science |
| Geology | Sociology |
| Gerontology | Spanish |
| Government | Special Major |
| History | Tutorials, General, Experiential Studies |
| Holistic Health | Urban Studies |
| Home Economics | Women's Studies |
| Hotel and Restaurant Management | World Business |
| Human Development | |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



The following course work are not covered under this Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP), but are covered under the Student Professional Liability Insurance Program (SPLIP):

NURSING, ALLIED HEALTH, SOCIAL WORK, including:

- | | |
|-------------------------------------|----------------------|
| Audiology | Occupational Therapy |
| Counseling | Physical Therapy |
| Food and Nutrition | Psychology |
| Health Professions | Recreation Therapy |
| Kinesiology and Exercise Physiology | Social Work |
| Nursing | Speech Therapy |

EDUCATION, TEACHING PROFESSIONS, including:

- Education
- Education Psychology
- Elementary Education
- Secondary Education
- Special Education

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Aviation (Non-Owned) Liability July 1, 2013 – July 1, 2014

| | |
|--------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurer: | Westchester Fire Insurance Company (ACE Group) |
| Policy No.: | AACN0738511003 |
| Named Covered Entity: | California State University Risk Management Authority (CSURMA) CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) |
| Covered Member: | <ul style="list-style-type: none">• California State University, Bakersfield• California State University, Channel Islands• California State University, Chico• California State University, Dominguez Hills• California State University, East Bay• California State University, Fresno• California State University, Fullerton• Humboldt State University• California State University, Long Beach• California State University, Los Angeles• California Maritime Academy• California State University, Monterey Bay• California State University, Northridge• California State Polytechnic University, Pomona• California State University, Sacramento• California State University, San Bernardino• San Diego State University• San Francisco State University• San Jose State University• California Polytechnic State University, San Luis Obispo• California State University, San Marcos• Sonoma State University• California State University, Stanislaus |
| Coverage Limit: | \$100,000,000 each Occurrence |
| Self-Insured Retention: | \$0 |
| Coverage Form: | Occurrence basis |
| Coverage Territory: | Worldwide, suits must be brought in the United States of America |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Aviation (Non-Owned) Liability July 1, 2013 – July 1, 2014

- Coverage:**
1. Bodily Injury excluding Passengers
 2. Property Damage
 3. Passenger Bodily Injury

Coverage is *not provided* for:

1. Hull (aircraft physical damage)
2. Medical Payments

- Special Conditions:**
1. Maximum Seats including Crew: 40
 2. Pilot must be properly certificated and rated for the flight involved.
 3. Aircraft is regularly based in the Coverage Territory.

Claims Sporting: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Robert Frey
Toll Free: (877) 725-7695
Direct: (415) 403-1445
Fax: (415) 403-1466
E-mail: rfrey@alliant.com

Diana Walizada
Toll Free: (877) 725-7695
Direct: (415) 403-1453
Fax: (415) 403-1466
E-mail: dwalizada@alliant.com

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Public Entity Physical Damage Program July 1, 2013 – July 1, 2014

| | |
|------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Insurer: | Beazley Lloyd's Syndicate 2623 (81%), Lloyd's Syndicate 623 (19%) |
| Policy No.: | WV0000417 |
| A.M. Best Rating: | A, XV |
| Named Covered Entity: | California State University Risk Management Authority CSURMA Auxiliary Organizations Risk Management Alliance (AORMA) (Participant Members List On File With The Company) |
| Coverage: | All Risk equipment floater including earthquake and flood for equipment on the schedule of equipment on file with the company |
| Limits of Liability: | As per individual member schedule as part of the policy |
| Deductible: | As per schedule on file |
| Perils Insured: | All Risk of direct physical loss or damage, except as excluded |
| Perils Excluded: | <ol style="list-style-type: none">1. Loss of use2. Loss or damage to equipment while waterborne3. Wear and tear, insects/vermin, mechanical breakdown4. Infidelity of insured's employees5. Equipment which the insured has loaned6. Unexplained or mysterious disappearance7. Nuclear reaction or nuclear radiation8. Hostile or warlike actions9. Terrorism |
| Valuation: | In the event of a loss, the least of the following: <ol style="list-style-type: none">A. The actual adjusted amount of loss, less applicable deductible(s)B. The replacement cost of the equipment, or any part thereof, and intended for similar use of equipment of like kind and quality, less applicable deductible(s)C. An amount no greater than 120% of the total stated value for the property involved, as shown on the schedule of equipment on file with the Company, less applicable deductible(s)D. Full replacement cost (new vehicle) for vehicles purchased within the last three years, less applicable deductible(s) |

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.



Public Entity Physical Damage Program July 1, 2013 – July 1, 2014

Claims Sporting: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Elaine Kim
Tel: (415) 403-1458
Fax: (415) 403-1466
E-mail: ekim@alliant.com

Beazley USA Services, Inc.
141 Tremont Street – Suite 1200
Boston, MA 02111

Attn: Claims Manager
Tel: 617.239.2600
Fax: 617.239.2659

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

Certificate

of
Beazley Insurance Services
101 California St Ste 1850
San Francisco, CA 94111
CA Lic. #0G55497
U.S.A.

(hereinafter called "Correspondent")
Evidencing Placement of Insurance with certain
UNDERWRITERS AT LLOYD'S, LONDON

Correspondent hereby certifies that insurance as described herein has been effected with certain Underwriters at Lloyd's, London.

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG .**

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.
7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE:
WWW.INSURANCE.CA.GOV .
8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Such insurance has been placed in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd's, London, whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters have agreed to bind themselves severally and not jointly each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate and if it is not correct, return it immediately to the Correspondent for appropriate alteration.

CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.
2. **Correspondent Not Insurer.** The Correspondent is not an Insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The Insurers of such insurance are those Underwriters at Lloyd's, London, whose names can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.
3. **Cancellation.** If the insurance described herein provides for cancellation and if said insurance is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.
4. **Service of Suit Clause.** In the event of the failure of Underwriters to pay any amount claimed to be due under the insurance described herein, Underwriters have agreed that, at the request of the Assured, they will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. In any suit instituted against any one of them upon the insurance described herein, Underwriters have agreed to abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

Underwriters have further agreed that service of process in such suit may be made upon the firm or person named in item 6 on the attached Declaration Page. Underwriters have agreed that such firm or person is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event that such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters have designated the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary arising out of the insurance described herein, and have designated the above-mentioned as the person to whom the said officer is authorized to mail such process or true copy thereof.

5. **Assignment.** The insurance described herein shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.
6. **Attached Conditions Incorporated.** The insurance described in this Certificate is subject to all provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered incorporated herein as further descriptive of the insurance the placement of which is evidenced by this Certificate.
7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation. Premiums for cancellations pursuant to Paragraph 6 of the Notice on page 1 of this Certificate will be prorated.

Short Rate Cancellation Table For Term of One Year.

| Days Insurance in Force | Per Cent of one year Premium | Days Insurance in Force | Per Cent of one year Premium | Days Insurance in Force | Per Cent of one year Premium | Days Insurance in Force | Per Cent of one year Premium |
|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|-------------------------|------------------------------|
| 1 | 5% | 66 - 69 | 29% | 154 - 156 | 53% | 256 - 260 | 77% |
| 2 | 6 | 70 - 73 | 30 | 157 - 160 | 54 | 261 - 264 | 78 |
| 3 - 4 | 7 | 74 - 76 | 31 | 161 - 164 | 55 | 265 - 269 | 79 |
| 5 - 6 | 8 | 77 - 80 | 32 | 165 - 167 | 56 | 270 - 273 (9 mos) | 80 |
| 7 - 8 | 9 | 81 - 83 | 33 | 168 - 171 | 57 | 274 - 278 | 81 |
| 9 - 10 | 10 | 84 - 87 | 34 | 172 - 175 | 58 | 279 - 282 | 82 |
| 11 - 12 | 11 | 88 - 91 (3 mos) | 35 | 176 - 178 | 59 | 283 - 287 | 83 |
| 13 - 14 | 12 | 92 - 94 | 36 | 179 - 182 (6 mos) | 60 | 288 - 291 | 84 |
| 15 - 16 | 13 | 95 - 98 | 37 | 183 - 187 | 61 | 292 - 296 | 85 |
| 17 - 18 | 14 | 99 - 102 | 38 | 188 - 191 | 62 | 297 - 301 | 86 |
| 19 - 20 | 15 | 103 - 105 | 39 | 192 - 196 | 63 | 302 - 305 (10 mos) | 87 |
| 21 - 22 | 16 | 106 - 109 | 40 | 197 - 200 | 64 | 306 - 310 | 88 |
| 23 - 25 | 17 | 110 - 113 | 41 | 201 - 205 | 65 | 311 - 314 | 89 |
| 26 - 29 | 18 | 114 - 116 | 42 | 206 - 209 | 66 | 315 - 319 | 90 |
| 30 - 32 (1 mos) | 19 | 117 - 120 | 43 | 210 - 214 (7 mos) | 67 | 320 - 323 | 91 |
| 33 - 36 | 20 | 121 - 124 (4 mos) | 44 | 215 - 218 | 68 | 324 - 328 | 92 |
| 37 - 40 | 21 | 125 - 127 | 45 | 219 - 223 | 69 | 329 - 332 | 93 |
| 41 - 43 | 22 | 128 - 131 | 46 | 224 - 228 | 70 | 333 - 337 (11 mos) | 94 |
| 44 - 47 | 23 | 132 - 135 | 47 | 229 - 232 | 71 | 338 - 342 | 95 |
| 48 - 51 | 24 | 136 - 138 | 48 | 233 - 237 | 72 | 343 - 346 | 96 |
| 52 - 54 | 25 | 139 - 142 | 49 | 238 - 241 | 73 | 347 - 351 | 97 |
| 55 - 58 | 26 | 143 - 146 | 50 | 242 - 246 (8 mos) | 74 | 352 - 355 | 98 |
| 59 - 62 (2 mos) | 27 | 147 - 149 | 51 | 247 - 250 | 75 | 356 - 360 | 99 |
| 63 - 65 | 28 | 150 - 153 (5 mos) | 52 | 251 - 255 | 76 | 361 - 365 (12 mos) | 100 |

Rules applicable to insurance with terms less than or more than one year:

- A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.
- B. If insurance has been in force for more than one year:
 1. Determine full annual premium as for insurance written for a term of one year.
 2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was written.
 3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.
8. The Certificate is intended for use as evidence of the placement of the insurance described herein, in accordance with Section 1764 of the California Insurance Code.
9. It is hereby understood and agreed that wherever the word "Policy" appears herein it shall be deemed to read "Certificate"
10. **Cancellation.** Notwithstanding any cancellation provisions within this Certificate it is hereby noted and agreed that should a minimum earned premium percentage be shown in the declarations of this Certificate, then the Underwriters shall retain as a minimum such percentage of premium stated.
11. **Complaints Procedure.** If you have a complaint with any aspect of your policy with Lloyd's Underwriters: You may contact the broker/agent who arranged your policy for you. Should you be dissatisfied with the outcome of your broker's resolution, please submit your written complaint to:

Beazley USA Services Inc.
141 Tremont Street - Suite 1200,
Boston
MA 02111
U.S.A.
12. **Law and Jurisdiction.** This Insurance shall be governed by the laws of California and subject to the exclusive jurisdiction of the courts of USA per the Service of Suit Clause contained herein.
13. **Conformity to statute.** Any terms of this Certificate which may conflict with applicable statutes (or statutes deemed applicable by a court of competent jurisdiction) are amended to conform with the minimum requirements of such statutes.
14. **Conformity.** It is hereby noted and agreed that wherever the words "Assured" and "Insured" appear in this Certificate they shall be deemed to be synonymous.

It is hereby noted and agreed that wherever the words "Underwriters", "Insurers," "Company" appear in this Certificate they shall be deemed to be synonymous

It is hereby noted and agreed that wherever the term "we", "us" and "our" appears herein, same shall be deemed to read "Insurers"

It is hereby noted and agreed that wherever the term "you" or "your" appears herein, same shall be deemed to read "the Insured"

Insurance is effective with certain **UNDERWRITERS AT LLOYD'S, LONDON**
percentage: 100%

LLOYDS SECURITY SCHEDULE

| | |
|----------------|-----|
| Syndicate 2623 | 82% |
| Syndicate 623 | 18% |

LLOYD'S

One Lime Street London EC3M 7HA

GENERAL COVER DECLARATIONS PAGE

The Coverholder:

Beazley Insurance Services
101 California Street Suite 1850
San Francisco, CA 94111
CA Lic.# OG55497

Send correspondence to the above address

The Producer:

Alliant Specialty Insurance Service
100 Pine St 11th FL
San Francisco, CA 94111

License #:OC36861

Beazley Syndicate 2623-82% & 623-18% at Lloyd's

Policy Number: WV0000417

Attaching to Binder: B6012BUSA13

Renewal of WV0000317

Insured's Name and Address:

California State University Risk Management Authority
c/o Alliant Specialty Insurance Services, Inc.
100 Pine St., 11th FL
San Francisco, CA 94111

Policy Period: **From:** July 1, 2013
 To: July 1, 2014

at 12:01 A.M. Standard Time at place of issuance

PERILS INSURED AGAINST:

All Risk Equipment Floater including Earthquake and Flood

Claims: In case of loss, please refer notice immediately to:

Claims Manager
Beazley USA Services Inc.
141 Tremont Street Suite 1200
Boston, MA 02111
Telephone: 617-239-2600
Fax: 617-239-2659 Email: propertyclaims@beazley.com

Terms and Conditions Applicable: See FS C 423 01 11 Supplemental Dec Page and /or FS C 424 Schedule of Forms as attached.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines

This Declaration, together with Policy jacket, the above policy wording and endorsements, issued to form a part thereof, completes the above numbered policy.

Signed: 

Correspondent

Date Issued: June 26, 2013

Date Invoiced: June 26, 2013

SUPPLEMENTAL DECLARATIONS PAGE

POLICY NO. WV 0000417 **POLICY PERIOD** July 1, 2013 **TO** July 1, 2014

NAMED INSURED

California State University Risk Management Authority
 c/o Alliant Insurance Services, Inc.
 100 Pine Street, 11th Floor
 San Francisco, CA 94111

DESCRIPTION OF PREMISES

| Prem. No./ Bldg. No. | Location | Construction | Occupancy |
|-------------------------|----------------------------------------------|--------------|-----------|
| | Per Schedule of Vehicles & Related Equipment | N/A | N/A |

COVERAGES PROVIDED Insurance at the Described Premises applies only for Coverages for which a Limit of Insurance is shown

| Prem. No./ Bldg. No. | Coverage | Limit of Insurance | Covered Causes of Loss | Coinsurance* | Rates |
|-------------------------------------------------------|------------------------------------------------------------|-------------------------------------------------|---------------------------|--------------|-----------|
| Per Schedule of Vehicles & Related Equipment | All Risk Equipment Floater including Earthquake & Flood | Per Schedule of Vehicles & Related Equipment | FS D 001 07 09 | N/A | as agreed |

As per Schedule on File with the Underwriter

SUB-LIMITS:

*If Extra Expense Coverage Limits on Loss Payment

OPTIONAL COVERAGES Applicable only when entries are made in the Schedule below

| Prem. No/ Bldg. No. | Agreed Value Expiration Date | Amount | Replacement Cost (X)Building | Personal Property | Including Stock |
|------------------------|---------------------------------|--------|---------------------------------|-------------------------------------------------|--------------------|
| N/A | N/A | N/A | N/A | Per Schedule of Vehicles & Related Equipment | N/A |

- *Monthly Limit of Indemnity (Fraction):
- *Maximum Period of Indemnity (X):
- *Extended Period of Indemnity (Days):

* Applies to Business Income Only

MORTGAGEHOLDERS

| Prem. No. | Bldg. No. | Mortgage Holder Name And Mailing Address |
|------------------|------------------|-------------------------------------------------|
| N/A | N/A | Per form FS C 411 04 09 |

DEDUCTIBLE

Per Schedule of Vehicles and Related Equipment

POLICY FORM CHANGES

FORMS APPLICABLE See FS C 424 Schedule of Forms Attached

Schedule of All Forms and Endorsements

Named Insured: Caalifornia State University Risk Management Authority
Policy Number: WV0000417
Effective Date: July 1, 2013

| <u>FORM NUMBER</u> | <u>FORM NAME</u> |
|--------------------|------------------------------------------------|
| LMA 3102 (amended) | Lloyd's California Certificate |
| FS C 422 01 13 | General Cover Dec page |
| FS C 423 01 11 | Supplemental Dec Page |
| FS C 424 | Schedule of Forms and Endorsements |
| FS D 001 07 09 | All Risk Equipmentg Floater |
| FS D 002 07 09 | Temporary Transportation Rental Expense |
| FS C 411 04 09 | Loss Payee/Lenders Loss Payee Endorsement |
| LSW 1135B | Lloyds' Privacy |
| LMA5018 | Microorganism Exclusion |
| LMA5019 | Asbestos Endorsement |
| NMA2340 | Seepage & Pollution, Land, Air Water Exclusion |
| NMA2915 | Electronic Data Endorsement B |
| NMA2920 | Terrorism Exclusion |
| NMA2962 | Biological or Chemical Materials Exclusion |
| LMA5092 | TRIA Not Purchased |
| | Equipment Schedule |

All Risks Equipment Floater

Equipment Insured: This policy covers the Fire Safety Apparatus, Public Works Equipment, and other Mobile Equipment including machinery, equipment, tools, suppliers, radio/TV equipment and other equipment of a similar nature usual to the use of such equipment by the Insured, as per the Schedule of Equipment.

Substitute equipment Insured: This policy covers substitute equipment of a similar nature intended for similar use , not owned by the Insured, owned by others for which the Insured is legally liable or has assumed liability prior to loss.

Additionally acquired equipment: This policy is extended to cover additionally acquired equipment valued at not more than \$250,000. This coverage shall cease forty five (45) days from the acquisition is reported to this Underwriter, whichever occurs first.

Limits of Liability: Per Schedule of Equipment contained in this Policy.

Deductable: The amount shown on the Schedule of Equipment will be deducted from the loss amount of each item, subject to a maximum of three deductibles for any one occurrence.

Valuation: The premium for this policy is based upon the Schedule of Equipment. In the event of loss hereunder, liability of the Underwriter shall be limited to the least of the following:

- A. The actual adjusted amount of loss, less applicable deductible (s).
- B. The replacement cost of the equipment, or any part thereof, and intended for similar use with equipment of like kind and quality, less applicable deductible (s).
- C. An amount no greater than 120% of the total stated value for the property involved, as shown on the Schedule of Equipment, less applicable deductibles.
- D. Full replacement cost (new vehicle) for vehicles purchased new within the last three years, less applicable deductible(s).

Perils Insured: This policy insures against all risks of direct physical loss or damage from any external cause, including general average and salvage charges.

Perils Excluded: This policy does not Insured against:

- A. Loss of use or consequential loss of any kind;

- B. Loss or damage to equipment while waterborne except while in transit by public carriers for hire;
- C. Loss, damage or expense caused by or resulting from wear and tear, gradual deterioration, depreciation, insects, vermin, mechanical breakdown or failure, inherent vice, latent defect;
- D. Loss or damage resulting from infidelity of the Insured's employees or persons to whom the Insured property may be entrusted;
- E. Loss or damage to equipment which the Insured has loaned (except for mutual aid to another Public entity), rented, hired or leased to others unless otherwise endorsed hereon;
- F. Unexplained or mysterious disappearance; or shortage disclosed upon taking inventory.
- G. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) Insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is Insured against by this policy.
- H. Loss or damage caused by or resulting from:
 - (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending, or expected attack, (a) by any government or sovereign power (de jure or de facto), or by authority maintaining or using military, navel, or air forces; or (b) by an agent or any such government, power, authority forces;
 - (2) Any weapon or war employing atomic fission or radioactive force whether in time of peace or war;
 - (3) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

Settlement of Loss: All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Underwriter.

No reduction in amount of Insurance: The amount of Insurance and the applicable limit of liability shall not be reduced by the amount of any loss covered hereunder.

Protection of Equipment: In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the equipment insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Underwriter, in recovering, saving and preserving the equipment insured in case of loss be considered a waiver or and acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Underwriter proportionately to the extent of their respective interests.

Appraisal: If the Insured and the Underwriter fail to agree as to the amount of loss, each shall on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Underwriter, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested Umpire, and failing for fifteen (15) days to agree upon such Umpire, then, on request of the Insured or the Underwriter, such Umpire, shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the value at the time of loss and the amount of loss and failing to agree shall submit their differences to the Umpire. An award in writing of any two shall determine the amount of loss.

The Insured and the Underwriter shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and Umpire. The Underwriter shall not be held to have waived any of its rights by any act relating to appraisal.

Other Insurance: If at any time of loss or damage there is available to a named or unnamed Insured of any other interested party, any other valid and collectible insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess over such other insurance.

Territorial Limits: This insurance covers only within the limits of the Continental United States (excluding Alaska)

Cancellation: Sixty (60) days prior notice shall be mailed to the Named Insured in the event of cancellation by the Underwriter, unless in the case of non payment of premium, ten (10) days notice of cancellation will be given.

Abandonment: There can be no abandonment of any property to Underwriters

Duties in the event of Loss: In the event of a loss for which the Insured seeks coverage under this policy, the Insured shall:

1. Notify the policy if a law may have been broken.
2. Give the Underwriter prompt notice of the "loss". Include a description of the property involved.
3. As soon as possible provide the Underwriter with a description of how, when and where the loss occurred.

4. Take all reasonable steps to protect the Insured property from further loss or damage. If feasible, set the damaged property aside and keep in the best possible order for examination. Also keep a record of the Insured's expenses for consideration in settlement of the claim.
5. Make no statement that will assume any obligation or admit any liability, for any loss for which Underwriters may be liable, without Underwriters consent..
6. Permit Underwriters to inspect the property and records proving the loss.
7. If requested permit Underwriters to question the Insured under oath, at such times as may be reasonably required, about any matter relating to the insurance or your claim, including your books and records. In such event, your answers must be signed.
8. Within 60 days of the underwriters request the Insured shall provide the Underwriters with a signed, sworn statement of loss containing the information Underwriters request to settle the claim. Underwriters will supply the necessary forms.
9. Promptly send Underwriters any legal papers or notices received concerning the loss.
10. Co-operate with Underwriters in the investigation or settlement of the claim.

Recoveries: Any recovery or salvage on a "loss" will accrue entirely to the Underwriters benefit until the sum paid by the Underwriter has been made up.

Transfer of Rights of Recovery Against Other to Underwriters: If any person or organization to or for whom the Underwriter makes payment under this insurance has rights to recover damages from another, these rights are transferred to the Underwriter. That person or organization must do everything necessary to secure the Underwriters rights and must do nothing after "loss" to impair them.

Concealment, Misrepresentation or Fraud: This Coverage Part is void in any cases of fraud by the Insured relating to it. It is also void if the Insured intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part:
2. The Covered Property; or
3. Your Interest in the Covered Property

No Benefit to Bailee: No person or organization other than the Insured having custody of Covered Property, will benefit from this Insurance.

Policy Period: The Underwriter covers "loss" commencing during the policy period shown in the Declarations.

This endorsement is subject to all terms and conditions of the Policy to which it attaches.

Temporary Transportation Rental Expense

This Policy is extended to pay \$100 per day up to a maximum limit of USD \$2,000 for the temporary transportation rental expense incurred by the Insured because an Insured vehicle is disabled due to loss covered by this Policy. Underwriters will pay only for such expenses if you do not have idle vehicles capable of performing similar functions of the disabled vehicle. Underwriters will commence payment incurred during the period beginning 48 hours after the insured loss and ending, regardless of the Policy's expiration, when the covered vehicle is repaired, returned to service or Underwriters pay for its loss. The limit of Insurance applicable to this extension is in addition to the limit applicable to the Insured vehicle.

LOSS PAYEE/LENDER'S LOSS PAYEE ENDORSEMENT

In consideration of the premium charged and subject to the terms, exclusions, limits and conditions of the policy to which this endorsement is attached and to the provisions contained within this endorsement, it is agreed that the following additional conditions are added to this policy.

A. Loss Payee(s)

The provisions contained within this item A. only apply to property where the additional interest is specified as that of Loss Payee in item C. below. As respects insured property in which both the Insured and the Loss Payee specified in item C. below have an insurable interest, in the event of physical loss or damage covered by this policy the company will:

1. adjust losses with the Insured; and
2. pay any claim for loss or damage as covered by this policy jointly to the Insured and the specified Loss Payee, as their interest may appear.

B. Lenders Loss Payee(s)

The provisions contained within this item B. only apply to property where the additional interest is specified as that of Lender's Loss Payee in item C. below. Each Lender's Loss Payee so specified is a creditor, including a mortgage holder or trustee, whose interest in insured property is established by such written instruments as warehouse receipts, contracts for deed, bills of lading, financing statements, mortgages, deeds of trust or security arrangements.

In the event of loss or damage to such insured property in which the Insured and the specified Lender's Loss Payee have an insurable interest, the following provisions apply:

1. the company will pay any claim for loss or damage as covered by this policy to each Lender's Loss Payee in their order of precedence, as their interests may appear;
2. the Lenders Loss Payee has the right to receive such loss payment even if the Lender's Loss Payee has started foreclosure or similar action on the insured property;
3. if the company denies the Insured's claim because of the Insured's acts or because the Insured has failed to comply with the terms of this policy, the Lender's Loss Payee will still have the right to receive loss payment if the Lender's Loss Payee:
 - a. pays any premium due under this policy at the company's request, if the Insured has failed to do so;
 - b. submits a signed, sworn proof of loss within sixty (60) days after receiving notice from the company of the Insured's failure to do; and
 - c. has notified the company of any change in ownership, occupancy or substantial change in risk known to the Lender's Loss Payee;

LOSS PAYEE/LENDER'S LOSS PAYEE ENDORSEMENT

4. If the company pays the Lender's Loss Payee for any loss or damage to insured property covered under this policy and denies payment to the Insured because of the Insured's acts or because the Insured has failed to comply with the terms of this policy:
- a. the Lender's Loss Payee's rights will be transferred to the company to the extent of the amount the company pays;
 - b. the Lender's Loss Payee's rights to recover the full amount of the Lender's Loss Payee's claim will not be impaired; and
 - c. at the company's option, the company may pay to the Lender's Loss Payee the whole principal on the debt plus any accrued interest; in this event, the Insured will pay the Insured's remaining debt to the company.

If the company cancels this policy, the company will give written notice to the Lender's Loss Payee at least ten (10) days before the effective date of cancellation if the company cancels for non-payment of premium, or thirty (30) days before the effective date of cancellation if the company cancels for any other reason.

C. Schedule of Loss Payees/Lender's Loss Payees

| Location # | Bldg. # | Additional Interest | Loss Payee (name, address, loan number) | Lender's Loss Payee (indicated by X below) |
|------------------------------------------------|---------|----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|
| Per Schedule of Vehicles and Related Equipment | N/A | Per Schedule of Vehicles & Related Equipment | Haaker Equipment Company 2070 N. White Avenue La Verne, CA 917850 | X |
| | | | A-Z Resources, LLC its Successors & Assigns 10370 Hemet Street, Suite 350 Riverside, CA 92503 | X |
| | | | Mears Motor Leasing The Bancorp Bank 3905 El Rey Road Orlando, FL 32808 | X |
| | | | Enterprise Holdings, Inc., its Subsidiary & Affiliated Companies, LLC and Enterprise FM Trust P. O. Box 16805 St. Louis, MO 63105 | X |
| | | | Tymco, Inc. P.O. Box 2368 Waco, TX 76703 | X |

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated.

LLOYD'S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD'S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03

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Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:-

MICROORGANISM EXCLUSION (ABSOLUTE)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005

LMA5018

Form approved by Lloyd's Market Association

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:-

ASBESTOS ENDORSEMENT

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.
2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.
3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.
4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
 - (i) any faults in the design, manufacture or installation of the asbestos;
 - (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005

LMA5019

Form approved by Lloyd's Market Association

U.S.A. & CANADA

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

- (a) any loss, damage, cost or expense, or
- (b) any increase in insured loss, damage, cost or expense, or
- (c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

- (a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and
- (b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.

DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

- 1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;**
 - (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and**
 - (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.**

- 2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):**
 - (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US\$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and**
 - (b) the amount of such costs or expenses as limited in (a) above shall be added to:**
 - (i) the amount of the Damage or Destruction; and**
 - (ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and**

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.

ELECTRONIC DATA ENDORSEMENT B

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. **COMPUTER VIRUS** includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

NMA 2915
25/01/2001

TERRORISM EXCLUSION ENDORSEMENT

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2920

08/10/2001

Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:-

BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03
NMA2962

**U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause**

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5092

21 December 2007



California State University Risk Management Authority

CSU Club Sports Insurance Program August 1, 2013 – August 1, 2014

Insurer: CSURMA (Self Insured Pooled)
Mutual of Omaha (NIRSA)
New Hampshire Insurance Company (Chartis)

Covered Name Entity: California State University Risk Management Authority (CSURMA)

Covered Members: California State University, Bakersfield
California State University, Channel Islands
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Monterey Bay
[Associated Students Inc., California State University, Northridge](#)
California State University, Sacramento
California State University, San Bernardino
[Associated Students, San Diego State University](#)
San Francisco State University
California Polytechnic State University, San Luis Obispo
[California State University San Marcos University Corporation](#)
Sonoma State University
California State University, Stanislaus

Coverage Parties: All enrolled students who are participants in Policyholder supervised and sponsored club sports activities. Eligible persons include all students associated with the approved club sports per campus of the California State University System

Covered Activities: This program is designed to cover students participating in your campus’ club sports programs, including Intramural and Recreational sports clubs that are officially recognized by you campus as a student organization

Coverage Limits:

Basic Accident Medical Coverage (Optional) -

CSURMA Self Insured Pooled

\$30,000 Accident Medical Expense Benefit – Per Covered Accident
\$100 Deductible – Student’s Responsibility
52 weeks Benefit Period
90 days Incurral Period

Note: All Members above participate in the Basic Accident Medical Coverage (CSURMA Self Insured Pooled) except:

- *California State University, Chico*
- *California Maritime Academy*
- *California Polytechnic State University, San Luis Obispo*

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

CSU Club Sports Insurance Program August 1, 2013 – August 1, 2014

**Mutual of Omaha
(NIRSA)**

Accident Medical Coverage - Catastrophic

\$5,000,000 Lifetime Benefit Limit

\$10,000 Accidental Death & Dismemberment

\$30,000 Deductible (Catastrophic Injury Only)

\$100 Deductible (Basic Accident Medical & Catastrophic Injury)

Pays covered medical and dental expenses incurred by club members for accidental injuries sustained while participating in covered sport activities. The Basic limit of \$30,000 is provided by the CSURMA Risk Pool, and is supplemented with \$5,000,000 Catastrophic Injury Insurance provided by Mutual of Omaha Insurance Company (A.M. Best rated A+ XV) via the National Intramural-Recreational Sports Association (NIRSA).

General Liability

\$1,000,000 Per Occurrence

\$3,000,000 General Aggregate

\$1,000,000 Personal / Advertising Injury

\$1,000,000 Products-Completed Operations Aggregate

\$300,000 Damage to Property Rented to You

\$0 Deductible

Investigates, defends and pays on behalf of enrolled student organizations liability for covered Bodily Injury and/or Property Damage to a third-party (not including Automobile Liability) arising from covered club sport activities. Coverage includes on-campus and off-campus events of the student organization and its members, subject to all terms of the insurance policy. The insurance is provided by New Hampshire Insurance Company (A.M. Best rated A+ XV).

Exclusions (including but not limited to):

Catastrophic:

No benefits are payable for:

- Illness or disease or medical or surgical treatment thereof, including diagnosis, except:
- as may be specifically provided for in the policy
- as may result from an Injury sustained in a Covered Accident
- a cardiovascular accident, stroke or other similar traumatic event caused by exertion while participating in a Covered Event
- infection, except bacterial infection which results from the accidental ingestion of a contaminated substance or pyogenic infection
- which results from an accidental bodily Injury
- suicide or intentionally self-inflicted Injury while sane
- an act of declared or undeclared war
- participation in a riot or engagement in or attempt to commit a felony or being engaged in an illegal activity

While we believe this Summary of Insurance fairly represents the terms, conditions and exclusions found in your insurance policies, in the event of any differences between the policies themselves and this summary, the policy provision will direct any resolution. This summary is not intended to replace or supersede any of your insurance contracts.

CSU Club Sports Insurance Program August 1, 2013 – August 1, 2014

Exclusions (including but not limited to):

- travel or flight in or descent from any aircraft, unless the Insured Person is a passenger for authorized group or team travel on a
- regularly scheduled flight on a commercial airline; or is a passenger on an aircraft chartered solely for the purpose of travel
- has a valid airworthiness certificate from the jurisdiction in which operated and which is being operate by a duly licensed pilot
- charges which exceed the Reasonable and Customary charges
- charges Incurred for dental work unless the Insured Person sustains a Disablement which results in damage to his or her natural teeth

General Liability:

- Asbestos and Silica Exclusion
- Assault and Battery Exclusion
- Attendance Limitation Exclusion
- Employment-Related Practices Exclusion
- Fireworks, Explosives, Pyrotechnic Devices or Incendiary Devices Exclusion
- Fungus Exclusion
- Medical Payments Exclusion
- Nuclear Energy Liability Exclusion
- Radioactive Matter Exclusion
- Total Lead Exclusion
- Total Pollution Exclusion

Program

Administrator:

Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

Robert Leong, First Vice President
Tel: (415) 403-1441
Email: rleong@alliant.com

Claims Reporting:

A-G Administrators
Claims Department
P. O. Box 979
Valley Forge, PA 19482-0979
Fax: 610-933-4122
Phone: 610-933-0800
Toll Free: 800-634-8628

Dan Beery, Account Manager
dberry@agadm.com



California State University

Owner-Controlled Insurance Program "Rolling OCIP"

Insurance Program Overview January 2012-2015

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.

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I. Owner Controlled Insurance Program

A. COMMERCIAL GENERAL LIABILITY

Policy #: A1LG57091100
 Old Republic General Insurance Corp (A IX)
 December 31, 2011 – December 31, 2014 (Program Period)
 December 31, 2012 – December 31, 2013 (Current Policy Period)

Limits & Deductibles

| | |
|--------------------------------------------|-------------|
| Products & Completed Operations Aggregate: | \$4,000,000 |
| General Aggregate: | \$4,000,000 |
| Each Occurrence: | \$2,000,000 |
| Personal Injury and Advertising Liability: | \$2,000,000 |
| Fire Damage Legal: | \$500,000 |
| Medical Expense (Any One Person): | \$10,000 |
| Deductible Bodily Injury/ Property Damage: | \$250,000 |
| Clash Deductible (Any One Occurrence): | \$350,000 |
| GL and WC Deductible Aggregate: | \$4,410,000 |

B. WORKERS' COMPENSATION AND EMPLOYER'S LIABILITY

Policy #: A1LW57091100
 Old Republic General Insurance Corp (A IX)
 December 31, 2011 – December 31, 2014 (Program Period)
 December 31, 2012 – December 31, 2013 (Current Policy Period)

Workers' Compensation: Statutory Limits

Employers Liability Limits & Deductibles

| | |
|------------------------------------------------|-------------|
| Bodily Injury (Each Accident): | \$1,000,000 |
| Bodily Injury by Disease (Each Employee): | \$1,000,000 |
| Bodily Injury by Disease (Policy Limit): | \$1,000,000 |
| Deductible Bodily Injury by Accident/ Disease: | \$250,000 |
| Clash Deductible: | \$350,000 |
| GL and WC Deductible Aggregate: | \$4,410,000 |

C. EXCESS LIABILITY – \$25M x Primary

Policy #: 0307-2185
 Allied World Assurance Company (A XV)
 December 31, 2011 – December 31, 2014

Limits & Deductibles

| | |
|------------------|--------------|
| Each Occurrence: | \$25,000,000 |
| Aggregate: | \$25,000,000 |

Underlying Policies:

| Type of Coverage | Policy No. | Policy Period | Insurance Company |
|----------------------|--------------|-------------------------|-------------------------------------|
| GENERAL LIABILITY | A1LG57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |
| EMPLOYER'S LIABILITY | A1LW57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |

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D. EXCESS LIABILITY – \$25M x \$25M

Policy #: XCQ G25832061
 ACE Property & Casualty Insurance Company (A+ XV)
 December 31, 2011 – December 31, 2014

Limits & Deductibles

Each Loss: \$25,000,000
 Aggregate: \$25,000,000

Underlying Policies:

| Type of Coverage | Policy No. | Policy Period | Insurance Company |
|--------------------|--------------|-------------------------|-------------------------------------|
| Excess Liability | 0307-2185 | 12/31/2011 – 12/31/2014 | Allied World Assurance Company |
| General liability | A1LG57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |
| Employer Liability | A1LW57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |

E. EXCESS LIABILITY – \$25M x \$50M

Policy #: EXC 2101127
 Great American Insurance Co. of NY (A XIII)
 December 31, 2011 – December 31, 2014

Limits & Deductibles

Each Occurrence: \$25,000,000
 Products Completed Operation Aggregate: \$25,000,000
 Other Aggregate Limit (where applicable): \$25,000,000

Underlying Policies:

| Type of Coverage | Policy No. | Policy Period | Insurance Company |
|--------------------|---------------|-------------------------|--------------------------------------|
| Excess Liability | XCQ G25832061 | 12/31/2011 – 12/31/2014 | ACE Property & Casualty Insurance Co |
| Excess Liability | 0307-2185 | 12/31/2011 – 12/31/2014 | Allied World Assurance Company |
| General liability | A1LG57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |
| Employer Liability | A1LW57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Insurance Corp |

F. EXCESS LIABILITY – \$25M x \$75M

Policy #: NHA229637
 RSUI Indemnity Company (A XII)
 December 31, 2011 – December 31, 2014

Limits & Deductibles

Each Occurrence: \$25,000,000
 Products Completed Operations Aggregate: \$25,000,000
 Other Aggregate Limit (where applicable): \$25,000,000

Underlying Policies:

| Type of Coverage | Policy No. | Policy Period | Insurance Company |
|----------------------|---------------|-------------------------|------------------------------------|
| Excess Liability | EXC 2101127 | 12/31/2011 – 12/31/2014 | Great American Insurance Co. of NY |
| Excess Liability | XCQ G25832061 | 12/31/2011 – 12/31/2014 | ACE Property & Casualty Ins Co |
| Excess Liability | 0307-2185 | 12/31/2011 – 12/31/2014 | Allied World Assurance Company |
| General liability | A1LG57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Ins Corp |
| Employer's Liability | A1LW57091100 | 12/31/2011 – 12/31/2014 | Old Republic General Ins Corp |

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II. Environmental & Professional Liability

A. CONTRACTORS POLLUTION LIABILITY

Policy #: 0307-2750
 Allied World Assurance Company (A XV)
 January 18, 2012 – January 18, 2017

Limits & Deductibles

| | |
|---------------------------|--------------|
| Each Occurrence: | \$25,000,000 |
| Policy Limit: | \$25,000,000 |
| Each Incident Deductible: | \$250,000 |

B. OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY

Policy #: OCL-206573-0115
 Catlin Specialty Insurance Company (A XV)
 January 18, 2012 – January 18, 2015

Limits & Deductibles

Owners' Professional Liability

| | |
|-------------------------|--------------|
| Coverage A – Project: | \$10,000,000 |
| Coverage C – Project: | \$10,000,000 |
| Self Insured Retention: | \$100,000 |
| Retroactive Date: | 01/18/2012 |

Supplementary Coverage

| | |
|-----------------------------------------|----------|
| Disciplinary Proceedings | \$10,000 |
| Litigation Expense – per day each claim | \$500 |
| Litigation Expense – Aggregate | \$5,000 |
| Subpoena Expense | \$10,000 |

C. EXCESS OWNER'S PROTECTIVE PROFESSIONAL INDEMNITY

Policy #: CPX7420005
 Indian Harbor Insurance Company (A XV)
 January 18, 2012 – January 18, 2015

Limits & Deductibles

| | |
|-----------|--------------|
| Each Loss | \$15,000,000 |
| Aggregate | \$15,000,000 |

Underlying Policies:

| Type of Coverage | Policy No. | Policy Period | Insurance Company |
|------------------|-----------------|-----------------------|-------------------------------|
| OPPI | OCL-206573-0115 | 1/18/2012 – 1/18/2015 | Catlin Specialty Insurance Co |

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III. Property Program

A. BUILDERS RISK

Policy #: IMC I20799754 009
Illinois Union Insurance Company
July 1, 2013 – July 1, 2014

Limits & Deductibles

\$50,000,000 per Occurrence, excess of Deductibles

Sub-Limits

| | |
|--------------|-----------------------------------------|
| \$25,000,000 | Wood Frame Construction |
| \$ 1,000,000 | Property in Transit |
| \$ 1,000,000 | Off-Site Storage |
| \$ 100,000 | Expediting expense |
| 25% of Loss | Debris Removal (\$1,000,000 maximum) |
| \$10,000,000 | Flood per occurrence / Annual aggregate |

Coverage:

"All Risk" Builder's Risk Insurance, including property damage, property in transit, off-site storage, expediting expense, flood (including tidal waves), terrorism*, and earthquake **

Terrorism Risk Insurance Extension Act of 2005

** CSU maintains a self-fund for losses in excess of the deductible caused by earthquakes as defined in CA Public Contracts Code, section 7105 (b) (2).

Major Exclusions:

Not covered Flood Zone A

Not covered Earth Movement** (excluded by carrier; self-funded by CSU)

Deductible:

\$25,000 Per occurrence

\$100,000 Per occurrence – Flood

\$50,000 Per occurrence – Water Damage

\$100,000 Per occurrence – Earthquake**

Comments:

1. Projects to be reported quarterly.
2. Projects that are reported during the policy term are held covered for up to 42 months from project start date.
3. Projects whose initial reported value is less than \$5,000,000 are not required to be reported at completion.
4. Projects whose initial value is \$5,000,000 or more shall report final contract values and term during the next quarterly reporting period following project completion

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IV. COVERAGE DEFINITIONS and CLAIM EXAMPLES

Commercial General Liability & Excess Liability

A standard Commercial General Liability insurance policy is issued to business organizations to protect them against liability claims for bodily injury and property damage arising out of premises, operations, products, and completed operations; and advertising and personal injury liability.

An Excess Liability policy provides additional protection when a claim and/or lawsuit exceed insurance limits on your general liability and employer liability primary policies. Excess liability policies add another layer of protection to any of several other policies that you might hold, including general liability and employer's liability.

1. Electrical Contractor – Trip and Fall

During the construction of a large university liberal arts building, an electrical contractor inadvertently left a portion of a trench uncovered and a student stepped into the uncovered trench while she was on the way to her class later that evening. The student sustained a fractured leg as a result of the trip and fall. The electrical contractor was held responsible for the injuries, wage loss and medical specials that were incurred by the claimant. The claim ultimately settled for \$85,000.

2. General Contractor – Safety Violations/Housekeeping

A City Inspector was hit in the head by a piece of rebar. The investigation revealed that the rebar came from the 10th floor of the building. The 10th floor had not been properly cleaned up the day before and construction debris was all over the place. The steel contractor along with the general contractor were both found to be negligent of poor maintenance and housekeeping. This case involved a brain injury and the case settled for \$11.2 million.

3. General Contractor and Multiple Subcontractors – Resultant Water Damage from Improper Waterproofing and Concrete Application

The contractor built a large condominium complex that contained five stories of underground parking. The water proofing and the concrete subcontractors failed to work in a unified fashion and left gaps between the waterproofing and the concrete walls of the garage. After the building was put to its intended use, the lower three levels of the garage started to leak. The cost of repair for epoxy injection was estimated at \$1.8 million. In addition, the Condominium Association created a laundry list of other defects that they alleged were caused by the general contractor and other trades. The defense costs alone in this case came to \$1.6 million. The claim ultimately settled for \$3.25 million after three years of litigation

Worker's Compensation and Employer's Liability

Workers' Compensation is the system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee's family) due to a job-related injury (including death) resulting from an accident or occupational disease.

Employer's Liability coverage is provided by Part 2 of the basic workers compensation policy and pays on behalf of the insured (employer) all sums that the insured shall become legally obligated to pay as damages because of bodily injury by accident or disease sustained by any employee of the insured arising out of and in the course of his employment by the insured.

1. Minor Injury Resulting in Death

A painter was working and sustained a dime sized laceration on his outer bicep from a rusty nail that was sticking out from the wall. Thinking nothing of the small cut he continued his work. Excited to have finished his job at the end of the week, he planned a getaway to Florida. Upon his return from Florida, he was suffering from flu like symptoms. That same day he checked himself into a hospital. After extensive medical testing, he was diagnosed with sepsis. Unfortunately, ten days after his accident he passed away while being transported to a different hospital. His family received a significant settlement that helped them pay off all medical bills and preserve their home.

2. Defective Equipment

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The plaintiff was employed as an assistant fitter. Part of his duties involved cutting pieces of steel. He was required to use a hand held grinder to undertake this task. The grinder was defective and as a result of that defect he sustained a personal injury to his left hand. The grinder had a piece missing. This meant that the plaintiff had to place both hands on the body of the machine when he was using the grinder. When the machine was activated, the grinding disc spun, catching his glove and pulling his thumb into the grinder. He sustained a serious injury to his non-dominant left thumb which severed the nerve in the thumb. He proceeded with his claim all the way to the High Court.

3. Asbestos Exposure

The plaintiff worked with his employer since 1959. From 1959 to 1974 he worked in the production of asbestos containing pipes. Due to health reasons he was then transferred to the plastic pipes operations with was separated from the asbestos containing pipes by partial walls. He contracted a rare cancer. He claimed that the cancer was caused because of the exposure to asbestos while at work. He sued his employer for compensation and was awarded \$10,000,000 as compensatory damages and \$500,000 as punitive damages.

4. Fall

A 37-year old construction worker was injured when he fell from some scaffolding while on the job. This happened in 2003. The construction worker is now a complete quadriplegic and is paralyzed as a result of the accident. The injured worker sued for compensation and was awarded \$337,000 pain and suffering, \$18,600 past medical expenses, \$37,125 past lost wages and \$174,460 future lost wages. The employer went in appeal but the verdict survived the appeal.

Owner's Protective Professional Indemnity and Liability & Excess Liability

Owner's protective (OPPI) is coverage for the construction project owner, on a multi project basis, which supplements the Architects & Engineers (A&E) primary policies as opposed to replacing these insurances. OPPI is a first party indemnity contract that pays based on an established third party liability loss, that arises out of the owner's subcontracted A&E professional services excess over the available primary A&E insurances.

1. An architect failed to properly design the exterior membrane of a large hotel. The hotel sustained extensive resultant water damage. The Architect had only \$1 million in professional liability coverage, which was paid by their professional liability carrier and then the architect filed for bankruptcy. The OPPI policy stepped in and paid the additional \$1.8 million to satisfy the \$2.8 million cost of repair.
2. A surveyor placed the footprint of a large hospital in the wrong location. After several months of construction, it was discovered that the footprint of the building was off by three feet. The Architect had only \$500,000 in professional liability coverage. The professional liability carrier for the surveyor paid their policy limits and the OPPI policy paid the additional \$750,000 it took to repair the building.

Contractor's Pollution Liability

Contractor's Pollution Liability insurance protects contractors from the liability and financial loss that can result when a covered operation results in a pollution incident.

1. Demolition Contractor - Asbestos

During the demolition of a portion of a museum, a contractor inadvertently disturbed unknown asbestos that had been contained in the floor tiles. The asbestos contaminated other areas of the museum, forcing closure during the remediation. The demolition contractor was held responsible for the clean-up costs and business interruption.

2. General Contractor – Mold / Indoor Air Quality

Higher educational institution received complaints from students and faculty about musty odors emanating from subfloor basement of classroom building. Upon investigation and interviews conducted with faculty, staff and students, it was determined that an outdoor sloped walkway into the basement caused surface water run-off to leak into the basement service entrance. Conclusions of the subsequent investigation indicated that there was poor maintenance and ventilation to this space. The combination of poor

construction, neglected maintenance and ventilation, caused extensive mold growth and indoor air hazards as a result.

3. Electrical Contractor - Asbestos

While installing new electrical lines in a historic building the contractor used a hole saw to cut through a ceiling. Unknown to the contractor, the saw had inadvertently disturbed and released asbestos-containing insulation material. The contractor had to pay for clean-up costs for the asbestos fibers released throughout the building.

4. General Contractor – Greenfield Development / Contaminated Soils

Site preparation activities were underway on a previously undeveloped and vacant parcel of land. During soil excavation and dewatering activities, contaminated groundwater impacts were discovered. The developer / general contractor were required by State regulatory authorities to investigate, collect, test and treat volumes of impacted groundwater pumped out during the excavation process. Contaminated soils were also discovered to be present at the site. Construction delay expense and investigation related costs totaled over \$1,000,000 for the developer and contractor. Upon additional, comprehensive subsurface site investigation and evaluation, it was ultimately determined that contamination had migrated from a nearby manufacturing operation that had filed for bankruptcy and ceased operations several years prior.

5. Mechanical Contractor – Hydraulic Fluid

A mechanical contractor improperly installed fittings during routine maintenance of a hydraulically driven conveyor system. A subsequent leak was not discovered until the next routine maintenance cycle. The leaking hydraulic fluid migrated into a floor drain located beneath the equipment which discharged directly into an adjacent drainage ditch. Property owners adjacent to the site noticed a sheen on the water in the ditch and requested an environmental investigation by regulators. The regulators mandated clean-up of the spill and the site owner subsequently filed actions against the mechanical contractor to pay for the clean-up costs.

6. Street and Road Contractor – Petroleum- Impacted Sediment

Inadequate erosion control measures implemented during construction of an abutment for a highway overpass resulted in petroleum-impacted sediment to be deposited into a pristine waterway. The street and road contractor was required to pay for clean-up costs and natural resource damages.

7. Public Entity – Redevelopment / General Construction

A municipality purchased a former manufacturing facility as part of a much larger Brownfield redevelopment project. After taking control of the property and conducting a cursory environmental assessment review, the general contractor and site prep sub discovered that an old underground storage tank was present despite being overlooked during the environmental review. Soil samples from areas adjacent to the tank grave indicated that a much larger area was impacted. Resultant additional soil excavation, regulatory filings, transportation/disposal of impacted materials adversely affected the overall project budget.

8. Steel Erection Contractor – Diesel Fuel

A steel erection contractor accidentally caused a release of diesel fuel at a construction site when a crane operator dropped a steel beam. The beam landed on a small tanker truck that was brought onto the site to refuel other construction equipment. The cost of the emergency clean-up was in excess of \$150,000.

Builder's Risk

A property insurance policy designed to cover property in the course of construction. It covers the structure and materials on site waiting to be installed or transported to the job site. The builder's risk insurance pays damages up to the coverage limit.

1. Heavy rains caused serious resultant water damage to a large international airport that was under construction. The builder's risk policy paid the \$2.3 million it took to repair the airport, less the \$250,000 water damage deductible.
2. A fire burned down approximately 80% of a very large wood framed apartment complex that was under construction. The builders' risk policy paid the \$3.1 million it took to repair the apartment complex, less the \$100,000 fire deductible.

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