NJEFA
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
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Derek S. Hansel
Executive Director

MINUTES OF THE MEETING OF THE
NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
HELD AT 103 COLLEGE ROAD EAST, PRINCETON, NEW JERSEY
ON TUESDAY, MAY 20, 2014
ANNUAL MEETING

The meeting was called to order at 9:18 a.m. by Chairman Jacobs. The New Jersey Educational Facilities Authority gave notice of the time, place and date of this meeting via fax and email on June 14, 2013 to The Star Ledger, The Times and the Secretary of State and by posting the notice at the offices of the Authority in Princeton, New Jersey. Pursuant to the New Jersey Open Public Meetings Act, a resolution must be passed by the New Jersey Educational Facilities Authority in order to hold a session from which the public is excluded.

AUTHORITY MEMBERS PRESENT:

Roger B. Jacobs, Esq., Chairman
Ridgeley Hutchinson, Vice Chairman
Katherine Ungar
Louis Rodriguez
Rochelle Hendricks, Secretary of Higher Education
Andrew P. Sidamon-Eristoff, State Treasurer (represented by Robert Romano)

AUTHORITY MEMBERS ABSENT:

Joshua Hodes, Treasurer

STAFF PRESENT:

Derek S. Hansel, Executive Director
Katherine Newell, Esq., Director of Risk Management
Marie P. Mueller, Controller
Sheryl A. Stitt, Director of Legislative Strategy and Public Communications
Jennifer Soyka, Director of Project Management
Steven Nelson, Project Manager
Debra Paterson, Senior Risk Manager
Gary Vencius, Senior Accountant
Jamie O'Donnell, Project and Communications Specialist
Sheila Toles, Exec. Assistant/Human Resources Specialist

ALSO PRESENT:

Amy Herbold, Esq., Governor's Authorities Unit
Clifford Rones, Esq., Deputy Attorney General

ITEMS OF DISCUSSION

1. **Approval of the Minutes of the Special Meeting of March 19, 2014**

The minutes of the meeting of March 19, 2014 were delivered via United Parcel Service to Governor Chris Christie under the date of March 19, 2014. Mr. Rodriguez moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Ungar and passed unanimously.

2. **Approval of the Minutes of the Meeting of March 25, 2014**

The minutes of the meeting of March 25, 2014 were hand delivered to Governor Chris Christie under the date of March 26, 2014. Ms. Ungar moved that the minutes of the meeting be approved as presented; the motion was seconded by Ms. Hendricks and passed unanimously.

3. **Remarks by John B. Wilson, President and CEO, Association of Independent Colleges and Universities in New Jersey**

John B. Wilson, President and CEO of the Association of Independent Colleges and Universities in New Jersey opened the meeting with insightful remarks on the history and future of higher education in New Jersey.

4. **Resolution in Appreciation of Robert J. Polakowski, Vice President, Association of Independent Colleges and Universities in New Jersey**

The Members were asked to consider the adoption of a resolution acknowledging and expressing appreciation to Robert Polakowski, Vice President of the Association of Independent Colleges and Universities in New Jersey for his extraordinary contributions to the independent college and university community and for his dedication and service to New Jersey higher education.

Mr. Hutchinson moved the adoption of the following resolution:

> RESOLUTION IN APPRECIATION OF ROBERT J. POLAKOWSKI, VICE PRESIDENT, ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES IN NEW JERSEY

The motion was seconded by Ms. Ungar and passed unanimously.

The adopted resolution is appended as Exhibit I.

5. **Election of Officers for the Period Ending May 19, 2015**

Derek Hansel, Executive Director, requested the Members' nominations for Chair and Mr. Jacobs requested nominations for officers for the period ending May 19, 2015. Mr. Jacobs thanked Mr. Hutchinson for his service as Vice Chair and stated that he had been a great source of inspiration and a terrific advocate for the Authority. Mr. Hutchinson stated that he

looked forward to continuing to work with the Members and staff and wished Ms. Hendricks well in her capacity as Vice Chair of the Authority. The nominations and elected officers are indicated on the adopted resolution appended as Exhibit II.

6. Adoption of Resolution Appointing Members to the Authority's Evaluation Committee

Mr. Hansel reported that the Authority's By-Laws provide that the Evaluation Committee shall consist of three Members of the Authority who are elected at the annual meeting and that members of the Evaluation Committee must meet the same standards of independence as Audit Committee members, which is set forth in Executive Order No. 122. He reported that based on their availability, willingness to serve and meeting the criteria; the resolution recommends the appointment of Ridgeley Hutchinson, Treasurer Josh Hodes and the State Treasurer (or his designee) to serve on the Evaluation Committee and requested the Members' approval.

Mr. Rodriguez moved the adoption of the following entitled resolution:

> RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPOINTING MEMBERS TO THE EVALUATION COMMITTEE

The motion was seconded by Ms. Hendricks and passed unanimously.

The adopted resolution is appended as Exhibit III.

7. Adoption of Resolution Appointing Members to the Authority's Audit Committee

Mr. Hansel reported that the Authority's By-Laws provide that the Audit Committee shall consist of the State Treasurer (or his designee), the Treasurer of the Authority (if the Authority's Treasurer is a member of the Authority), and a member of the Authority with significant financial experience to be elected at the annual meeting or soon thereafter.

He reported that Mr. Hodes is a member of the Audit Committee by virtue of his election as Treasurer of the Authority and that the State Treasurer is an *ex officio* member and because the Treasurer is a member of the Authority, it is necessary to elect an additional member with significant financial experience. Mr. Romano nominated Ms. Ungar; the motion was seconded by Ms. Hendricks and passed unanimously.

The adopted resolution is appended as Exhibit IV.

8. Resolution Adopting Annual Notice of Meetings

In compliance with the Open Public Meetings Law, Mr. Jacobs requested the Members' approval of the annual notice of meetings for the period July 15, 2014 through May 19, 2015. The meetings are scheduled to begin at 9:00 a.m. at the Authority's offices. Mr. Jacobs advised that in the event there are changes in time, date or location, the Members would receive a formal notice and that the notices would also be published in *The Star Ledger* and *The Times*.

Mr. Jacobs noted that following numerous discussions with Mr. Hansel and the other Members it had been decided to increase the number of scheduled meetings to eight meetings per year and that the start time of the meetings would remain at 9:00 a.m.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY FOR THE ADOPTION OF THE ANNUAL NOTICE OF MEETINGS

The motion was seconded by Ms. Hendricks and passed unanimously.

The adopted resolution is appended as Exhibit V.

9. Executive Director's Report

Mr. Hansel reported that staff had been working steadily on the sale and third of the four State contract programs, the Higher Education Capital Improvement Fund financing. He reported that the bonds sold and closed in April and that the Higher Education Facilities Trust Fund program, which is the fourth, is targeted for sale late summer or fall.

Mr. Hansel reported that staff had been busy processing requisitions for the State backed programs and also working collaboratively with Secretary Hendricks and her office processing the requisitions for the Building Our Future Program. He reported that as of mid last week, for the three State contract programs, staff had processed requisitions under 30 separate grant agreements, 26 total projects and 18 total institutions with funds released in excess of $5 million and that all numbers were up since last week. Mr. Hansel reported that significant additional funds had been distributed for the Building Our Future Program and as of mid last week $22 million had been released on a total of nine projects at seven different institutions, most of which were reimbursement funds.

Mr. Hansel reported that the Authority had hosted a successful, well attended workshop at Drew University on April 30th. He thanked Mr. Rodriguez and Ms. Ungar for attending and also thanked Gregg Edwards, Deputy Secretary of Higher Education who gave well received opening remarks at the workshop. Mr. Hansel reported that staff had received positive feedback on the various topics that were discussed which included panels on post issuance compliance and direct bank lending. Mr. Hansel thanked EFA staff for coordinating the workshop.

Mr. Hansel advised that he and the Chair are working to finalize the request for qualifications for both financial advisors and underwriters.

Mr. Jacobs thanked Mr. Hansel and Authority staff and stated that he was delighted with the workshop and encouraged the Authority to continue to be proactive with seminars and other workshops.

Mr. Romano thanked Mr. Hansel, Authority staff and the financing team on behalf of the State Treasurer for a very successful closing for the Higher Education Capital Improvement Fund issue.

10. Report on the Sale of NJEFA Revenue Bonds, Higher Education Capital Improvement Fund Issue, Series 2014, In the Amount of $203,310,000

Ms. Soyka reported that on April 29, 2014 the Authority successfully closed the sale of the Higher Education Capital Improvement Fund issue. She reported that it had been the third issuance of bonds issued by the Authority to fund the higher education grant programs. The Authority issued four series of bonds, two new money and two refunding series. The new money bonds have a final maturity of September 1, 2033 and the refunding bonds have a final maturity of September 1, 2020. Ms. Soyka reported that the Authority originally priced the bonds on April 16, 2014 but due to disclosure issues and a required supplement to the Official Statement, staff repriced the bonds on April 29, 2014 and closed the same day.

The true interest cost on the transaction was 3.56% and the refunding resulted in over 10% net present value savings.

Ms. Soyka asked Amanda Del Bene from Raymond James, Senior Manager on the transaction to describe the transaction. Mr. Hansel thanked Ms. Del Bene and the team of Raymond James.

A copy of the Bond Sale Summary for the issue is appended as Exhibit VI.

11. Adoption of Reimbursement Resolution for New Jersey City University

Ms. Soyka reported that the reimbursement resolution expresses the intent of the Authority to reimburse the University for funds spent on the projects that they intend to issue bonds to fund. The resolution gives the University the flexibility to use funds now and be reimbursed from bond proceeds upon issuance.

Mr. Rodriguez moved the adoption of the following entitled resolution:

> RESOLUTION OF BOARD OF TRUSTEES OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY DECLARING ITS OFFICIAL INTENT WITH RESPECT TO THE REIMBURSEMENT OF EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF TAX-EXEMPT BOND OBLIGATIONS

The motion was seconded by Mr. Hutchinson and passed unanimously.

The adopted resolution is appended as Exhibit VII.

12. Resolution Authorizing an Amendment to the Bond Agreement Relating to an NJEFA Revenue Refunding Bond, Caldwell College Issue, 2013 Series E

Ms. Newell reported that the Caldwell College, 2013 Series E bonds financed certain renovations and improvements to the College's facilities, including residence halls and the student center. She reported that since the bonds were issued, the College has experienced a critical need for additional parking and has decided that it is necessary to re-prioritize campus projects to add additional parking immediately at a cost of approximately $500,000. Ms. Newell reported that the College had asked the Authority to modify the project financed by the bonds to allow up to half of the cost of parking additions to be financed with bond proceeds. Ms. Newell explained that the resolution approves the project modification and authorizes all necessary action to implement the change provided that Capital One, the bond purchaser, consents in writing and provided that the Authority is advised by bond counsel that the modification has no adverse effect on the tax-exempt status of the bonds.

John Rainey, Vice President for Finance & Administration of Caldwell College thanked the Members and explained that at the time the bonds were sold the College did not realize the meager parking conditions so the additional parking would be a great help to the College.

Mr. Hansel noted that the College had already spoken with Capital One as the purchaser of the bonds and that the bank was in concurrence with the request.

Ms. Hendricks moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AN AMENDMENT TO THE BOND AGREEMENT RELATING TO THE AUTHORITY'S REVENUE AND REFUNDING BOND, CALDWELL COLLEGE ISSUE, 2013 SERIES E

The motion was seconded by Mr. Rodriguez and passed unanimously.

The adopted resolution is appended as Exhibit VIII.

13. **Resolution Approving the Appointment of an Insurance Broker and Authorizing Procurement of Insurance Coverage**

Ms. Mueller reported that the appointment for the Authority's insurance broker and current insurance policies are up for renewal on June 30, 2014. She reported that staff had distributed an RFP/RFQ on March 17, 2014 to a list of nine firms, posted it on the Authority's website and advertised in The Times and Star Ledger newspapers. She reported that two responses were received and reviewed and that markets were assigned to both firms and that one proposal from Willis of New Jersey, Inc. was received, reviewed and selected. Ms. Mueller reported the firm will be appointed as the Authority's insurance broker for a term of three years from July 1, 2014 through June 30, 2017 with an option to renew the appointment for two additional one-year periods.

Ms. Mueller reported that Willis of New Jersey had recommended insurance carriers for the current annual renewal and that staff had determined that it was in the Authority's best interest to accept the brokers' recommendation set forth in the term sheets and recommended procurement of insurance for the period July 1, 2014 through July 1, 2015 with the insurance carriers listed.

Robert English of Willis of New Jersey, Inc. explained the brokers' process and described the term sheets. He noted that there was a slight increase in the Authority's insurance rates but that the rates are consistent with the current market.

Mr. Rodriguez moved the adoption of the following entitled resolution:

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF AN INSURANCE BROKER AND AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE

The motion was seconded by Ms. Hendricks and passed unanimously.

The adopted resolution and renewal term sheets are appended as Exhibit IX.

14. **Report on Operating and Construction Fund Statements and Disbursements**

Ms. Mueller reviewed the Results of Operations and Budget Variance Analysis and reported on the status of construction funds and related investments for April 30, 2014.

Mr. Hutchinson moved that the reports be accepted as presented; the motion was seconded by Mr. Rodriguez and passed unanimously.

The reports are appended as Exhibit X.

15. Legislative Update

Ms. Stitt updated the Members on the higher education bills that were recently introduced or considered in committee that focused on college affordability and student loan debt. She reported that Assemblywoman Riley and Assemblyman Cryan had introduced a package of 20 bills that focused on areas including college readiness, completion rates, tuition and other costs, data collection, accountability, and pathways to success. Ms. Stitt advised that Assemblywoman Riley announced that the AHI Committee would hold three "fact finding and public discussion" hearings on the bills over the course of the next few months. She reported that Mr. Hansel had attended the first, which was held last Friday at The College of New Jersey. She advised that there would be another hearing at Rowan University on May 28th and another at Hudson County Community College on June 11th.

Ms. Stitt reminded the Members that one of the bills, A-2815 would directly affect the Authority in that it would require the Authority to annually publish a report to the Governor and the Legislature detailing the debt ratio for each public institution of higher education in the prior academic year.

Ms. Stitt reported that legislation sponsored by Senator Sweeney that would establish a "College Affordability Study Commission" had passed in the Senate on May 12, 2014. The bill, S-979, has an identical bill A-2236 that is moving through the Assembly. The Assembly version is scheduled for a floor vote on May 22, 2014.

16. Discussion of Employee Compensation and Benefit Costs

Mr. Hansel explained that in a time of fiscal restraint, the State has implemented a policy suspending general pay raises for lengthy period of time. He reported that the Authority's last general pay raises were in 2008 and that some Authority staff have not had a pay increase since. He further explained that during this time there have been legislative changes to benefits that have caused net take home pay for staff to decrease. He explained that Mr. Hutchinson had previously raised concerns and asked Mr. Hutchinson for his comments or questions.

Mr. Hutchinson explained that following up on his previous discussion with Mr. Hansel and the inability of other Authorities to increase employee compensation, it does not appear that the Members would be successful if the Members approved increases to staff compensation. However, he had expressed to Mr. Hansel, his desire to do something to increase staff benefits because some Authority staff is actually making less than they were six years ago. He stated that based on the fact that the Authority is very solvent and has made enough money that it had been able to contribute $8 million to the State to help balance the budget and that the Authority actually brings in revenue, it just seems logical and fair to be able to do something for the staff who do such a great job.

Mr. Jacobs suggested that it continue to be a topic of discussion and asked Mr. Hutchinson and Mr. Rodriguez to serve on a committee on the subject and report back to the Members. Mr. Jacobs stated that he knew that pay raises was a concern of the Members and he knew that Mr. Hutchinson wanted to convey that to the staff and that he appreciated his concerns.

17. Next Meeting Date

Mr. Jacobs advised of his plans to visit more college campuses. He then thanked the staff and his colleagues for their hard work and stated that he looks forward to continuing to work with them.

Mr. Jacobs reminded everyone that the next scheduled Authority meeting would be on Tuesday, July 15, 2014 at 9:00 a.m. at the Authority's offices and requested a motion to adjourn.

Mr. Romano moved that the meeting be adjourned at 10:35 a.m.; the motion was seconded by Mr. Rodriguez and passed unanimously.

Respectfully submitted,

Derek S. Hansel
Secretary

EXHIBIT I

RESOLUTION IN APPRECIATION OF

ROBERT J. POLAKOWSKI
VICE PRESIDENT
ASSOCIATION OF INDEPENDENT COLLEGES AND UNIVERSITIES IN NEW JERSEY

May 20, 2014

WHEREAS, since April 1988, Robert J. Polakowski has served as Vice President of the Association of Independent Colleges and Universities in New Jersey; and

WHEREAS, Mr. Polakowski recently announced his retirement following a career with the Association that has spanned 26 years; and

WHEREAS, during those 26 years, Mr. Polakowski has been a tireless advocate for colleges and universities in New Jersey, for students and for the advancement of higher education in the State, both before New Jersey administrative and legislative bodies and in the halls of the United States Congress; and

WHEREAS, among Mr. Polakowski's many accomplishments during his tenure are more than a quarter century of representation of independent higher education in state budget negotiations and debates as well as extensive work with New Jersey's Congressional Delegation on reauthorizations of the Higher Education Act and reforms of federal student aid programs; and

WHEREAS, the Authority's Members, staff, and clients have also been the beneficiaries of Mr. Polakowski's dedication to higher education through his support of the mission and work of the NJEFA and his collegial partnership with the Authority in addressing issues relating to the capital investment in and financing of campus facilities across the state; and

WHEREAS, Mr. Polakowski has served New Jersey's Higher Education Community, with dedication and distinction and in doing so has been an invaluable mentor of students and colleagues alike; and

WHEREAS, the Authority's members and staff wish to acknowledge Mr. Polakowski's extraordinary contributions to the State of New Jersey and to extend their appreciation for his dedication and service to New Jersey higher education;

NOW, THEREFORE, BE IT RESOLVED, that the New Jersey Educational Facilities Authority issues this Resolution in Appreciation of Robert J. Polakowski in gratitude and appreciation for his distinguished tenure of leadership as Vice President of the Association of Independent Colleges and Universities in New Jersey. His remarkable contributions to higher education have benefited, and will continue to benefit generations of New Jersey college students and all of the citizens of the State.

BE IT FURTHER RESOLVED, that the Authority extends its very best wishes to Mr. Polakowski for health, happiness and much success in all of his future endeavors.

BE IT FURTHER RESOLVED, that a copy of this Resolution in Appreciation be given to Mr. Polakowski as a tribute to his dedicated service to higher education in the State of New Jersey.

____ Mr. Hutchinson___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Ungar__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT II

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY ELECTING OFFICERS FOR THE PERIOD ENDING MAY 19, 2015

WHEREAS, the By-Laws of the Authority provide for the annual election by the Authority of a Chair, Vice-Chair, Treasurer, Secretary, Assistant Secretaries and other Officers; and

WHEREAS, the nominations for the Officers were as follows:

Ms. Hendricks and Mr. Rodriguez	Nominated	Roger B. Jacobs as Chair
Mr. Hutchinson and Mr. Romano	Nominated	Rochelle Hendricks as Vice-Chair
Mr. Hutchinson and Ms. Hendricks	Nominated	Joshua Hodes as Treasurer
Ms. Ungar and Mr. Romano	Nominated	Derek S. Hansel as Secretary
Ms. Ungar and Mr. Hutchinson	Nominated	Marie P. Mueller as Assistant Treasurer
Mr. Romano and Ms. Ungar	Nominated	Katherine A. Newell as Assistant Secretary
Mr. Romano and Ms. Ungar	Nominated	Sheryl A. Stitt as Assistant Secretary
Mr. Romano and Ms. Ungar	Nominated	Jennifer Soyka as Assistant Secretary

NOW, THEREFORE, BE IT RESOLVED, that the Authority elects the following individuals to serve in the capacities of Chair, Vice-Chair, Treasurer, Secretary, Assistant Treasurer and Assistant Secretaries for the period ending May 20, 2014:

Roger B. Jacobs	- Chair	Marie P. Mueller	- Assistant Treasurer
Rochelle Hendricks	- Vice-Chair	Katherine A. Newell	- Assistant Secretary
Joshua Hodes	- Treasurer	Sheryl A. Stitt	- Assistant Secretary
Derek S. Hansel	- Secretary	Jennifer Soyka	- Assistant Secretary

SECTION 1. In the event that the Election of Officers is not held prior to May 19, 2015, the Officers shall continue to serve in such capacity until their successors are elected.

SECTION 2. This resolution shall take effect in accordance with the Act.

_ Mr. Hutchinson__ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by __ Mr. Romano__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT III

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPOINTING MEMBERS TO THE EVALUATION COMMITTEE

Adopted: May 20, 2014

WHEREAS, The Evaluation Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Evaluation Committee shall consist of three Members of the Authority elected at the Annual Meeting of the Members of the Authority or as soon as practicable thereafter; and

WHEREAS, Pursuant to Section 12 of the By-Laws, Members of the Audit Committee may also serve on the Evaluation Committee; and

WHEREAS, Ridgeley Hutchinson, Joshua Hodes and the Treasurer of the State of New Jersey (or his designee) are Members of the Authority each of whom is willing to serve on the Evaluation Committee and each of whom meets the criteria of Executive Order No. 122;

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. The Members of the Authority hereby elect Ridgeley Hutchinson, Joshua Hodes and the Treasurer of the State of New Jersey (or his designee) to serve on the Evaluation Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

____ Mr. Rodriguez___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Hendricks__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT IV

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPOINTING MEMBERS TO THE AUDIT COMMITTEE

Adopted: May 20, 2014

WHEREAS, The Audit Committee has been established pursuant to Section 12 of the By-Laws (the "By-Laws") of the New Jersey Educational Facilities Authority (the "Authority"); and

WHEREAS, The By-Laws provide that the Audit Committee shall consist of the Treasurer of the State of New Jersey (the "State Treasurer"), the Treasurer of the Authority (if the Authority's Treasurer is a Member of the Authority), the Chair (if the Treasurer is not a Member of the Authority), and a Member of the Authority with significant financial experience elected at the Annual Meeting of the Members of the Authority or as soon thereafter as practicable; and

WHEREAS, Pursuant to Section 12 of the By-Laws, Joshua Hodes is a member of the Audit Committee by virtue of his election as Treasurer of the Authority; and

WHEREAS, Pursuant to Section 12 of the By-Laws, the State Treasurer is a member of the Audit Committee *ex* officio; and

WHEREAS, Pursuant to Section 12 of the By-Laws, since the Treasurer is a Member of the Authority it is necessary to elect a Member of the Authority with significant financial experience to serve on the Audit Committee; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY, AS FOLLOWS:

Section 1. The Members of the Authority hereby elect Katherine Ungar to serve on the Audit Committee in accordance with Section 12 of the By-Laws and Executive Order No. 122.

Section 2. This Resolution supersedes all prior resolutions to the extent inconsistent herewith and with the By-Laws and shall take effect in accordance with the provisions of the Act.

____ Mr. Romano___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Hendricks__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT V

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY FOR THE ADOPTION OF ANNUAL NOTICE OF MEETINGS

Adopted: May 20, 2014

WHEREAS: The Authority desires to adopt an annual notice of meetings consistent with the requirements of the Open Public Meetings Law, N.J.S.A. 10:4-1 *et seq.*; and

WHEREAS: The adoption of regular meetings will enable the Authority to comply with the provisions of N.J.S.A. 10:4-18 which outlines requirements for dissemination of the notice of schedule adoption to the general public for inspection; and

WHEREAS: The Authority has determined that all notices for any regular, special or emergency meeting of the Authority be published in the Newark Star Ledger and The Times.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

SECTION 1. The Authority hereby adopts the following schedule of meetings for the period July 15, 2014 through May 19, 2015.

SECTION 2. The New Jersey Educational Facilities Authority announces in accordance with the "Open Public Meetings Law," N.J.S.A. 10:4-1 *et seq.*, that it will hold regular meetings, open to the public at 9:00 a.m. for the period July 15, 2014 through May 19, 2015, on the following specific dates:

July 15, 2014	January 27, 2015
September 23, 2014	March 24, 2015
October 28, 2014	April 28, 2015
November 18, 2014	May 19, 2015

Unless otherwise provided, meetings will be held at the offices of the New Jersey Educational Facilities Authority, 103 College Road East in Princeton, New Jersey.

SECTION 3. In accordance with the By-Laws, the Authority may conduct a special meeting of the members consistent with the provisions of N.J.S.A. 10:4-9.

SECTION 4. This resolution shall take effect in accordance with the Act.

____ Mr. Rodriguez___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Hendricks__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

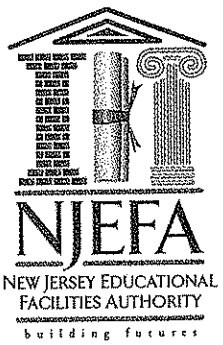
NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT VI



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BOND SALE SUMMARY

Borrower: Higher Education Capital Improvement Fund Issue

Issue: Series 2014A, 2014B, 2014C and 2014D

Amount: $203,310,000

Purpose: The Series 2014 A Bonds ($164.245 million) are being issued to: (i) provide funds to make grants to certain public institutions of higher education in the State for the purpose of paying the costs, or a portion of the costs, of certain Capital Improvements authorized in accordance with the Capital Improvement Fund Act; and (ii) pay the costs of issuing the Series 2014 A Bonds.

The Series 2014 B Bonds ($14.345 million) are being issued to: (i) provide funds to make grants to certain private institutions of higher education in the State for the purpose of paying the costs, or a portion of the costs, of certain Capital Improvements authorized in accordance with the Capital Improvement Fund Act; and (ii) pay the costs of issuing the Series 2014 B Bonds.

Final Maturity: September 1, 2033

The Series 2014 C Bonds ($21.230 million) are being issued to: (i) advance refund and redeem that portion of the Authority's outstanding Series 2004 A Bonds maturing on and after September 1, 2015 originally issued to finance grants to the New Jersey Institute of Technology, Kean University, Richard Stockton College of New Jersey and Rider University; and (ii) pay the costs of issuing the Series 2014 C Bonds.

The Series 2014 D Bonds ($3.490 million) are being issued to: (i) advance refund and redeem that portion of the Authority's outstanding Series 2004 A Bonds maturing on and after September 1, 2015 originally issued to finance grants to the College of St. Elizabeth, Georgian Court University and Seton Hall University; and (ii) pay the costs of issuing the Series 2014 D Bonds.

Final Maturity:	September 1, 2020
Structure:	Negotiated Sale, Fixed Rate
True Interest Cost:	3.56%
Net Present Value Savings:	$2,685,926.92/10.1%
Bond Ratings:	A - FitchRatings (post-closing downgrade on May 1, 2014) A2 - Moody's Investors Service (post-closing downgrade on May 13) A - Standard and Poor's Rating Services
Pricing:	April 29, 2014
Closing:	April 29, 2014

Professionals on the Transaction:

Bond Counsel:	GluckWalrath LLP
Authority's Counsel:	Attorney General of the State of New Jersey
Senior Manager:	Raymond James & Associates, Inc.
Co-Senior Managers:	Janney Montgomery Scott, Loop Capital Markets, PNC Capital Markets LLC
Co-Managers:	CastleOak Securities L.P., D.A. Davidson & Co., Piper Jaffray & Co., Mesirow Financial Inc., Roosevelt & Cross Inc., Sterne Agee, TD Securities
Underwriters' Counsel:	Parker McCay
Trustee:	The Bank of New York Mellon
Trustee's Counsel:	McManimon Scotland & Baumann, LLC
Verification Agent:	Causey Demgen & Moore P.C.

EXHIBIT VII

RESOLUTION OF BOARD OF TRUSTEES OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY DECLARING ITS OFFICIAL INTENT WITH RESPECT TO THE REIMBURSEMENT OF EXPENDITURES FOR PROJECT COSTS FROM PROCEEDS OF TAX-EXEMPT BOND OBLIGATIONS

WHEREAS, New Jersey City University (the "University"), has advised the New Jersey Educational Facilities Authority (the "Authority") that the University intends to implement a project (the "Project") consisting of: (a) the construction, equipping, redesign and renovation of Rossey Hall, Karnoustsos Hall, the Margaret Williams Theater and the Guarini Library; (b) the renovation and expansion of the existing Science Building; (c) the demolition of Grossnickle Hall; (d) HVAC improvements to The John J. Moore Athletics and Fitness Center; (e) water infiltration mitigation projects; and (f) deferred maintenance throughout campus; (the "Project"); and

WHEREAS, the University intends to finance a portion of the Project through the issuance by the Authority of bonds (the "Tax-exempt Bonds"), the interest on which is expected to be excluded from gross income under Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") in one or more series and in one or more transactions, the proceeds of which will be loaned to the University; and

WHEREAS, the University may pay for certain costs of the Project ("Project Costs") prior to the issuance of the Tax-exempt Bonds with funds of the University which are not proceeds of the Tax-exempt Bonds; and

WHEREAS, the University desires to preserve its right to treat an allocation of proceeds of the Tax-exempt Bonds to the reimbursement of Project Costs paid prior to the issuance of the Tax-exempt Bonds as an expenditure for such Project Costs to be reimbursed for purposes of Sections 103 and 141-150 of the Code".

NOW, THEREFORE, BE IT RESOLVED by the Members of the Authority as follows:

Section 1. The Authority reasonably expects to reimburse its expenditure of Project Costs paid prior to the issuance of the Tax-exempt Bonds with proceeds of the Tax-exempt Bonds.

Section 2. This resolution is intended to be and hereby is a declaration of official intent to reimburse the expenditures for Project Costs paid prior to the issuance of the Tax-exempt Bonds with the proceeds of the Tax-exempt Bonds in accordance with Treasury Regulations Section 1.150-2.

Section 3. The maximum principal amount of Tax-exempt Bonds expected to be issued to finance the Project is $30,000,000 (excluding financing costs), which Tax-exempt Bonds may be issued in one or more series and in one or more transactions.

Section 4. The Project Costs to be reimbursed with the proceeds of the Tax-exempt Bonds will be costs that satisfy the requirements of Section 150 of the Code for reimbursement.

Section 5. No reimbursement allocation will employ an "abusive arbitrage device" under Treasury Regulations Section 1.148-10 to avoid the arbitrage restrictions or to avoid the restrictions under Sections 142 through 147 of the Code. The proceeds of the Tax-exempt Bonds used to reimburse for Project Costs, or funds corresponding to such amounts, will not be used in a manner that results in the creation of "replacement proceeds," including "sinking funds," "pledged funds," or funds subject to a "negative pledge" (as such terms are defined in Treasury Regulations Section 1.148-1) of the Tax-exempt Bonds or another issue of debt obligations of the Authority, other than amounts deposited into a "bona fide debt service fund" (as defined in Treasury Regulations Section 1.148-1).

Section 6. All reimbursement allocations will occur not later than 18 months after the later of (i) the date the expenditure from a source other than the Tax-exempt Bonds is paid; or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than 3 years after the expenditure is paid.

Section 7. This resolution will take effect immediately.

____ Mr. Rodriguez___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Hutchinson__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AUTHORIZING AN AMENDMENT TO THE BOND AGREEMENT RELATING TO THE AUTHORITY'S REVENUE AND REFUNDING BOND, CALDWELL COLLEGE ISSUE, 2013 SERIES E

May 20, 2014

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created as a public body corporate and politic of the State of New Jersey (the "State") pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), *N.J.S.A.* 18A:72A-1 *et seq.* (the "Act"); and

WHEREAS: On June 18, 2013, the Authority issued its Revenue and Refunding Bond, Caldwell College Issue, 2013 Series E (the "2013 E Bond") pursuant to the Act, a resolution of the Authority adopted on May 28, 2013 (the "Resolution"), and a Bond Agreement dated June 18, 2013 (the "Bond Agreement"), by and among the Authority, Capital One, National Association, as the Purchaser and Escrow Agent (the "Purchaser") and Caldwell College (the "College") (capitalized terms used herein and not otherwise defined shall have the meanings ascribed to such terms in the Resolution); and

WHEREAS: The proceeds of the 2013 E Bond were loaned to the College pursuant to the Bond Agreement for the purpose of financing a project consisting of: (i) the current refunding of the 2006 Series F Bonds; (ii) paying the costs of certain improvements to College buildings, including (a) residence hall renovations and upgrades, and (b) improvements to the Student Center; and (iii) paying certain costs incidental to the issuance and sale of the Series 2013 E Bond, including certain termination fees in respect of the Prior Swap Agreements (collectively, the "Project"); and

WHEREAS: The College has advised the Authority that it is experiencing a critical need for additional parking and has determined that is necessary and beneficial for the College to undertake improvement and expansion of existing parking facilities in proximity to the Student Center as soon as possible (the "Parking Expansion") at a cost of approximately $500,000; and

WHEREAS: In order to finance the Parking Expansion, the College has determined it is necessary to re-prioritize the schedule for implementing certain improvements included in the Project and utilize proceeds of the 2013 Bond to finance at least one-half of the cost of the Parking Expansion and has requested the Authority to modify the Project to include the Parking Expansion (the "Project Amendment"); and

WHEREAS: Pursuant to Section 2.1 of the Bond Agreement, the College has provided such supplemental information to the Authority and the Purchaser to reflect the change in the Project to include the Project Amendment; and

WHEREAS: Pursuant to Section 7.8 of the Bond Agreement, the Bond Agreement may be amended by an instrument in writing signed by the Purchaser, the Escrow Agent and the Authority; and

WHEREAS: The University has further advised the Authority that the Purchaser has agreed to the Project Amendment in accordance with Sections 2.1 and 7.8 of the Bond Agreement; and

WHEREAS: The University has requested the Authority to authorize the Project Amendment and the Authority has determined that it is necessary and advisable to do so.

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY AS FOLLOWS:

Section 1. Authorization of Amendment.

The Authority hereby approves the Project Amendment in accordance with the Bond Agreement and authorizes and directs the Chair, Vice Chair, Treasurer, Assistant Treasurer, Executive Director, Deputy Executive Director, Director of Project Management, Director of Risk Management, Secretary or any Assistant Secretary of the Authority, and/or any other person authorized by resolution of the Authority, and any of such officers designated as "acting" or "interim" (each an "Authorized Officer"), to execute and deliver the amendment to the Bond Agreement in the form attached hereto as Exhibit A (the "First Amendment to Bond Agreement") with such changes, insertions and alterations as the Authorized Officer executing same shall approve with the advice of Bond Counsel and the Attorney General of the State of New Jersey, such approval to be evidenced conclusively by the execution thereof by such Authorized Officer of the Authority.

Section 2. Incidental Action.

The Authorized Officers are hereby authorized and directed to execute and deliver such other documents, certificates, agreements, directions and notices, and to take such other action as may be necessary or appropriate in connection with the Project Amendment and in order to effectuate the execution and delivery of the First Amendment to Bond Agreement.

Section 3. Effective Date.

This Resolution shall take effect in accordance with the provisions of the Act.

_____ Ms. Hendricks___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Mr. Rodriguez__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

EXHIBIT IX

RESOLUTION OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY APPROVING THE APPOINTMENT OF AN INSURANCE BROKER AND AUTHORIZING PROCUREMENT OF INSURANCE COVERAGE

May 20, 2014

WHEREAS: The New Jersey Educational Facilities Authority (the "Authority") was created pursuant to the New Jersey Educational Facilities Authority Law (being Chapter 72A of Title 18A of the New Jersey Statutes, as amended and supplemented), N.J.S.A. 18A:72A-1 et seq. (the "Act") and is authorized to issue its obligations to provide a means for New Jersey public and private colleges and universities to obtain financing to construct educational facilities as defined in the Act; and

WHEREAS: In order to fulfill contractual obligations and in order to operate in a prudent business manner, the Authority is required to carry property insurance, liability insurance, automobile insurance, workers compensation and directors and officers liability insurance; and

WHEREAS: The term of appointment for the Authority's Insurance Broker and the current insurance policies expire on June 30, 2014; and

WHEREAS: The Authority has determined it is advisable to appoint a successor Insurance Broker for a period of three years commencing July 1, 2014 through and including June 30, 2017 with two optional one-year renewals; and

WHEREAS: In order to select a firm to serve as Insurance Broker for such period, the staff of the Authority distributed the Request for Qualifications/Request for Proposals dated March 17, 2014 ("RFQ/RFP") a copy of which has been presented at the meeting at which this Resolution is adopted and which will be placed together with the minutes of this meeting and which is incorporated herein by reference to a list of nine firms, and posted the RFQ/RFP on its website and advertised in the Trenton Times and the Star Ledger; and

WHEREAS: The Authority received two responses to the RFQ/RFP from firms submitting their qualifications (the "Qualification Responses"); and

WHEREAS: The Authority staff reviewed the Qualification Responses and, based on satisfaction of legal conditions to qualification, experience and other factors, assigned "markets" to each of the respective firms; and

WHEREAS: For this purpose, the term "markets" means the line of insurance the Authority requires and the insurance companies from which to seek quotes for that line of insurance; and

WHEREAS: One of the responding firms submitted a proposal to serve as the Authority's Insurance Broker along with recommendations for insurance carriers in its respective assigned markets (the "Proposal"); and

WHEREAS: The Authority staff has reviewed the Proposal and has determined, based on price and other factors, that it would be in the best interest of the Authority to accept the Proposal of Willis of New Jersey, Inc. (the "Firm"), appoint the Firm as the Authority's Insurance Broker and accept the Firm's recommendations for insurance coverage for the current yearly renewal under the terms and conditions set forth in this Resolution, the RFQ/RFP, and the Firm's Proposal a copy of which has been presented at the meeting at which this Resolution is adopted and which will be placed together with the minutes of this meeting and which is incorporated herein by reference (the "Response"); and

WHEREAS: The Firm will be appointed for three (3) years from July 1, 2014 through June 30, 2017, with the Authority having the option to renew the appointment for two additional one-year periods; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY THAT:

SECTION 1. The Authority hereby appoints the Firm to serve as the Authority's Insurance Broker for the three (3) year period commencing July 1, 2014 through and including June 30, 2017, with the Authority having the option to renew the appointment for two additional one-year periods, subject to the terms and conditions set forth in this Resolution, the RFQ/RFP and the Response.

SECTION 2. The Authority hereby authorizes procurement of insurance coverage for the period commencing July 1, 2014 through and including June 30, 2015 from the insurance carriers, for the respective lines of insurance coverage and on the terms and conditions summarized in Exhibit "A" attached hereto.

SECTION 3. The Authority hereby authorizes the Executive Director, the Deputy Executive Director or the Controller to take and do any and all acts and things as may be necessary or desirable in connection with implementation of this Resolution.

SECTION 4. This Resolution shall take effect in accordance with the Act.

Exhibit A

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – GENERAL INSURANCE
For the Period 7/1/14 to 7/1/15

COVERAGE:

General Liability:	$ 1,000,000 per Occurrence, no retention
1st Umbrella	$10,000,000 per Occurrence
2nd Umbrella	$15,000,000 per Occurrence
E. F. A. Property	$ 607,610 subject to $5,000 Deductible
Property Legal Liability	$ 500,000
Automobile	$ 1,000,000 per Accident, no deductible
Workers Compensation	NJ Statutory Limits ($1,000,000 per Accident Employers Liability)

	Expiring Policies	Proposed Renewal
Term:	7/1/13 – 7/1/14	7/1/14 – 7/1/15
Carrier:	American Alternative / Navigators / Hartford	American Alternative / Navigators / Hartford
AM Best Ratings:	A+ XV/ A X / A XV	A+ XV / A XI / A XV
Premiums:	$96,310	$100,563
NJ PLIGA:	833	866
Policy Fees:	Waived	Waived

MARKETING EFFORT AND RESPONSES:

Carrier	Response
American Alternative	Provided Cover Quote of $80,992.43
Hartford	Estimated WC Cover of $4,243.00
Navigators	Provided 2nd Umbrella Cover Quote of $16,194.00

Premiums	2013-14	2014-15
Automobile	$ 928	$ 534
General Liability	$ 59,675	$ 63,156
Property/Computers/Crime	$ 1,933	$ 1,974
1st Umbrella	$ 14,033	$ 14,606
2nd Umbrella	$ 16,050	$ 16,050
Workers Compensation	$ 3,691	$ 4,243
NJ PLIGA	$ 833	$ 866
Policy Fees	$Waived	$Waived
TOTAL	**$ 97,143**	**$101,429**

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

RENEWAL TERM SHEET – DIRECTORS & OFFICERS
For the Period 7/1/14 – 7/1/15

COVERAGE:

Limit:	$7,000,000 per Occurrence and Aggregate
Retention:	Zero Non-Indemnifiable Loss $50,000 with Authority Reimbursement

	Expiring Policy	**Proposed Renewal**
Term:	7/1/13 – 7/1/14	7/1/14 – 7/1/15
Carrier:	RSUI	RSUI
AM Best Rating:	A XIII	A+ XIV
Premium:	$20,940.00	$23,030.00
NJ PLIGA	$ 188.46	$ 207.27
Policy Fee	$ Waived	$ Waived
TOTAL	**$21,128.46**	**$23,237.27**

MARKETING EFFORT AND RESPONSE:

Carrier	**Response**
RSUI	Provided Renewal Cover Quote of $23,237.27

____ Mr. Rodriguez___ moved that the foregoing resolution be adopted as introduced and read, which motion was seconded by ___ Ms. Hendricks__ and upon roll call the following members voted:

AYE: Roger B. Jacobs
Ridgeley Hutchinson
Louis Rodriguez
Katherine Ungar
Rochelle Hendricks
Andrew Sidamon-Eristoff (represented by Robert Romano)

NAY: None

ABSTAIN: None

ABSENT: Joshua Hodes

The Chair thereupon declared said motion carried and said resolution adopted.

Insurance Broker
RFQ/RFP

2014 Renewal Marketing for the New Jersey Educational Facilities Authority's Insurance Program

Request for Broker Qualifications ("RFQ") and Request for Insurance Proposals ("RFP")

INTRODUCTION

The New Jersey Educational Facilities Authority (the "Authority") is seeking competitive bids to replace the insurance policies which constitute the Authority's insurance program and which expire on July 1, 2014. The insurance program includes: General Liability, Umbrella Liability, Directors and Officers Liability, Automobile, Worker's Compensation, Business Personal Property, and Electronic Data Processing Equipment. For details on the required coverage, please refer to the enclosed schedule of insurance attached hereto as Attachment 1. The Authority requires that the insurance companies providing coverage are financially sound and generally carry an A.M. Best rating of A- VII or better.

The Authority is a body corporate and politic and instrumentality of the State of New Jersey, empowered, among other things, to issue bonds, notes or other securities for the purpose of financing educational facilities at public and private institutions of higher education in the State of New Jersey. The Authority is the owner of the educational facilities projects financed at the public colleges and universities, and leases these projects to the respective public college or university. A schedule of Authority-owned locations is attached hereto as Attachment 6. For an introduction to the finances and operations of the Authority, please refer to the 2012 Financial Statements and 2012 Annual Report available on our website at www.njefa.com.

The Authority is requesting a response from your firm to the RFQ and the RFP, respectively.

KEY DATES

Brokers shall not contact any markets prior to receiving written authorization from the Authority. Such written authorization is expected to be provided to qualified brokers via United States Mail and email on or about Friday, March 28, 2014. A summary of the key dates are as follows:

Monday, March 24, 2014: Broker qualifications and market requests due to the Authority.
Friday, March 28, 2014 (on or about): Authority notifies qualified Brokers of market assignments.
Monday, May 5, 2014: Broker's complete Insurance Program Proposal due to the Authority.
Tuesday, May 20, 2014 (on or about): Authority makes selection.
Wednesday, May 21, 2014 (on or about): Authority notifies successful Broker.
Tuesday, July 1, 2014: All coverages become effective.

Any and all questions concerning this RFQ and RFP must be directed, in writing, to Controller, via email at ContactUs@NJEFA.com.

PART I: QUALIFICATION OF BROKERS

In order to be considered for the opportunity of marketing the Authority insurance program, brokers must meet the following minimum qualifications:

- Have professional errors and omissions coverage with minimum limits of $20 million

- Have professional errors and omissions coverage with minimum limits of $20 million underwritten by companies acceptable to the Authority;
- Be in sound financial condition; and
- Be capable of marketing and servicing this account.

As part of their response to the RFQ, interested brokers must submit:

- A Certificate of Insurance evidencing professional errors and omissions coverage.
- Audited financial statements, annual report, or equivalent, for the most recently completed fiscal year.
- A complete response to the enclosed Broker Qualification Questionnaire.
- A listing of markets (insurance companies) you desire to use for your marketing process, in order of preference. Please include the amount of premium volume you place with each market.
- Documentation indicating that your firm is approved to act as an Insurance Broker in the State of New Jersey.

Each interested broker must provide one (1) original and two (2) copies of their submission to the Authority, no later than **12:00 noon on Monday, March 24, 2014,** at the following address:

Executive Director
New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, New Jersey 08540-6612

Submissions received after this date and time will not be considered. E-mailed and/or faxed proposals will not be accepted under any circumstances.

When possible, markets (insurance companies) will be assigned to qualified brokers in accordance with stated preferences, although assignments shall be at the sole discretion of the Authority. Current markets, as set forth pursuant to the schedule of insurance attached hereto as Attachment 1, are reserved for the current broker.

BROKER SELECTION AND MARKET ASSIGNMENT

Brokers will be selected based on the following criteria:

- Satisfactory professional errors and omissions liability coverage.
- Satisfactory financial status.
- Qualifications and experience of firm to market and service the entire program.
- Ability of the bidder to successfully implement the entire program within the proposed schedule.
- Qualifications and experience of assigned personnel to the account service team in the following areas:
  - Marketing
  - Manuscripting and reviewing policies
  - Claims assistance
  - Records, maintenance and review including:
    - Claims histories
    - Premium histories
    - Issuance of Certificates of Insurance

Please note: The above list is not all-inclusive and is in no particular order or ranking.

The Authority intends to engage the successful broker on this renewal for a three-year period. Such engagement shall be renewable at the sole option of the Authority for up to two additional one-year terms. Neither party may terminate the broker engagement with respect to each insurance renewal period for any reason without at least ninety (90) days written notice to the other party.

PART II: INSURANCE PROGRAM PROPOSALS

PROPOSAL FORMAT AND CONTENT

Proposals must include:

- A copy of the proposed policies, including all forms and endorsements, for general liability, umbrella liability, and directors and officers liability.
- Quoted premium rates (including any applicable surcharges) for a one-year policy effective July 1, 2014 and expiring July 1, 2015.
- Quoted not-to-exceed commission rates to be received by the broker from carriers on policies for the original three-year period, and the two optional one-year extensions.
- Any other costs or charges not included in the premium rates.
- Copies of current ratings from A.M. Best, Standard & Poor's, Moody's, and any other rating agencies for the proposed insurance companies.

Complete Insurance Program Proposals are to be submitted by qualified brokers no later than **12:00 noon on Monday, May 5, 2014** to:

Executive Director
New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, NJ 08540-6612

Proposals submitted after this date and time will not be considered. Emailed and/or faxed proposals will not be accepted under any circumstances

The Authority intends to notify the successful bidder on or about Wednesday, May 21, 2014.

PROGRAM SELECTION CRITERIA

The insurance program will be selected on the basis of, but not limited to the following criteria:

- Compliance with proposal specifications.
- Policy form, including coverage and exclusions.
- Premium rates and other costs.
- Financial strength and reputation of insurance companies.

Please note: The above list is not all-inclusive and is in no particular order or ranking.

PROPOSAL SPECIFICATIONS

Attachment 1 includes summaries of current coverage. Whenever possible, proposed policies should meet or exceed the existing coverage. Any deviation from the existing coverage must be clearly identified in a cover letter accompanying the proposal.

Attachment 2 is a copy of Section 5.03 of the General Bond Resolution (concerning insurance requirements). All proposed coverage must meet these requirements.

Attachment 3 is the Authority's loss history.

Attachment 4 consists of the Fiscal Year 2012 Financial Statements of the Authority and the 2012 Annual Report of the authority.

Attachment 5 is a sample Indemnification Clause from a Lease and Agreement entered into by the Authority.

Attachment 6 is a schedule of Authority-owned locations.

NOTE: **P.L. 2005, c. 51, enacted March 22, 2005, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), limits the ability of State agencies and independent authorities, such as the Authority, to enter into contracts with business entities that have made certain political contributions. If your firm has not previously submitted the certification forms(s) and disclosure form(s) pursuant to P.L. 2005, c. 51/Executive Order No. 117, they must be completed and are attached to this RFP as "Attachment 7".**

If your firm has previously submitted the certification form(s) and disclosure form(s) pursuant to Executive Order No. 134, codified by P.L. 2005, c. 51, as amended by Executive Order No. 117 (Corzine 2008) you are required only to submit the P.L. 2005, c. 51/Executive Order No. 117 Certification of No Change, "Exhibit A" attached hereto, with your response to this RFP.

If you have previously provided the required information but cannot submit the Certification of No Change, you should complete and submit the form(s) attached as "Attachment 7". For information about submitting the Certification of No Change or the updated form(s), please call Jennifer Soyka, Director of Project Management, at 609-987-0880.

If your firm has questions concerning the requirements of P.L. 2005, c. 51/Executive Order No. 117, please contact Jennifer Soyka, Director of Project Management, at 609-987-0880.

Failure to submit the required certification form(s) and disclosure form(s) pursuant to P.L. 2005, c. 51/Executive Order No. 117 shall be cause for automatic rejection of your proposal.

FURTHER NOTE: **Pursuant to P.L. 2005, c. 271, at least ten (10) days prior to entering into any agreement or contract with a value of over $17,500 with the Authority, business entities (as defined in P.L. 2005, c. 271 attached hereto as "Attachment 8" and also described in the Public Law 2005 c. 271 Vendor Certification and Political Contribution Disclosure Form attached hereto as "Attachment 9") are required to submit a disclosure of certain political contributions.**

FURTHER NOTE: **Firms are also advised of their responsibility to file an annual disclosure statement on political contributions with the New Jersey Election Law Enforcement Commission ("ELEC") pursuant to *N.J.S.A.* 19:44A-20.13 (P.L. 2005, c. 271, section 3) if the firm receives contracts with public entities, such as the Authority, in excess of $50,000 or more in the aggregate from public entities, such as the Authority, in a calendar year. It is the firm's responsibility to determine if filing is necessary. Failure to so file can result in the imposition of financial penalties by ELEC. Additional information about this requirement is available from ELEC at 888-313-3532 or at www.elect.state.nj.us.**

FURTHER NOTE: **In compliance with P.L. 2005, c. 92, each firm submitting a response to this RFP is required to indicate in their response the location by country where the services under the contract will be performed.**

FURTHER NOTE: **Pursuant to *N.J.S.A.* 52:32-58, each bidder must certify that neither such bidder, nor one of its parents, subsidiaries, and/or affiliates (as defined in N.J.S.A. 52:32-56(e)(3)), is listed on the Department of the Treasury's List of Persons or Entities Engaging in Prohibited Investment Activities in Iran and that neither is involved in any of the investment activities set forth in *N.J.S.A.* 52:32-56(f). If a bidder is unable to so certify, such bidder shall provide a detailed and precise description of such activities. The form is available at:**
www.state.nj.us/treasury/purchase/forms/StandardRFPForms.pdf

FINAL NOTE: **Pursuant to *N.J.S.A.* 52:32-44, entities providing goods or services to the Authority must be registered with the New Jersey Department of the Treasury, Division of Revenue. Effective September 1, 2004, pursuant to an amendment to *N.J.S.A.* 52:32-44, State and local entities (including the Authority) are prohibited from entering into a contract with an entity unless the firm has provided a copy of its business registration certification (or interim registration) as part of its response.**

Communications with representatives of the Authority concerning this RFQ and RFP, except as expressly set forth above, by you or on your behalf are not permitted during the submission process.

No telephone inquiries will be accepted. All inquiries concerning this RFQ and RFP should be directed in writing to Controller, New Jersey Educational Facilities Authority, 103 College Road East, Princeton, New Jersey, 08540-6612, or via email at ContactUs@NJEFA.com

The Authority will not be responsible for any expenses in the preparation and/or presentation of the proposals and oral interviews, if any, or for the disclosure of any information or material received in connection with the solicitation, whether by negligence or otherwise.

The Authority reserves the right to request additional information if necessary or to request an interview with firm(s) or to reject any and all proposals with or without cause, and waive any irregularities or informalities in the proposals submitted. The Authority further reserves the right to make such investigations as it deems necessary as to the qualifications of any and all firms submitting proposals. The Authority also reserves the right to reject any and all submitted proposals. In the event that all proposals are rejected, the Authority reserves the right to resolicit proposals.

All information submitted in response to this RFQ and RFP will become the property of the Authority and may be open to inspection by members of the public pursuant to the Open Public Records Act and Executive Order No. 26 (Whitman 1994).

BROKER QUALIFICATION QUESTIONNAIRE AND MARKET REQUEST

PART 1 – BROKER QUALIFICATION QUESTIONNAIRE

Note: General-purpose promotional materials, supplemented as necessary or desirable, are an acceptable response to this Questionnaire.

1. Your firm's name, address of the servicing location, name of contact person and his/her phone number and email address.

2. Briefly describe your firm's capabilities, qualifications, and experience for marketing and servicing programs for public entities or for organizations with a comparable program.

3. Describe whether your firm is limited to certain insurance markets.

4. List several representative public entity clients currently serviced by the above-indicated servicing location, and briefly describe the nature of your service for each client. Please provide a contact name and phone number for each client listed. If less than three public entity clients are listed, please include other clients with comparably sized programs. By providing this information, broker expressly authorizes the Authority to request, and client to provide, an unbiased reference concerning clients experience with broker and related insurance coverage and services.

5. Provide an organizational chart showing the staff that will be servicing the account. Briefly describe people's areas of responsibility and their qualifications and experience. Prior experience serving public entities should be shown here.

6. Describe any current, pending or threatened lawsuits or litigation relating to your firms actions as a broker.

PART 2 – MARKET REQUEST

Please provide a listing of markets (insurance companies) your firm desires to use for your marketing process, in order of preference and include premium volume you place with that market.

ATTACHMENT 1

SCHEDULE OF INSURANCE

New Jersey Educational Facilities Authority

Insurance Submission

Effective Date: 7/1/2014

Expiration Date: 7/1/2015

Willis of New Jersey, Inc.
1015 Briggs Road
Suite 100
Mount Laurel, NJ 08054
(856) 914-4600

Willis

Willis

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Client Information

Willis

Client Detail

First Named Insured:	New Jersey Educational Facilities Authority
Mailing Address:	103 College Road East Princeton, NJ 08540-6601
Financial Contact	
Name:	Marie Mueller
Phone:	(609) 987-0880
E-Mail Address:	MMueller@NJEFA.com
Inspection Contact	
Name:	Marie Mueller
Phone:	(609) 987-0880
E-Mail Address:	MMueller@NJEFA.com
Web Site:	NJEFA.com
Effective Date:	7/1/2014
Expiration Date:	7/1/2015
Federal I. D. Number:	221829511
Producer:	Robert English
Marketer:	
SIC Code/Industry:	9651 / Regulation misc. commercial sectors
Sales:	
Payroll:	
Number of Employees:	Full Time: 13 Part Time:
Other Information:	
Financial Information:	(see attached financial statements)

Willis

General Information

General Information		
1a.	Is the applicant a subsidiary of another entity?	No
1b.	Does the applicant have any subsidiaries?	No
2.	Is a formal safety plan in operation?	No
3.	Any exposure to flammables, explosives, chemicals?	No
4.	Any other insurance with this company?	No
5.	Any policy or coverage declined, cancelled or non-renewed during the prior three (3) years for any premises or operations? (Missouri applicants – do not answer this question)	No
6.	Any past losses or claims relating to sexual abuse or molestation allegations, discrimination or negligent hiring?	No
7.	During the last five years (ten in RI), has any applicant been indicted for or convicted of any degree of the crime of fraud, bribery, arson or any other arson-related crime in connection with this or any other property? (In RI, this question must be answered by any applicant for property insurance. Failure to disclose the existence of an arson conviction is a misdemeanor punishable by a sentence of up to one year of imprisonment.)	No
8.	Any uncorrected fire and/or safety code violations?	No
9.	Has applicant had a foreclosure, repossession, bankruptcy or filed for bankruptcy in the last five (5) years?	No
10.	Has applicant had a judgment or lien during the last five (5) years?	No
11.	Has business been placed in a trust?	No
12.	Any foreign operations, foreign products distributed in USA, or USA products sold/distributed in foreign countries? (If yes, attach ACORD 815 for Liability Exposure and/or ACORD 816 for Property Exposure)	No
13.	Does applicant have any other business ventures for which coverage is not requested?	No

Willis

Description of Operations

Funding Organization for Colleges & Universities in New Jersey

Willis

Named Insured Schedule

Name	FEIN
New Jersey Educational Facilities Authority	22 1829511

Willis

Location Schedule

Location No: 1 Building No: 1
Authority Office
103 College Road East
Princeton , NJ 08540

Willis

Coverage Detail

Willis

Commercial Property

Carrier:	American Alternative Insurance Corporation
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time
Coverage:	Risks of physical loss or damage, subject to terms, conditions, and limitations set forth in the policy
Cause of Loss:	Special (Including theft)
Deductible:	$5,000

Schedule of Locations / Limits

Location Number 1 Building Number 1
Authority Office
103 College Road East
Princeton, NJ 08540

Personal Property – includes EDP and B&M coverages	$607,610	Agreed Value
Business Income	$250,000	Actual Loss Sustained
Extra Expense	$250,000	Actual Loss Sustained

Business Income

Location Number 1 Building Number 1
Business Income Extra Expense
Type of Business Non-Manufacturing

Underwriting Information

Building

Location Number 1 Building Number 1

Construction Type	Masonry Non-Combustible
Distance to Hydrant (feet)	1000
Distance to Fire Station (miles)	3
Protection Class	5
# of Stories	3
Area Occupied	10,000 s.f.
Area Open to Public	10,000 s.f.
Tenant Occupied	
Inside City Limits	

Exposure

Location	Exposure	Distance
Right	open	
Left	open	
Rear	open	

Fire Protection

% Sprinkler Protected	100%

Willis

Crime

Carrier: American Alternative Insurance Corporation
Effective Date: 7/1/2014 at 12:01am standard time
Expiration Date: 7/1/2015 at 12:01am standard time

Employee Theft Government Crime - Blanket	$250,000	$500
Forgery or Alteration	$250,000	$500
Theft of Money & Securites (inside) - Blanket	$250,000	$500
Theft of Money & Securites (outside) - Blanket	$250,000	$500
Robbery or Burglary of Other Property (inside) - Blanket	$5,000	$500
Computer Fraud	$250,000	$500
Funds Transfer Fraud	$100,000	$500
Money Orders & Counterfeit Paper Currency	$100,000	$500
Faithful Performance of Duty		
Treasurers or Tax Collectors as Employees		

Willis

Commercial General Liability

Carrier:	American Alternative Insurance Corporation
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time
Coverage Basis:	Occurrence

Limits	
General Aggregate	$3,000,000
Applies Per: Location	
Products/Completed Operations Aggregate	$3,000,000
Each Occurrence	$1,000,000
Personal/Advertising Injury	$1,000,000
Damage to Rented Premises (each occurrence)	$1,000,000
Medical Payments – Per Person	$10,000
Terrorism Included	

Employee Benefits Liability	
Limit	$1,000,000

Additional Interests	Interest
National Business Park;Attn: Thomas Stange 2 Research Way Princeton, NJ	Additional Insured - Landlord
College Road Associates, Limited Partnership 2 Research Way Princeton, NJ	Additional Insured - Landlord

Willis

Contractors

1	Does applicant draw plans, designs or specifications?	No
2	Do any operations include blasting or utilize or store explosive material?	No
3	Do any operations include excavation, tunneling, underground work or earth moving?	No
4	Do your subcontractors carry coverages or limits less than yours?	No
5	Are subcontractors allowed to work without providing you with a certificate of insurance?	No
6	Does applicant lease equipment to others with or without operators?	No

Products/Completed Operations

1	Does applicant install, service or demonstrate products?	No
2	Foreign products sold, distributed, used as components?	No
3	Research and development conducted or new products planned?	No
4	Guarantees, warranties, hold harmless agreements?	No
5	Products related to aircraft/space industry?	No
6	Products recalled, discontinued or changed?	No
7	Products of others sold or re-packaged under applicant label?	No
8	Products under label of others?	No
9	Vendors coverage required?	No
10	Does any named insured sell to other named insureds?	No

General Information

1	Any medical facilities provided or doctors employed/contracted?	No
2	Any exposure to radioactive/nuclear materials?	No
3	Do operations involve storing, treating, discharging, applying, disposing or transporting of hazardous material (landfills, wastes, fuel tanks, etc.)?	No
4	Any operations sold, acquired or discontinued in last five years?	No
5	Machinery or equipment loaned or rented to others?	No
6	Any watercraft, docks, floats owned, hired or leased?	No
7	Any parking facilities owned/rented?	Yes
8	Is a fee charged for parking?	No
9	Recreation	Yes
10	Is there a swimming pool on the premises?	Yes
11	Sporting or social events sponsored?	No
12	Any structural alterations contemplated?	No
13	Any demolition exposure contemplated?	No
14	Has applicant been active in or is currently active in joint ventures?	No
15	Do you lease employees to or from other employers?	No
16	Is there a labor interchange with any other business or subsidiaries?	No
17	Are day care facilities operated or controlled?	No
18	Have any crimes occurred or been attempted on your premises within the last three (3) years?	No
19	Is there a formal, written safety and security policy in effect?	No
20	Does the businesses' promotional literature make any representations about the safety or security of the premises?	No

Willis

Hazards Schedule

Haz #	Class Code	Classification	Premium Basis	Exposure
Location No: 1	Building No: 1			
1	44113	Governmental Subdivision - Population Over 250,000 (Counties Or Parishes)	Revenues	2,400,000
2	73920	Employee Benefits Liability	# Employees	13

Willis

Business Auto

Carrier:	American Alternative Insurance Corporation
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time
Main Risk State:	New Jersey

Coverages	Symbol	Limit
Liability	8	$1,000,000 Combined Single Limit
	9	

Hired/Borrowed Liability - Yes States Covered: NJ
If Any Basis

Non-Owned Auto Liability - Yes States Covered: NJ Group Type
Employees 13

Employees as Insureds
Volunteers as Insureds

Physical Damage	Symbol	Limit	Deductible
Other than Collision	2		$100
	8		
	10		
Collision	2		$500
	8		
	10		

Coverage Symbol 10 = Newly Adquired

Hired Physical Damage	Number of Days	Vehicle Numbers
NJ		
Coverage is Primary		

Willis

Underwriting Questions

GENERAL INFORMATION		
1	With the exception of encumbrances, are any vehicles for which insurance requested not solely owned by and registered to the applicant?	No
2	Do over 50% of the employees use their autos in the business?	No
3	Is there a vehicle maintenance program in operation?	No
4	Are any vehicles leased to others?	No
5	Any car modified/special equipment? (include customized vans/pickups)	No
6	Are ICC, PUC or other filings required? (If 'Yes' attached Acord 194)	No
7	Do operations involve transporting hazardous material?	No
8	Any hold harmless agreements?	No
9	Any vehicles used by family members? If so, identify.	No
10	Does the applicant obtain MVR verifications?	No
11	Does the applicant have a specific driver recruiting method?	No
12	Are any drivers not covered by workers compensations?	No
13	Any vehicles owned but not scheduled on this application?	No
14	Any drivers with convictions for moving traffic violations?	No
15	Has agent inspected vehicles?	No
16	Are all vehicles to be included in this policy part of a fleet?	No
	Description of garage/storage locations	
	Maximum dollar value subject to loss:	

Willis

Vehicle Schedule/Coverages

Veh #	Vehicle	Liab	No Fault	Rent Reimb	UM	UIM	MP	Deductible Comp/OTC	Deductible Coll	Deductible Tow
1	No Scheduled Autos - Hired & NO Only									

Willis

Workers Compensation

Carrier:	American Alternative Insurance Corporation
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time
Coverage:	Coverage for injury to Employees subject to terms, conditions and exclusions of the policy.

Part I: Workers Compensation (States)

States covered NJ

Part II: Worker's Comp and Employers Liability

Each Accident	$1,000,000
Disease - Policy Limit	$1,000,000
Disease - Each Employee	$1,000,000

Part III: Other States

All States other than monopolistic states of North Dakota, Ohio, Washington and Wyoming

Remarks

Nature of Business

Funding Organization for NJ State Colleges & Universities

Willis

Underwriting Questions

General Information

1	Does applicant own, operate or lease aircraft/watercraft?	No
2	Do/have past, present or discontinued operations involve(d) storing, treating, discharging, applying, disposing or transporting of hazardous material? (landfills, wastes, fuel tanks, etc)	No
3	Any work performed underground or above 15 feet?	No
4	Any work performed on barges, vessels, docks, bridge over water	No
5	Is applicant engaged in any other type of business?	No
6	Are subcontractors used? (If yes, give % of work subcontracted)	No
7	Any work sublet without certificates of insurance?	No
8	Is a written safety program in operation?	No
9	Any group transportation provided?	No
10	Any employees under 16 or over 60 years of age?	No
11	Any seasonal employees?	No
12	Is there any volunteer or donated labor?	No
13	Any employees with physical handicaps?	No
14	Do employees travel out of state? Meetings/Seminars – Very Infrequent	Yes
15	Are athletic teams sponsored?	No
16	Are physicals required after offers of employment are made?	No
17	Any other insurance with this insurer?	No
18	Any prior coverage declined/cancelled/non-renewed in last three years?	No
19	Are employee health plans provided?	Yes
20	Is there a labor interchange with any other business/subsidiary?	No
21	Do you lease employees to or from other employers?	No
22	Do any employees predominantly work at home?	No
23	Any tax liens or bankruptcy within the last 5 years?	No
24	Any undisputed and unpaid workers compensation premium due from you or any commonly managed or owned enterprises? If yes, explain including entity name(s) and policy number(s)	No

Willis

Estimated Payroll

State	Class Code	Description	Rate	Estimated Payroll
NJ	8810	Clerical Office Employees NOC		$1,300,000
NJ	9812	Additional Premium For Employers Liability Increased Limits (with Workers Compe		

Willis

Directors & Officers

Carrier:	RSUI
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time

Limits

Each Loss	$7,000,000
Prior or Pending Date 12/23/1996 for first	$5,000,000
Prior or Pending Date 07/01/2000 for next	$2,000,000
Sublimit - Defense Expenses - Wage and Hour Claims	$100,000
Sublimit - Defense of Non-Monetary Damages - Per Claim	$50,000
Sublimit - Defense of Non-Monetary Damages - Aggregate	$250,000

Retention

Class Action	$50,000
Indemnifiable	$50,000
Non-Indemnifiable	$0
Sublimit - Defense Expenses - Wage and Hour Claims	$50,000
Sublimit - Defense of Non-Monetary Damages - Aggregate	$50,000
Employment Practices Liability	$50,000

Reporting Type

Claims Made

Defense Costs

As Respect Limit	Outside
As Respect Retention	Inside

Willis

Commercial Umbrella

Carrier:	American Alternative Insurance Corporation
Effective Date:	7/1/2014 at 12:01am standard time
Expiration Date:	7/1/2015 at 12:01am standard time
Coverage:	Liability coverage above underlying policies listed subject to all terms, conditions and exclusions of the policy
Coverage Type:	Excess

Limits	
Each Occurrence	$25,000,000
Annl Aggregate	$25,000,000

Self Insured Retention	
First Dollar Defense	Included

Employee Benefits Liability	
Limit of Insurance (each Emplyee)	$25,000,000
Aggregate	$25,000,000
Retained Limit	$1,000,000

Additional Coverages	Limit	Deductible
Products Completed Operations	$25,000,000	
Sublimited Coverage Endorsement		
Per Location Aggregate Limit of Insurance		

Willis

Underlying Policies

Carrier	American Alternative
Policy Number	GPPAPF605468603
Effective Date	7/1/2014
Expiration date	7/1/2015
General Aggregate	$3,000,000
Products/Completed Operations	$3,000,000
Each Occurrence	$1,000,000
Personal Advertising Injury	$1,000,000
Damage to Rented Premises - each occurrence	$1,000,000
Medical Expense	$10,000

Carrier	American Alternative
Policy Number	GPPAPF605468603
Effective Date	7/1/2014
Expiration Date	7/1/2015
Each Occurrence	$1,000,000

Carrier	Hartford Insurance C
Policy Number	13WBCTO1840
Effective Date	7/1/2014
Expiration Date	7/1/2015
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

Carrier	American Alternative
Policy Number	GPPAPF605468603
Effective Date	7/1/2014
Expiration Date	7/1/2015
Empl Bene Liab	$1,000,000

Willis

Underwriting Questions

Advertisers Liability

1	Media Used:	Annual Cost:
2	Services of an advertising agency used?	No
3	Any coverage provided under agency's policy?	No

Aircraft Liability

4	Does applicant own/lease/operate aircraft?	No

Auto Liability

5	Are explosives, caustics, flammables or other dangerous cargo hauled?	No
6	Are passengers carried for a fee?	No
7	Any units not insured by underlying policies?	No
8	Are any vehicles leases or rented to others?	No
9	Is hired and non/owned coverage provided?	Yes

Contractors Liability

10	Is bridge, dam or marine work performed?	No
11	Describe typical jobs performed	N/A
12	Describe Agreement	N/A
13	Does applicant own, rent or otherwise use cranes?	No
14	Do subcontractors carry coverages or limits less than applicant?	No

Employers Liability

15	Is applicant self-insured in any state?	No
16	Subject to:	

Incidental Malpractice Liability

17	Is a hospital or first aid facility maintained?	No
18	Are coverages provided for doctors/nurses?	No
19	Indicate number of:	

Doctors: Nurses: Beds:

Pollution Liability

EPA #:

20	Do current or past products or their components, contain hazardous materials that may require special disposal methods?	No
21	Indicate the coverages carried:	

GL with Standard ISO Pollution Exclusion	Yes
GL with Standard Sudden & Accidental only	No
GL with Pollution Coverage Endorsement	No
Separate Pollution Coverage	No

Products Liability

22	Are missiles, engines, guidance systems, frames or any other product used/installed in aircraft?	No
23	Any foreign operations, foreign products distributed in the USA or US products sold / distributed in foreign countries?	No
24	Product Liability Losses past three years?	No
25	Gross Sales from each of the last three years:	

First Year: Second Year: Third Year:

Protective Liability

Willis

Underwriting Questions

26 Describe Independent Contractors:

Watercraft Liability

27 Does the applicant own or lease watercraft? No

Vehicles

Type		# Owned	# Non Owned	# Leased	Property Hauled	Radius (miles) Local	Intermediate	Long Distance
Passenger		0	0	0	Hired & NonOwned Auto Only			
Trucks	Light							
	Medium							
	Heavy							
	Ex-Heavy							
Trucks / Tractors	Heavy							
	Ex-Heavy							
Buses								

Care, Custody, Control

28. Real Property Valued at $2,000,000 Has a waiver of subrogation 10,000 sq. ft. occupied

Underlying General Liability Information

1 Defense costs are: Unlimited

2 Indicate the edition date of the ISO form or similar filing for the underlying coverage

3 Has any product, work, accident or location been excluded, uninsured or self-insured from any previous coverages? No

4 For claims made, indicate retroactive date of current underlying policy:

5 For claims made, indicate entry date into uninterrupted claims made coverage:

6 For claims made, was 'tail' coverage purchased for any previous primary or excess policy?

Effective Date:

Underlying policies and/or Exposure Present

CGL - occurrence

Coverage	Exposure Present
Employee benefit liability	Yes
Additional Interests	Yes
Location Aggregate Limits	

Underlying insurance coverage information (include all restrictions; e.g. laser endorsements, discrimination, subrogation waivers, or extensions of coverage)

Broad Form Nuclear ExclusionýPollution ExclusionýPer Location Aggregate Limits

Previous experience: (Give specific details of all liability claims exceeding $10,000 or occurrences that may give rise to claims, during the past 5 years, whether insured or not, specify date, coverage, description, amount paid, amount outstanding)

ATTACHMENT 2

INSURANCE REQUIREMENTS OF GENERAL BOND RESOLUTION
AND TYPICAL SERIES RESOLUTION

Section 5.08. INSURANCE. The Authority shall, at the times specified in the following subparagraphs, procure and maintain or cause to be procured and maintained, to the extent reasonably obtainable, the following insurance:

(a) Commencing with the date that each Project or any part thereof is completed or occupied by the Public College for such Project is provided, whichever is sooner, fire, extended coverage, vandalism and malicious mischief insurance, with a deductible clause in an amount not to exceed one thousand dollars ($1,000) or such other deductible provisions as are approved in writing by the Authority, on the plant, structure, machinery, equipment and apparatus comprising such Project. The foregoing insurance shall be maintained so long as any of the obligations of the Authority issued with respect to a Project are outstanding and shall be in an amount not less than eighty per centum (80%) of the replacement value thereof, exclusive of excavations and foundations. The inclusion of such Project under a blanket insurance policy or policies of such Public College insuring against the above hazards or any additional hazards of the types and in the amounts set forth in the Applicable Series Resolution shall be a complete compliance with the

provisions of this subparagraph. Any such policy shall provide that the insurance company shall give at least thirty (30) days' notice in writing to the Authority of the cancellation of the policy. In any event each such policy shall be in an amount sufficient to prevent such Public College and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that such Public College or the Authority is unable to procure insurance with a loss deductible clause of not exceeding one thousand dollars ($1,000), the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of obligations of or guaranteed by the United States of America or moneys at least equal to the difference between $1,000 and the amount deductible on such policy or policies shall be deemed to be in complete compliance with the provisions of this subparagraph establishing a maximum deductible amount of $1,000;

(b) At all times, workmen's compensation insurance, disability benefits insurance and each other form of employee insurance covering loss resulting from injury, sickness, disability or death of employees which the Authority or such Public College is required by law to provide;

(c) At all times, insurance protecting the Authority and such Public College against loss or losses from liabilities imposed by law or assumed in any written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than 250,000 per person and $1,000,000 per accident or occurrence on account of injury of persons, and $500,000 per accident or occurrence on account of injury to the property of others, excluding liability imposed upon the Authority or such Public College by any applicable workmen's compensation law;

(d) Fidelity insurance, in such amounts and under such terms as shall be determined by the Authority with due regard to each Public College's funds and accounts; and

(e) Commencing with the date that each Project or any part thereof is completed or occupied by such Public College whichever is sooner, in the event that the Authority shall re-enter such Project as provided for by the Lease and Agreement relating to such Project, the Authority shall maintain, to the extent reasonably obtainable, use and occupancy insurance on such Project covering the loss of revenues attributable to such Project by reason of necessary interruption, total or partial, in the use of such Project, resulting from direct physical loss or damage thereto from causes customarily insured. Such insurance shall be in an amount and of such character as will provide a recovery, in the event of the occurrence of any such loss or damage, equal to the amount of such loss of such revenues for not less than a period of two (2) years; provided, however, that such insurance may exclude the loss sustained by the Authority during the first fourteen (14) days of total or partial interruption of use.

If any of such insurance provided for in subparagraphs (a), (b), (c) and (d) of this Section is under a blanket insurance policy or policies of such Public College

then such Public College shall deliver to the Authority in lieu of the original policy or policies a certificate thereof, and such delivery shall be a complete compliance with the provisions of this paragraph.

The proceeds of all such property insurance policies shall either be: (i) applied or caused to be applied by the Authority to the repair and replacement of the damaged property of such Project, or (ii) deposited by the Authority with the Trustee for payment into the Revenue Fund, relating to such Project accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section. The proceeds of any use and occupancy insurance policy or policies shall be deposited by the Authority with the Trustee for payment into such Revenue Fund accompanied by a similar certificate of an Authorized Officer of the Authority.

All policies of insurance shall be payable to the Public College for which such Project has been provided and the Authority, as their interests may appear. The Authority shall have the sole right to receive, for the purposes of this Resolution and the Applicable Series Resolution, the proceeds of such policy or policies affecting such Project and receipt for claims thereunder.

All insurance prescribed by this Section shall be procured from financially sound and reputable insurers qualified to do business in the State of New Jersey or insurers approved in writing by the Authority. The policies shall be open to inspection by the Trustee at all reasonable times, and a list prepared as of each June 30th describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of the Resolution. The Trustee shall have no responsibility with respect to any such insurance except to receive such certificates and hold the same for inspection by any Bondholder.

SECTION 5.05. **Insurance.** The Public College shall, at the times specified in the following subparagraphs, procure and maintain or cause to be procured and maintained, to the extent reasonably obtainable in the opinion of the Authority, the following insurance:

(a) Commencing with the date that construction is commenced on the Series 2010 A/B Project, or any part thereof is completed, acquired or occupied by the Public College, whichever is sooner, Special Form perils insurance, or current equivalent, with a deductible clause in an amount not to exceed one hundred thousand dollars ($100,000) or such other deductible provisions as are approved in writing by the Authority (the "Deductible Amount"), on the plant, structure, machinery, equipment and apparatus comprising the Series 2010 A/B Project, plus Boiler and Machinery coverage, and Flood Insurance if the Series 2010 A/B Project is located within a Special Flood Hazard Area, each with deductible clauses and coverage sub limits acceptable to the Authority. Coverage for Contingent Liability From Operation of Building Laws shall be included, and an Agreed Amount Endorsement shall be attached to the policy. The foregoing insurance shall be maintained as long as any of the obligations of the Authority issued with respect to the Series 2010 A/B Project are outstanding and shall be in an amount not less than one hundred per centum (100%) of the current estimated replacement value

thereof, exclusive of excavations and foundations, or such other amount as may be approved in writing by the Authority. The inclusion of the Series 2010 A/B Project under a blanket insurance policy or policies of such Public College insuring against the above hazards shall be complete compliance with the provisions of this subparagraph. Any such policy shall provide that the insurance company shall give at least sixty (60) days notice in writing to the Authority of the cancellation or non-renewal of the policy, except in the event of nonpayment of premiums, in which case ten (10) days notice, or current industry standard notice, shall be provided. In any event each such policy shall be in an amount sufficient to prevent such Public College and the Authority from becoming co-insurers under the applicable terms of such policy. In the event that such Public College or the Authority is unable to procure insurance with a loss deductible clause of not exceeding the Deductible Amount, the deposit with the Trustee on behalf of the Authority or the setting aside in a special fund of obligations of or guaranteed by the United States of America or moneys at least equal to the difference between the Deductible Amount and the amount deductible on such policy or policies shall be deemed to be complete compliance with the provisions of this subparagraph establishing a Deductible Amount;

(b) At all times, workmen's compensation insurance, disability benefits insurance and each other form of employee insurance covering loss resulting from injury, sickness, disability or death of employees which the Authority or such Public College is required by law to provide;

(c) At all times, insurance protecting the Authority and such Public College against loss or losses from liabilities imposed by law or assumed in any insured written contract and arising from bodily injury of persons or damage to the property of others caused by accident or occurrence, with limits of not less than one million dollars ($1,000,000) combined single limit for bodily injury and property damage. The Public College's coverage status under the New Jersey Tort Claims Act may, in the sole judgment of the Authority, be deemed to be compliance with the requirements of this subparagraph with respect to the Public College;

(d) Fidelity insurance, in such amounts and under such terms as shall be determined by the Authority with due regard to each of the Public College's funds and accounts; and

(e) Commencing with the date that construction is commenced on the Series 2010 A/B Project, or any part thereof is completed, acquired or occupied by the Public College, whichever is sooner, in the event that the Authority shall re-enter the Series 2010 A/B Project, the Authority may, at its sole option, maintain business income insurance, or the current equivalent, on the Series 2010 A/B Project, covering the loss of revenues attributable to the Series 2010 A/B Project by reason of necessary interruption, total or partial, in the use of the Series 2010 A/B Project, resulting from direct physical loss or damage thereto from causes customarily insured.

If any of such insurance provided for in paragraphs (a), (b) and (c) of this Section is under a blanket insurance policy or policies of the Public College, then the Public College shall deliver to the Authority in lieu of the original policy or policies a Certificate thereof, and such delivery shall be complete compliance with the provisions of this paragraph.

The proceeds of all such property insurance (i) may be applied or cause to be applied by the Authority to the repair and replacement of the damaged portions of the Series 2010 A/B

Project, (ii) may be deposited by the Authority with the Trustee for payment into the Debt Service Fund, relating to the Series 2010 A/B Project, accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section, or (iii) if there is substantial damage to the Project Facilities rendering such project, in the opinion of the Authority, unsuitable for use for its intended purposes, deposited by the Authority, with the consent of the Public College, in the Debt Service Fund to be applied to the "extraordinary optional redemption" of the Bonds as provided in the Indenture. Such deposit in the Debt Service Fund shall be made in amounts representing Authorized Denominations of the Bonds and accrued interest thereon to the date of redemption. The proceeds of any business income insurance policies shall be deposited by the Authority with the Trustee for payment into the Debt Service Fund under the Indenture accompanied by a certificate of an Authorized Officer of the Authority stating that such deposit is being made pursuant to this Section.

All policies of insurance shall be payable to the Public College for which the Series 2010 A/B Project has been provided and the Authority as their interests may appear. The Authority shall have the sole right to receive, for the purposes of this Agreement, the proceeds of such policy or policies affecting the Series 2010 A/B Project and receipt for claims thereunder.

All insurance prescribed by this Section shall be procured from financially sound and reputable insurers qualified to do business in the State or insurers approved in writing by the Authority. The policies shall be open to inspection by the Authority, the Swap Provider and the Trustee at all reasonable times, and a list prepared as of June 30 of each year describing such policies shall be furnished by the Authority to the Trustee annually within sixty (60) days after the beginning of each Bond Year, together with a certificate of an Authorized Officer of the Authority certifying that such insurance meets all the requirements of this Agreement. The Trustee shall have no responsibility with respect to any such insurance except to receive such Certificates and hold the same for inspection by any Bondholders.

Notwithstanding anything herein to the contrary, the application of insurance proceeds as set forth in this Section 5.05 or elsewhere in this Agreement with respect to the Project Facilities is subject to the terms of the Prior Agreement.

ATTACHMENT 3

LOSS HISTORY

RM 241

Comprehensive Experience Report
Risk Experience Summary

ZURICH

Date: 2/21/2014

Claim Valuation As Of: 01/31/2014

Analysis Period: 7/1/2001 To 7/1/2011

Policy Number	Insured Name(s)
3503061	NEW JERSEY EDUCATIONAL
3503061	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503061	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503062	NEW JERSEY EDUCATIONAL
3503062	NEW JERSEY EDUCATIONAL FACILITIES
3503062	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503062	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY.
3993614	NEW JERSEY EDUCATIONAL

Policy Number: 3503061

Coverage	Number Claims	Paid	Expense	Open Reserve	Total Losses
AUTOMOBILE	1	$575	$0	$0	$575
BURGLARY	0	$0	$0	$0	$0
FIRE	0	$0	$0	$0	$0
GENERAL LIABILITY	6	$0	$35,972	$0	$35,972
MARINE	0	$0	$0	$0	$0
UNCLASSIFIED	0	$0	$0	$0	$0
Totals:	7	$575	$35,972	$0	$36,547

Policy Number: 3503062

Coverage	Number Claims	Paid	Expense	Open Reserve	Total Losses
GENERAL LIABILITY	0	$0	$0	$0	$0
Totals:	0	$0	$0	$0	$0

RM 241

Comprehensive Experience Report
Risk Experience Summary

ZURICH

Date: 2/21/2014

Claim Valuation As Of: 01/31/2014
Analysis Period: 7/1/2001 To 7/1/2011
Policy Number: 3993614

Coverage	Number Claims	Paid	Expense	Open Reserve	Total Losses
WORKERS COMPENSATION	0	$0	$0	$0	$0
Totals:	0	$0	$0	$0	$0

RM 241

Comprehensive Experience Report
Policy Experience Summary

Date: 2/21/2014

Claim Valuation As Of: 01/31/2014
Analysis Period: 7/1/2001 To 7/1/2011

Policy Number	Insured Name(s)
3503061	NEW JERSEY EDUCATIONAL
3503061	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503061	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503062	NEW JERSEY EDUCATIONAL
3503062	NEW JERSEY EDUCATIONAL FACILITIES
3503062	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
3503062	NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY.
3993614	NEW JERSEY EDUCATIONAL

Policy Number: 3503061

Experience Effective Date	Number Claims	Paid	Expense	Open Reserve	Total Losses
07/01/2001	1	$0	$0	$0	$0
08/01/2002	1	$0	$25,591	$0	$25,591
07/01/2003	0	$0	$0	$0	$0
07/01/2004	0	$0	$0	$0	$0
07/01/2005	2	$0	$1,814	$0	$1,814
07/01/2006	0	$0	$0	$0	$0
07/01/2007	0	$0	$0	$0	$0
07/01/2008	2	$575	$6,808	$0	$7,383
07/01/2009	1	$0	$1,759	$0	$1,759

RM 241

Comprehensive Experience Report
Policy Experience Summary

Date: 2/21/2014

Claim Valuation As Of: 01/31/2014

Analysis Period: 7/1/2001 To 7/1/2011

07/01/2010	0	$0	$0	$0	$0
Totals:	7	$575	$35,972	$0	$36,547

Policy Number: 3503062

Experience Effective Date	Number Claims	Paid	Expense	Open Reserve	Total Losses
07/01/2001	0	$0	$0	$0	$0
08/01/2002	0	$0	$0	$0	$0
07/01/2003	0	$0	$0	$0	$0
07/01/2004	0	$0	$0	$0	$0
07/01/2005	0	$0	$0	$0	$0
07/01/2006	0	$0	$0	$0	$0
07/01/2007	0	$0	$0	$0	$0
07/01/2008	0	$0	$0	$0	$0
07/01/2009	0	$0	$0	$0	$0
07/01/2010	0	$0	$0	$0	$0
Totals:		$0	$0	$0	$0

Policy Number: 3993614

Experience Effective Date	Number Claims	Paid	Expense	Open Reserve	Total Losses

RM 241

Comprehensive Experience Report
Policy Experience Summary

ZURICH

Date: 2/21/2014

Claim Valuation As Of: 01/31/2014

Analysis Period: 7/1/2001 To 7/1/2011

07/01/2006	0	$0	$0	$0	$0
07/01/2007	0	$0	$0	$0	$0
07/01/2008	0	$0	$0	$0	$0
Totals:		$0	$0	$0	$0

February 21, 2014

ZURICH

AUTOMOBILE

3503061

Insured/site	Policy Year	Claim Number	Accident Narrative	Claim Status	Paid Indemnity BI/Med	Paid Indemnity PD/LT	Paid Expense	Paid Total	Claim Recovery Total	Gross Incurred Total
Claimant Name	Policy Date	Date of Loss	Claim Level Coverage	Claim Closed Date	Indemnity BI/Med Reserves	Indemnity PD/LT Reserves	Expense Reserves	Total Reserves	Deductible Recovery Total	Gross Incurred Total less Recoveries
New Jersey Educational Facilities	2008	1340001034	Transmission went out on the Ford and while it was in the sh	Closed	$0	$575	$0	$575	$0	$575
New Jersey Education al Fa	07/01/2008	02/05/2009	AUTO PHYSICAL DAMAGE	03/10/2009	$0	$0	$0	$0	$0	$575
Count:		1								
				Sum:	$0	$575	$0	$575	$0	$575
				Sum:	$0	$0	$0	$0	$0	$575

GENERAL LIABILITY

3503061

Insured/site	Policy Year	Claim Number	Accident Narrative	Claim Status	Paid Indemnity BI/Med	Paid Indemnity PD/LT	Paid Expense	Paid Total	Claim Recovery Total	Gross Incurred Total
Claimant Name	Policy Date	Date of Loss	Claim Level Coverage	Claim Closed Date	Indemnity BI/Med Reserves	Indemnity PD/LT Reserves	Expense Reserves	Total Reserves	Deductible Recovery Total	Gross Incurred Total less Recoveries
New Jersey Educational Facilities Authority	2001	9640103073	Clmt is alleging that the insured was negligent in maintaini	Closed	$0	$0	$0	$0	$0	$0
Gondres David	07/01/2001	03/19/2002	GENERAL LIABILITY BI	07/03/2002	$0	$0	$0	$0	$0	$0
New Jersey Educational Facilities	2002	9640121971	Clmt. was struck by a forklift/ sustained injury to L leg.	Closed	$0	$0	$25,591	$25,591	$0	$25,591
Wolckenhauer Kurt W	08/01/2002	03/17/2003	GENERAL LIABILITY BI	10/12/2006	$0	$0	$0	$0	$0	$25,591

February 21, 2014

ZURICH

Insured/site / Claimant Name	Policy Year / Policy Date	Claim Number / Date of Loss	Accident Narrative / Claim Level Coverage	Claim Status / Claim Closed Date	Paid Indemnity BI/Med / Indemnity BI/Med Reserves	Paid Indemnity PD/LT / Indemnity PD/LT Reserves	Paid Expense / Expense Reserves	Paid Total / Total Reserves	Claim Recovery Total / Deductible Recovery Total	Gross Incurred Total / Gross Incurred Total less Recoveries
New Jersey Educational Facilities	2005	9440086233	Clmt fell from her bike at entrance to Kean and fractured he	Closed	$0	$0	$0	$0	$0	$0
Randle Georgia	07/01/2005	07/15/2005	GENERAL LIABILITY BI	04/24/2006	$0	$0	$0	$0	$0	$0
New Jersey Educational Facilities	2005	9440092324	Clmt alleges falling on insd's property, injuries unknown.	Closed	$0	$0	$1,814	$1,814	$0	$1,814
Clark Cassandra	07/01/2005	07/28/2005	GENERAL LIABILITY BI	07/20/2007	$0	$0	$0	$0	$0	$1,814
New Jersey Educational Facilities	2008	9440108203	Garnto -Santero - Veronica - First report Summons and Compla	Closed	$0	$0	$6,808	$6,808	$0	$6,808
Garnto-Santero Veronica	07/01/2008	11/15/2008	GENERAL LIABILITY BI	04/19/2011	$0	$0	$0	$0	$0	$6,808
New Jersey Educational Facilities	2009	9440114665	Surdyka, Jozef, Civil Action Summons filed against insured f	Closed	$0	$0	$0	$0	$0	$0
Hernandez Elder	07/01/2009	08/13/2009	GENERAL LIABILITY BI	01/10/2012	$0	$0	$0	$0	$0	$0
New Jersey Educational Facilities	2009	9440114665	Surdyka, Jozef, Civil Action Summons filed against insured f	Closed	$0	$0	$1,759	$1,759	$0	$1,759
Surdyka, Jozef	07/01/2009	08/13/2009	GENERAL LIABILITY BI	01/10/2012	$0	$0	$0	$0	$0	$1,759
Count:		6								
				Sum:	$0	$0	$35,972	$35,972	$0	$35,972
				Sum:	$0	$0	$0	$0	$0	$35,972

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
103 COLLEGE ROAD EAST
PRINCETON, NJ 08540-0000

GPP Customer Summary Loss Experience
Sorted by Policy Type with Loss Ratio
Claims and Premium Valued as of Thursday, February 20, 2014
Including 5 Years of History from claim registration and policy inception

Policy Type / Policy Number	Effective Date	Expiration Date	Claims Reported	Claims Open	Loss Reserve	Expense Reserve	Paid Losses	Paid Expenses	Recoveries	Total Incurred	Earned Premium	Loss Ratio %
Excess												
GPPAXS3052014-00	07/01/2011	07/01/2012	0	0	0	0	0	0	0	0	13,695	0.0
Excess Totals			0	0	0	0	0	0	0	0	13,695	0.0
Portfolio												
GPPAPF6054686-00	07/01/2011	07/01/2012	0	0	0	0	0	0	0	0	62,502	0.0
GPPAPF6054686-01	07/01/2012	07/01/2013	1	0	0	0	0	0	0	0	74,627	0.0
GPPAPF6054686-02	07/01/2013	07/01/2014	0	0	0	0	0	0	0	0	43,844	0.0
Portfolio Totals			1	0	0	0	0	0	0	0	180,973	0.0
Grand Totals			1	0	0	0	0	0	0	0	194,668	0.0

NOTE: This report is for internal use only and contains proprietary and confidential information that should not be disclosed to any person(s) external to the organization unless approved by the Officer of the Company.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
103 COLLEGE ROAD EAST
PRINCETON, NJ 08540-0000

GPP Customer Detail Loss Experience
Sorted by Policy & Coverage Type
Claims Valued as of Thursday, February 20, 2014
Including 5 Years of History from claim registration and policy inception

Policy Number / Coverage / Loss Date / Description of Accident/Loss	Effective Date	Expiration Date	Loss Reported Date	Claim Number	Closed Date	Loss Reserve	Expense Reserve	Paid Losses	Paid Expenses	Recoveries	Total Incurred
GPPAPF6054686-01	07/01/2012	07/01/2013									
GENERAL LIABILITY											
03/25/2013			05/28/2013	NJPF213060047	08/01/2013	0	0	0	0	0	0
CLAIMANT TRIPPED AND FELL ON SIDEWALK											
GPPAPF6054686-01 Totals						0	0	0	0	0	0
Grand Totals						0	0	0	0	0	0

NOTE: This report contains proprietary and confidential information that should not be disclosed to any person(s) other than the agent of record or to the first named insured listed above.

Loss Run for NHP651866 - New Jersey Educational Facilities Authority

Insured Name:	**New Jersey Educational Facilities Authority**	Policy No:	NHP651866 0	Term:	7/1/2013 - 7/1/2014	Underwriter:	Lay, Devon
Policy Limit:	$7,000,000					Claim Prof:	N/a

No claims exist for this policy year.

Insured Name:	**New Jersey Educational Facilities Authority**	Policy No:	NHP646848 0	Term:	7/1/2012 - 7/1/2013	Underwriter:	Gardner, Stephanie
Policy Limit:	$7,000,000					Claim Prof:	N/a

No claims exist for this policy year.

Insured Name:	**New Jersey Educational Facilities Authority**	Policy No:	NHP642016 0	Term:	7/1/2011 - 7/1/2012	Underwriter:	Gardner, Stephanie
Policy Limit:	$7,000,000					Claim Prof:	N/a

No claims exist for this policy year.

Insured Name:	**New Jersey Educational Facilities Authority**	Policy No:	NHP637759 0	Term:	7/1/2010 - 7/1/2011	Underwriter:	Gardner, Stephanie
Policy Limit:	$7,000,000					Claim Prof:	N/a

No claims exist for this policy year.

Insured Name:	**New Jersey Educational Facilities Authority**	Policy No:	NHP633495 0	Term:	7/1/2009 - 7/1/2010	Underwriter:	Gardner, Stephanie
Policy Limit:	$7,000,000					Claim Prof:	Christel

Claim No: 7030032488 Status: C Date of Loss: 9/17/2009 Location of Loss: PRINCETON, NJ

Date Reported: 10/2/2009 Loss Description: FINANCIAL IMPROPRIETY, MISHANDLING OF ENDOWMENT FUNDS AND EXCESSIVE COMPENSATION.

Claimants:	Suffix	Claimant	Status	Paid

Loss Run for NHP651866 - New Jersey Educational Facilities Authority

00	STEVENS INSTITUTE	C	$0.00

Policy Gross Incurred	Paid
Indemnity	$0.00
Expense	$0.00
Total	$0.00

Insured Name: **New Jersey Educational Facilities Authority**
Policy No: NHP629477 0
Term: 7/1/2008 - 7/1/2009
Underwriter: Gardner, Stephanie
Claim Prof: N/a
Policy Limit: $7,000,000

No claims exist for this policy year.

Insured Name: **New Jersey Educational Facilities Authority**
Policy No: NHP625671 0
Term: 7/1/2007 - 7/1/2008
Underwriter: Gardner, Stephanie
Claim Prof: N/a
Policy Limit: $7,000,000

No claims exist for this policy year.

Total Gross Incurred	Paid
Indemnity	$0.00
Expense	$0.00
Total	$0.00

ATTACHMENT 4

2012 FINANCIAL STATEMENTS AND 2012 ANNUAL REPORT

AVAILABLE ONLINE AT WWW.NJEFA.COM

ATTACHMENT 5

TYPICAL INDEMNIFICATION LANGUAGE IN PROPERTY LEASE

ARTICLE XII

CHARACTER OF AGREEMENT

SECTION 12.01. Net Lease. It is mutually agreed by the parties hereto that this is a net lease and notwithstanding any language herein to the contrary, it is intended, and the Public College expressly covenants and agrees, that all rentals and other payments herein required to be made by the Public College to the Authority shall be net payments to the Authority, meaning that the Authority is not and shall not be required to expend any money or do any acts or take any steps affecting or with respect to the maintenance, preservation, repair, restoration, reconstruction, or protection of the demised premises or the Series 1992 D Project or any part thereof.

ARTICLE XVII

REPRESENTATIONS

SECTION 17.01. Conditions of Premises. The Public College, prior to the occupancy thereof, and at all times thereafter, shall fully familiarize itself with the physical condition of the Series 1992 D Project and the improvements, fixtures and equipment thereof. The Authority makes no representations whatever in connection with the condition of the Series 1992 D Project or the improvements, fixtures or equipment thereof, and the Authority shall not be liable for any latent or patent defects therein.

SECTION 17.02. Limitation of Liability. The Public College covenants that all actions heretofore taken by it in connection with the Series 1992 D Project, including the making of contracts, and all actions hereafter taken by the Authority in connection with the Series 1992 D Project upon the recommendation or request of any authorized officer of the Public College have been and will be in full compliance with the Resolution, any Supplemental Resolution, this Agreement and with all pertinent laws applicable to the Public College or the Authority. The Public College acknowledges that any review of any such actions heretofore or hereafter taken by the Authority's staff or counsel has been or will be solely for the protection of the Authority to carry out the

Series 1992 D Project and shall not estop the Authority from enforcing the foregoing covenant.

The liability of the Authority to make the payments under contracts made or accepted by the Authority in connection with the Series 1992 D Project, including any change orders, shall be limited to the making of payments from the Construction Fund pursuant to the Resolution and the Series 1992 D Bond Resolution. The ownership of the Series 1992 D Project shall not impose any other liability on the Authority, whether contractual or otherwise. Neither the carrying out of the Series 1992 D Project nor the ownership of the Series 1992 D Project by the Authority shall impose any liability on the members, officers, employees, consultants or agents of the Authority. The Public College agrees to indemnify the Authority and all such other parties and save them harmless against any liability intended to be precluded herein.

In the exercise of the powers of the Authority by its members, officers, employees, consultants and agents (other than the Public College) under the Resolution, the Series 1992 D Bond Resolution, and this Agreement, including (without limiting the foregoing) the carrying out of the Series 1992 D Project in the event of default by the Public College, the Authority and its members, officers, employees, consultants and agents shall not be accountable to the Public College for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred. The Authority and all such other parties shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and if or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action.

ATTACHMENT 6

SCHEDULE OF AUTHORITY-OWNED LOCATIONS

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
New Jersey City University	
Kennedy Dorm	21,567
Gilligan Student Union & Garage & Renov.	156,425
Audubon Ave. Dorm (Co-op)	23,690
54 College St. Office	1,500
12 College St. Office	1,860
64 College St. Office	1,860
20 College St.	1,400
16 College St. Dwelling	1,400
32 College St. Office	1,400
14 College St. Office	1,400
50 College St. Office	1,400
2044 Kennedy Blvd Pkg. Lot	5,500
Athletic Rec. & Fitness Ctr. - "JMAC"	116,463
Fries Hall	28,806
Fine Arts Building (Visual Arts Bldg)	60,560
275 West Side Ave (Charter HS & BDI)	63,723
Coll of Arts & Sciences Tower (K-Hall)	83,114
Rossey Hall, Academic Building	86,707
Audubon Ave. Dorm (Vodra Hall)	59,226
Science Building	78,372
Hepburn Hall	116,278
Subtotal, N.J. City University	912,651
Kean University	
Dorm 1 - Barlett	56,825
Dorm 2 - Sozio	67,345
Dorm 3 - Rogers	67,345
Dorm 4 - Burch	67,345
Nathan Weiss Grad School (Pingry School - part of EC)	139,500
Green Lane Vacant Lot -(Former Town & Campus Motel)	40,239
University Center & Addition	87,200
Nancy Thompson Library & Addition	79,710
Hennings Hall (Academic Building)	52,400
Alumni Field (Athletic Facility)	28,000
Downs Hall Renovation & Addition	41,599
Harwood Arena (Wellness and Fitness Center)	90,000
D' Angola Gymnasium	50,000
Center for Academic Success (Academic Building)	124,000
Wilkins Theater Renovation	28,688

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
Acad Bldg New Science Bldg	105,000
Freshman Hall	23,936
Upperclass Hall	49,207
Parking Garage	10,000
Subtotal, Kean University	1,208,339
Montclair State University	
Bohn Hall Dorm	150,740
Student Union Ctr.	143,450
Student Union Ctr. Annex	-
Field House, Playflds., Dioguardi Field, Womens' softball stadium	7,375
Sprague Field	-
MSU parking lot #s 26, 27, 28, and part of 22 & 23	-
Children's Center & Learning Lab	-
2000-space Parking Structure (Actual Site)	10,000
Blanton Hall	155,212
Dickson Hall (Academic Bldg)	95,569
Russ Hall	39,087
Science Hall (Richardson Hall Annex)	56,175
Yogi Berra Stadium	70,000
Floyd Hall (MSU Ice Arena)	64,860
Red Hawk Deck (Parking)	10,000
Village at Little Falls (Housing)	380,000
Kasser Theater (Performing Arts Center)	77,850
University Hall, Academic Bldg	270,000
Student Recreation Center	51,260
Chapin Hall	52,000
Finley Hall and Annex (Renovation)	34,345
Mallory Hall	12,989
Panzer Gymnasium	43,578
Student Housing Complex (Francis A. Sinatra Hall)	88,655
Subtotal, Montclair St. Univ.	1,813,145
Ramapo College Of NJ	
Science House (Apts - phase I) (Building 1 (8 Units))	8,042
International House (Apts - phase I) (Building 2 (8 Units))	8,042
Palm (Apts - phase I) (Building 3 (8 Units)) (Bay)	8,042
Elm (housing phase I) (Building 4 (8 Units))	8,042
Redwood (housing - phase I) (Building 5 (8 Units))	8,042
Hickory (housing - phase I) (Building 6 (8 Units))	8,042
Holly (housing - phase I) (Building 7 (8 Units))	8,042

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
Buckeye (housing - phase I) (Building 8 (8 Units))	8,042
Mimosa (housing - phase I) (Building 9 (12 Units))	12,063
Std. Union Bldg & Annex (Campus Life/Scott Student Ctr)	52,918
Butternut (Housing phase II Bldg 1)	13,818
Mulberry (Housing phase II Bldg 2)	13,677
Sycamore (Housing phase II Bldg 3)	13,677
Cypress (Housing phase II Bldg 4)	23,970
Tamarack (Housing phase II Bldg 5)	23,970
Visiting Scholar's Residence	TBD
Pine Hall	81,730
Linden Dorm	51,594
Berrie Ctr (Perform/Visual Arts)	52,000
Bishoff (Oak) Hall Dorm & Trustees Pavillion	77,416
Mackin (Maple) Dorm, Pav Addn & Conf Ctr	78,748
Phase VII Housing - The Village Apts	210,000
Sustainability Center	2,200
Phase VIII Housing - Overlook	209,527
Havemeyer (Pres.) House	10,000
Athletic Building - Bill Bradley Sports & Rec. Center	83,000
Laurel Hall, Phase IX Housing	147,429
Parking Garage	10,000
Anisfield School of Business	86,000
G-Wing	
Adler Center for Nursing Excellence	
Subtotal, Ramapo Coll. of N.J.	1,318,073
Rowan University	
Mansion Park Parking	10,000
Student Center	148,536
Edgewood Park Apts (4 Bldgs)	102,276
Winans Book Store	22,636
Triad Apartments	101,558
Chestnut Hall Dorm	71,829
Magnolia Hall Dorm	41,832
Willow Hall Dorm	41,832
Student Recreation Center (+Pool)	74,744
Bozorth Hall (incl. Addn.)	37,719
Campbell Library	117,651
Savitz Hall (Old Library)	61,600
Rowan Hall (Engineering Building)	94,500
Academic Building (Science)	149,100

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
400 Acres, 2 100k sq ft Buildings planned	10,000
2002 K Land Acquisition	TBD
College of Education Bldg (Education Hall)	134,000
Academy Street Apt Housing	165,031
Academy St School	30,000
2003 I and K Land Acquisition	TBD
Football Field	10,000
Academic Bldg	10,000
Cogeneration Facility	8,432
Chiller Plant	21,465
2004 C Land Acquisition	TBD
Bunce Hall	39,646
Hollybush Hall	6,186
Subtotal, Rowan University	1,510,573
Richard Stockton College Of NJ	
Student Apts, Bldg 101 Housing I	13,120
Student Apts, Bldg 102 Housing I	13,192
Student Apts, Bldg 103 Housing I	13,120
Student Apts, Bldg 104 Housing I	13,192
Student Apts, Bldg 105 Housing I	13,120
Student Apts, Bldg 106 Housing I	13,192
Student Apts, Bldg 107 Housing I	13,120
Student Apts, Bldg 108 Housing I	13,192
Student Apts, Bldg 109 Housing I	13,120
Student Apts, Bldg 110 Housing I	13,192
Student Apts, Bldg 111 Housing I	13,120
Student Apts, Bldg 112 Housing I	13,192
Student Apts, Bldg 113 Housing I	13,120
Student Apts, Bldg 114 Housing I	13,192
Student Apts, Bldg 115 Housing I	13,120
Student Apts, Bldg 116 Housing I	13,192
Student Union (G Wing)	22,832
Student Housing II (Founders Hall)	109,000
Student Union II (N Wing)	32,646
Housing/Maint./Campus Police	7,553
Student Housing III	58,500
Townsend Residential Life Center I	6,150
Arts & Science Building	42,209
Library & Addition (E-Wing)	89,098
Recreation Center (incl. Gateway Bldg.)Big Blue	74,829

New Jersey Educational Facilities Authority

State College Liability/Umbrella Insurance Coverage

Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
Playing Fields (4.9 Acres)	10,000
Student Housing/Commons IV Parking North & West	67,040
Addition to F-Wing & Renovations	28,000
Parkway Bldg Admin Offices(Verizon Bldg.)	13,140
Ivy Hall Housing V Phase I	26,394
Jupiter Hall Housing V Phase I	26,394
Karria Hall Housing V Phase I	26,394
Laurel Hall Housing V Phase I	26,394
Maple Hall Housing V Phase II	26,394
Nectar Hall Housing V Phase II	26,394
Lakeside Center (Housing I Convenience Center)	12,476
Campus Center	154,000
Subtotal, Richard Stockton	1,096,333
The College Of N.J.	
Travers-Wolfe Dorm	280,494
Brower Student Center	91,861
Athletic Rec Bldg (Student Recreation Center)	53,861
Tennis Center	1,000
Astro Turf Field, Etc. - Lions' Stadium and Track	10,000
New Residence Hall	57,875
Packer Hall Gym/Grnd Std/Lckr (+ Aquatic Center)	69,519
Eickhoff Hall	147,100
Central Utilities Power House	12,416
Clusters Housing East/West (Townhouses)	133,749
Cluster Housing South (Townhouses)	65,000
Parking Garage (Decker)	10,000
Co-Generation Plant	3,304
Paul Loser Hall (Nursing, Std. Hous.)	33,097
Science Complex	123,068
Biology Building	77,893
Maintenance Bldg	21,946
School of Business	46,000
Bliss Hall & Annex	55,300
Social Science Bldg	75,000
Ely House	14,915
Allen House	19,266
Brewster House	14,915
Norsworthy Hall	43,200
Decker Hall	93,538
Cromwell Hall	85,847

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
1898 Pennington Road	2,814
1900 Pennington Road	3,384
1904 Pennington Road	2,058
1908 Pennington Road	2,438
1910 Pennington Road	2,118
1912 Pennington Road	2,406
1914 Pennington Road	1,684
1920 Pennington Road	2,055
1924 Pennington Road	1,811
1926 Pennington Road	2,970
1928 Pennington Road	2,888
Pennington Road Apts (Hausdoerffer & Phelps Halls)	113,200
Holman Hall	86,609
Forcina Hall	113,926
Centennial Dorm	49,944
Roscoe L West Hall	108,934
New Library	153,515
Parking Garage (Forcina)	10,000
Parking Garage (Metzger)	10,000
Parking Deck (Travers/Wolfe)	10,000
Green Lane Playing Field	10,000
Green Lane- Agway Bldg	3,840
Green Lane Farm House	3,055
New Art Building	70,580
Soccer Field	-
Softball Field	-
Ackerman Park (baseball field)	-
New Education Building	72,000
Subtotal, College of N.J.	2,482,393
William Paterson University	
Pioneer Hall (Residence Hall)	55,151
Heritage Hall (Residence Hall)	55,151
StudentCenter (Machuga)	75,106
Student Center Expansion	35,000
Ballroom (Wayne Multipurpose Addition)	25,000
Wayne Hall	45,000
Overlook North and South (Towers) (Residence Hall)	205,282
Recreation Center	44,206
Hillside Hall (Residence Hall)	54,887

New Jersey Educational Facilities Authority
State College Liability/Umbrella Insurance Coverage
Schedule of Locations

COLLEGE/PROJECT	SQ. FEET
Century Hall (Residence Hall)	72,000
"Union Camp" Property (Academic Bldg)	150,000
High Mountain East & West (Residence Hall)	103,000
Science Hall Expansion & Renov.	117,451
Parking Garage	10,000
Subtotal, Wm. Paterson Univ.	1,047,234
Passaic County Community College	
3-story building	68,000
Subtotal, Passaic Co. Comm. College	68,000
Thomas Edison State College	
Kuser Mansion	16,251
Carriage House	3,278
Subtotal,Thomas Edison State College	19,529
Total, All Colleges	11,476,270

Notes:

Actual square footage is not known for undeveloped land, sportsfields, parking facilities, etc.

Square footage and ownership status is per records of respective colleges and universities.

Actual square footage may vary from these amounts, and additional Authority-owned locations may exist.

Please see Attachment 6 for Typical Indemnification Language in the Property Leases.

This schedule does not include properties for which the Authority is mortgagee, or properties for which the Authority provided financing, but neither owns the

ATTACHMENT 7

Public Law 2005, Chapter 51
(Information and Instructions - 4 pages; Form - 3 pages)

Public Law 2005, Chapter 51
(formerly Executive Order 134) and Executive Order 117 (2008)

INFORMATION AND INSTRUCTIONS
For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

Background Information

On September 22, 2004, then-Governor James E. McGreevey issued Executive Order 134, the purpose of which was to insulate the negotiation and award of State contracts from political contributions that posed a risk of improper influence, purchase of access or the appearance thereof. To this end, Executive Order 134 prohibited State departments, agencies and authorities from entering into contracts exceeding $17,500 with individuals or entities that made certain political contributions. Executive Order 134 was superseded by Public Law 2005, c. 51, signed into law on March 22, 2005 ("Chapter 51")

On September 24, 2008, Governor Jon S Corzine issued Executive Order No. 117 ("E.O. 117"), which is designed to enhance New Jersey's efforts to protect the integrity of procurement decisions and increase the public's confidence in government. The Executive Order builds upon the provisions of Chapter 51

Two-Year Certification Process

Upon approval by the State, the Certification and Disclosure of Political Contributions form (CH51.1R1/21/2009) is valid for a two (2) year period. Thus, if a vendor receives approval on Jan 1, 2009, the certification expiration date would be Dec 31, 2011. Any change in the vendor's ownership status and/or political contributions during the two-year period will require the submission of new Chapter 51/EO117 forms to the State Review Unit. **Please note that it is the vendor's responsibility to file new forms with the State should these changes occur.**

Prior to the awarding of a contract, the agency should first send an e-mail to CD134@treas.state.nj.us to verify the certification status of the vendor. If the response is that the vendor is NOT within an approved two-year period, then forms must be obtained from the vendor and forwarded for review. If the response is that the vendor is within an approved two-year period, then the response so stating should be placed with the bid/contract documentation for the subject project.

Instructions for Completing the Forms

NOTE: *Please refer to the next section, "Useful Definitions for Purposes of Ch. 51 and E O 117," for guidance when completing the forms.*

Part 1: VENDOR INFORMATION

Business Name – Enter the full name of the Vendor, including trade name if applicable

Business Type – Select the vendor's business organization from the list provided.

Address, City, State, Zip and Phone Number – Enter the vendor's street address, city, state, zip code and telephone number.

Vendor Email – Enter the vendor's primary email address.

Vendor FEIN – Please enter the vendor's Federal Employment Identification Number

INFORMATION AND INSTRUCTIONS
For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

Part 2:P UBLIC LAW 2005, Chapter 51 / EXECUTIVE ORDER 117 (2008) DUAL CERTIFICATION

Read the following statements and verify that from the period beginning on or after October 15, 2004, no contributions as set forth at subsections 1(a)-(c) have been made by either the vendor or any individual whose contributions are attributable to the vendor pursuant to Executive Order 117 (2008).

NOTE: Contributions made prior to November 15, 2008 are applicable to Chapter 51 only

Part 3: DISCLOSURE OF CONTRIBUTIONS MADE

Check the box at top of page 2 if no reportable contributions have been made by the vendor. If the vendor has no contributions to report, this box must be checked.

Name of Recipient Entity – Enter the full name of the recipient entity.

Address of Recipient Entity – Enter the recipient entity's street address.

Date of Contribution – Indicate the date of the contribution

Amount of Contribution – Enter the amount of the reportable contribution.

Type of Contribution – Select the type of contribution from the list provided.

Contributor Name – Enter the full name of the contributor.

Relationship of Contributor to the Vendor – Indicate relationship of the contributor to the vendor, e.g. officer or partner of the company, spouse of officer or partner, resident child of officer or partner, parent company of the vendor, subsidiary of the vendor, etc.

NOTE: If form is being completed electronically, click "Add a Contribution" to enter additional contributions. Otherwise, please attach additional pages as necessary.

Part 4: CERTIFICATION

Check box A if the person completing the certification and disclosure is doing so on behalf of the vendor and all individuals and/or entities whose contributions are attributable to the vendor.

Check box B if the person completing the certification and disclosure is doing so on behalf of the vendor only

Check box C if the person completing the certification and disclosure is doing so on behalf of an individual and/or entity whose contributions are attributable to the vendor.

Enter the full name of the person authorized to complete the certification and disclosure, the person's title or position, date and telephone number.

INFORMATION AND INSTRUCTIONS
For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

USEFUL DEFINITIONS FOR THE PURPOSES OF Ch. 51 and E.O. 117

- "Vendor" means the contracting entity.
- "Business Entity" means any natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of New Jersey or any other state or foreign jurisdiction. The definition also includes (i) if a business entity is a for-profit corporation, any officer of the corporation and any other person or business entity that owns or controls 10% or more of the stock of the corporation; (ii) if a business entity is a professional corporation, any shareholder or officer; (iii) if a business entity is a general partnership, limited partnership or limited liability partnership, any partner; (iv) if a business entity is a sole proprietorship, the proprietor; (v) if the business entity is any other form of entity organized under the laws of New Jersey or any other state or foreign jurisdiction, any principal, officer or partner thereof, (vi) any subsidiaries directly or indirectly controlled by the business entity; (vii) any political organization organized under 26 U.S.C.A. § 527 that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee; and (viii) with respect to an individual who is included within the definition of "business entity," that individual's spouse or civil union partner and any child residing with that person.[1]
- "Officer" means a president, vice-president with senior management responsibility, secretary, treasurer, chief executive officer, or chief financial officer of a corporation or any person routinely performing such functions for a corporation. Please note that officers of non-profit entities are excluded from this definition
- "Partner" means one of two or more natural persons or other entities, including a corporation, who or which are joint owners of and carry on a business for profit, and which business is organized under the laws of this State or any other state or foreign jurisdiction, as a general partnership, limited partnership, limited liability partnership, limited liability company, limited partnership association, or other such form of business organization.
- "Reportable Contributions" are those contributions, including in-kind contributions, in excess of $300.00 in the aggregate per election made to or received by a candidate committee, joint candidates committee, or political committee; or per calendar year made to or received by a political party committee, legislative leadership committee, or continuing political committee.
- "In-kind Contribution" means a contribution of goods or services received by a candidate committee, joint candidates committee, political committee, continuing political committee, political party committee, or legislative leadership committee, which contribution is paid for by a person or entity other than the recipient committee, but does not include services provided without compensation by an individual volunteering a part of or all of his or her time on behalf of a candidate or committee.
- "Continuing Political Committee" includes any group of two or more persons acting jointly, or any corporation, partnership, or any other incorporated or unincorporated association, including a political club, political action committee, civic association or other organization, which in any calendar year contributes or expects to contribute at least $4,300 to aid or promote the candidacy of an individual, or the candidacies of individuals, for elective public office, or the passage or defeat of a public questions, and which may be expected to make contributions toward such aid or promotion or passage or defeat during a subsequent election, provided that the group, corporation, partnership, association or other organization has been determined by the Commission to be a continuing political committee in accordance with N.J.S.A. 19.44A-8(b).

[1] Contributions made by a spouse, civil union partner or resident child to a candidate for whom the contributor is eligible to vote or to a political party committee within whose jurisdiction the contributor resides are permitted.

INFORMATION AND INSTRUCTIONS
For Completing The "Two- Year Vendor Certification and Disclosure of Political Contributions" Forms

- **"Candidate Committee"** means a committee established by a candidate pursuant to N.J.S.A. 19:44A-9(a), for the purpose of receiving contributions and making expenditures.
- **"State Political Party Committee"** means a committee organized pursuant to N.J.S.A. 19.5-4.
- **"County Political Party Committee"** means a committee organized pursuant to N.J.S.A. 19:5-3
- **"Municipal Political Party Committee"** means a committee organized pursuant to N.J.S.A 19:5-2
- **"Legislative Leadership Committee"** means a committee established, authorized to be established, or designated by the President of the Senate, the Minority Leader of the Senate, the Speaker of the General Assembly, or the Minority Leader of the General Assembly pursuant to N J.S.A. 19 44A-10 1 for the purpose of receiving contributions and making expenditures
- **"Political Party Committee"** means:
  1. The State committee of a political party, as organized pursuant to N.J.S.A. 19:5-4;
  2. Any county committee of a political party, as organized pursuant to N.J.S.A. 19:5 3; or
  3. Any municipal committee of a political party, as organized pursuant to N.J.S.A. 19:5-2

Agency Submission of Forms

The agency should submit the completed and signed Two-Year Vendor Certification and Disclosure forms, together with a completed Ownership Disclosure form, either electronically to cd134@treas.state.nj.us or regular mail at Chapter 51 Review Unit, P.O. Box 039, 33 West State Street, 9th Floor, Trenton, NJ 08625. Original forms should remain with the Agency and copies should be sent to the Chapter 51 Review Unit

Questions & Answers

Questions regarding the interpretation or application of Public Law 2005, Chapter 51 (N.J.S.A. 19:44A-20.13) or Executive Order 117 (2008) may be submitted electronically through the Division of Purchase and Property website at http://www.state.nj.us/treasury/purchase/execorder134.shtml. Responses to previous questions are posted on the website, as well as additional reference materials and forms.

NOTE: *The Chapter 51 Q&A on the website DOES NOT address the expanded pay to-play requirements imposed by Executive Order 117. The Chapter 51 Q&A are only applicable to contributions made prior to November 15, 2008. There is a separate, combined Chapter 51/E.O. 117 Q&A section dealing specifically with issues pertaining to contributions made after November 15, 2008, available at http://www.state.nj.us/treasury/purchase/execorder134.shtml#state.*

State of New Jersey
Division of Purchase and Property
Two-Year Chapter 51 / Executive Order 117 Vendor Certification and Disclosure of Political Contributions

For AGENCY USE ONLY

General Information

Solicitation, RFP or Contract No. _____ Award Amount _____

Description of Services _____

Agency Contact Information

Agency _____ Contact Person _____

Phone Number _____ Agency Email _____

Part 1: Vendor Information

Full Legal Business Name _____
(Including trade name if applicable)

Business Type ☐ Corporation ☐ Limited Partnership ☐ Professional Corporation ☐ General Partnership
☐ Limited Liability Company ☐ Sole Proprietorship ☐ Limited Liability Partnership

Address 1 _____ Address 2 _____

City _____ State _____ Zip _____ Phone _____

Vendor Email _____ Vendor FEIN _____

Part 2: Public Law 2005, Chapter 51/ Executive Order 117 (2008) Certification

I hereby certify as follows:

1. On or after October 15, 2004, neither the below-named entity nor any individual whose contributions are attributable to the entity pursuant to Executive Order 117 (2008) has solicited or made any contribution of money, pledge of contribution, including in-kind contributions, company or organization contributions, as set forth below that would bar the award of a contract to the vendor, pursuant to the terms of Executive Order 117 (2008).

a) Within the preceding 18 months, the below-named person or organization has not made a contribution to:

(i) Any candidate committee and/or election fund of any candidate for or holder of the public office of Governor or *Lieutenant Governor*,
(ii) Any State, county, *municipal* political party committee; OR
(iii) Any *legislative leadership committee*.

b) During the term of office of the current Governor(s), the below-named person or organization has not made a contribution to

(i) Any candidate, committee and/or election fund of the Governor or *Lieutenant Governor*, OR
(ii) Any State, county or *municipal* political party committee nominating such Governor in the election preceding the commencement of said Governor's term.

c) Within the 18 months immediately prior to the first day of the term of office of the Governor(s), the below-named person or organization has not made a contribution to

(i) Any candidate, committee and/or election fund of the Governor or *Lieutenant Governor*, OR
Any State, county, *municipal* political party committee of the political party nominating the successful gubernatorial candidate(s) in the last gubernatorial election

PLEASE NOTE: Prior to November 15, 2008, the only disqualifying contributions include those made by the vendor or a principal owning or controlling more than 10 percent of the profits or assets of a business entity (or 10 percent of the stock in the case of a business entity that is a corporation for profit) to any candidate committee and/or election fund of the Governor or to any state or county political party within the preceding18 months, during the term of office of the current Governor or within the 18 months immediately prior to the first day of the term of Office of Governor

Part 3: Disclosure of Contributions Made

☐ Check this box if no reportable contributions have been made by the above-named business entity or individual.

Name of Recipient _____ Address of Recipient _____

Date of Contribution _____ Amount of Contribution _____

Type of Contribution (i.e currency, check, loan, in-kind _____

Contributor Name _____

Relationship of Contributor to the Vendor _____

Contributor Address _____

City _____ State _____ Zip _____

If this form is not being completed electronically, please attach pages for additional contributions as necessary Otherwise click "Add a Contribution" to enter additional contributions.

Part 4: Certification

I have read the instructions accompanying this form prior to completing this certification on behalf of the above-named business entity. I certify that, to the best of my knowledge and belief, the foregoing statements by me are true. I am aware that if any of the statements are willfully false, I am subject to punishment.

I understand that this certification will be in effect for two (2) years from the date of approval, provided the ownership status does not change and/or additional contributions are not made. If there are any changes in the ownership of the entity or additional contributions are made, a new full set of documents are required to be completed and submitted. By submitting this Certification and Disclosure, the person or entity named herein acknowledges this continuing reporting responsibility and certifies that it will adhere to it.

(CHECK ONE BOX A, B or C)

(A) ☐ I am certifying on behalf of the above-named business entity and all individuals and/or entities whose contributions are attributable to the entity pursuant to Executive Order 117 (2008)

(B) ☐ I am certifying on behalf of the above-named business entity only.

(C) ☐ I am certifying on behalf of an individual and/or entity whose contributions are attributable to the vendor

Signed Name _____ Print Name _____

Phone Number _____ Date _____

Title/Position _____

Agency Submission of Forms

The agency should submit the completed and signed Two-Year Vendor Certification and Disclosure forms, together with a completed Ownership Disclosure form, either electronically to cd134@treas.state.nj.us, or regular mail at Chapter 51 Review Unit, P.O. Box 039, 33 West State Street, 9th Floor, Trenton, NJ 08625. The agency should save the forms locally and keep the original forms on file, and submit copies to the Chapter 51 Review Unit.

EXHIBIT A

P.L. 2005, c. 51 / Executive Order No. 117 / Executive Order No. 7
CERTIFICATION OF NO CHANGE

I, _____ the _____ of _____ (the "Broker") in connection with the Request for Proposal for Broker Qualifications (the "RFQ") and the Request for Insurance Proposals (the "RFP")issued by the New Jersey Educational Facilities Authority (the "Authority") does hereby certify that all information, certifications and disclosure statements previously provided in connection with P.L. 2005, c. 51, which codified Executive Order No. 134 (McGreevey 2004), as amended by Executive Order No. 117 (Corzine 2008), as further amended by Executive Order No. 7 (Christie 2010) are true and correct as of the date hereof and that all such statements have been made with full knowledge that the Authority and the State of New Jersey shall rely upon the truth of the statements contained therein and herein in connection with the RFQ and RFP.

IN WITNESS WHEREOF, we have executed this certificate as of this _____ day of _____ 2014.

_____
[NAME OF BROKER]

By:_____
Name:
Title:

ATTACHMENT 8

Public Law 2005, Chapter 271

P.L. 2005, c.271

(Unofficial version, Assembly Committee Substitute to A-3013, First Reprint*)

AN ACT authorizing units of local government to impose limits on political contributions by contractors and supplementing Title 40A of the New Jersey Statutes and Title 19 of the Revised Statutes

BE IT ENACTED *by the Senate and General Assembly of the State of New Jersey*:

40A:11-51 1. a. A county, municipality, independent authority, board of education, or fire district is hereby authorized to establish by ordinance, resolution or regulation, as may be appropriate, measures limiting the awarding of public contracts therefrom to business entities that have made a contribution pursuant to P.L.1973, c.83 (C.19:44A-1 et seq.) and limiting the contributions that the holders of a contract can make during the term of a contract, notwithstanding the provisions and parameters of sections 1 through 12 of P.L.2004, c.19 (C.19:44A-20.2 et al.) and section 22 of P.L.1973, c.83 (C.19:44A-22).

b. The provisions of P.L.2004, c.19 shall not be construed to supersede or preempt any ordinance, resolution or regulation of a unit of local government that limits political contributions by business entities performing or seeking to perform government contracts. Any ordinance, resolution or regulation in effect on the effective date of P.L.2004, c.19 shall remain in effect and those adopted after that effective date shall be valid and enforceable.

c. An ordinance, resolution or regulation adopted or promulgated as provided in this section shall be filed with the Secretary of State.

52:34-25 2. a. Not later than 10 days prior to entering into any contract having an anticipated value in excess of $17,500, except for a contract that is required by law to be publicly advertised for bids, a State agency, county, municipality, independent authority, board of education, or fire district shall require any business entity bidding thereon or negotiating therefor, to submit along with its bid or price quote, a list of political contributions as set forth in this subsection that are reportable by the recipient pursuant to the provisions of P.L.1973, c.83 (C.19:44A-1 et seq.) and that were made by the business entity during the preceding 12 month period, along with the date and amount of each contribution and the name of the recipient of each contribution. A business entity contracting with a State agency shall disclose contributions to any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or any continuing political committee. A business entity contracting with a county, municipality, independent authority, other than an independent authority that is a State agency, board of education, or fire district shall disclose contributions to any State, county, or municipal committee of a political party; any legislative leadership committee, or any candidate committee of a candidate for, or holder of, an elective office of that public entity, of that county in which that public entity is located, of another public entity within that county, or of a legislative district in which that public

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* Note: ***Bold italicized*** statutory references of new sections are anticipated and not final as of the time this document was prepared. Statutory compilations of N.J.S.A. 18A:18A-51 is anticipated to show a reference to N.J.S.A. 40A:11-51 and to N.J.S.A. 52:34-25.

entity is located or, when the public entity is a county, of any legislative district which includes all or part of the county, or any continuing political committee.

The provisions of this section shall not apply to a contract when a public emergency requires the immediate delivery of goods or services.

b. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity or their spouses; any subsidiaries directly or indirectly controlled by the business entity; or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity

c. As used in this section.

"business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction;

"interest" means the ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate; and

"State agency" means any of the principal departments in the Executive Branch of the State Government, and any division, board, bureau, office, commission or other instrumentality within or created by such department, the Legislature of the State and any office, board, bureau or commission within or created by the Legislative Branch, and any independent State authority, commission, instrumentality or agency.

d. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report

19:44A-20.13 3. a. Any business entity making a contribution of money or any other thing of value, including an in-kind contribution, or pledge to make a contribution of any kind to a candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, or to a political party committee, legislative leadership committee, political committee or continuing political committee, which has received in any calendar year $50,000 or more in the aggregate through agreements or contracts with a public entity, shall file an annual disclosure statement with the New Jersey Election Law Enforcement Commission, established pursuant to section 5 of P.L.1973, c 83 (C.19:44A-5), setting forth all such contributions made by the business entity during the 12 months prior to the reporting deadline.

b. The commission shall prescribe forms and procedures for the reporting required in subsection a. of this section which shall include, but not be limited to:

(1) the name and mailing address of the business entity making the contribution, and the amount contributed during the 12 months prior to the reporting deadline;

(2) the name of the candidate for or the holder of any public office having ultimate responsibility for the awarding of public contracts, candidate committee, joint candidates committee, political party committee, legislative leadership committee, political committee or continuing political committee receiving the contribution, and

(3) the amount of money the business entity received from the public entity through contract or agreement, the dates, and information identifying each contract or agreement and describing the goods, services or equipment provided or property sold.

c. The commission shall maintain a list of such reports for public inspection both at its office and through its Internet site.

d. When a business entity is a natural person, a contribution by that person's spouse or child, residing therewith, shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by any person or other business entity having an interest therein shall be deemed to be a contribution by the business entity. When a business entity is other than a natural person, a contribution by: all principals, partners, officers, or directors of the business entity, or their spouses; any subsidiaries directly or indirectly controlled by the business entity, or any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the business entity, other than a candidate committee, election fund, or political party committee, shall be deemed to be a contribution by the business entity.

As used in this section:

"business entity" means a natural or legal person, business corporation, professional services corporation, limited liability company, partnership, limited partnership, business trust, association or any other legal commercial entity organized under the laws of this State or of any other state or foreign jurisdiction; and

"interest" means the ownership or control of more than 10% of the profits or assets of a business entity or 10% of the stock in the case of a business entity that is a corporation for profit, as appropriate.

e. Any business entity that fails to comply with the provisions of this section shall be subject to a fine imposed by the New Jersey Election Law Enforcement Commission in an amount to be determined by the commission which may be based upon the amount that the business entity failed to report.

4. This act shall take effect immediately.

ATTACHMENT 9

Public Law 2005, Chapter 271 Vendor Certification and Political Contribution Disclosure Form

PUBLIC LAW 2005
CHAPTER 271

Vendor Certification and Political Contribution Disclosure Form

Contract Reference: _____ **Vendor:** _____

At least ten (10) days prior to entering into the above-referenced contract, the Vendor must complete this Certification and Disclosure Form, in accordance with the directions below and submit it to the State contact for such contract

Please note that the disclosure requirements under Public Law 2005, Chapter 271 are separate and different from the disclosure requirements under Public Law 2005, Chapter 51 (formerly Executive Order 134). Although no vendor will be precluded from entering into a contract by any information submitted on this form, a vendor's failure to fully, accurately and truthfully complete this form and submit it to the appropriate State agency may result in the imposition of fines by the New Jersey Election Law Enforcement Commission.

Disclosure

Following is the required Vendor disclosure of all Reportable Contributions made in the twelve (12) months prior to and including the date of signing of this Certification and Disclosure to: (i) any State, county, or municipal committee of a political party, legislative leadership committee, candidate committee of a candidate for, or holder of, a State elective office, or (ii) any entity that is also defined as a "continuing political committee" under N.J.S.A. 19:44A-3(n) and N.J.A.C. 19:25-1.

The Vendor is required to disclose Reportable Contributions by: the Vendor itself; all persons or other business entities owning or controlling more than 10% of the profits of the Vendor or more than 10% of the stock of the Vendor, if the Vendor is a corporation for profit, a spouse or child living with a natural person that is a Vendor; all of the principals, partners, officers or directors of the Vendor and all of their spouses; any subsidiaries directly or indirectly controlled by the Vendor; and any political organization organized under section 527 of the Internal Revenue Code that is directly or indirectly controlled by the Vendor, other than a candidate committee, election fund, or political party committee.

"Reportable Contributions" are those contributions that are required to be reported by the recipient under the "New Jersey Campaign Contributions and Expenditures Reporting Act," P.L. 1973, c.83 (C.19.44A-1 et seq.), and implementing regulations set forth at N.J.A.C. 19.25-10 1 et seq As of January 1, 2005, contributions in excess of $300 during a reporting period are deemed "reportable "

PUBLIC LAW 2005
CHAPTER 271

Vendor: _____

Name and Address of Committee to Which Contribution Was Made	Date of Contribution	Amount of Contribution	Contributor's Name
Indicate "none" if no Reportable Contributions were made. Attach Additional Pages As Needed			
#1			

Certification:

I certify as an officer or authorized representative of the Vendor that, to the best of my knowledge and belief, the foregoing statements by me are true. I am aware that if any of the statements are willfully false, I am subject to punishment.

#2

Name of Vendor: _____

Signed: _____

Print Name: _____

Title: _____

Date: _____

Insurance Broker Proposal

Willis

www.willis.com

Willis of New Jersey, Inc.
1015 Briggs Road
Suite 100
Mount Laurel, NJ 08054
Phone: (856) 914-4600

May 9, 2014

Mr. Derek Hansel, Executive Director
New Jersey Educational Facilities Authority
103 College Road East, Second Floor
Princeton, New Jersey 08540-6612

Re: Authority Insurance

Derek, on behalf of Willis of New Jersey, Inc., I am pleased to submit our proposal for the Authority's insurance.

The proposal details the terms of the quotes for the different policies.

In comparing the 2013-2014 terms to the renewal, premium increased by 5.5%. This is the result of an increase in Workers Compensation payroll and carrier rate increases for the General Liability and Directors and Officers. The rate increases are consistent with what we see in the marketplace for well performing accounts.

A copy of the General Liability, Umbrella Liability and Directors and Officers policies are included for your review.

Page 4 of the proposal details the premiums, including surcharges and the commissions for each policy. We agree that we will not exceed these commission percentages for the 3 year term and any optional extension.

Page 6 details the current AM Best Ratings for each carrier.

There are two important points that I want to explain.

The General Liability General Aggregate is $3,000,000. This is the most the carrier will pay for operations related claims during the year. We expand this General Aggregate to apply separately to each Authority location including school projects. This feature also applies to the $25,000,000 in excess liability limits that are also quoted in this proposal.

Without this feature you would have $28,000,000 shared by all projects and your office. We take the $28,000,000 and multiply by the number of projects and office. If we assume each state college is a location and you add the office you have combined limits of over $250,000,000 with our proposal.

Second is the current Directors and Officers policy has the cost of defense outside the limit. The renewal does not. This means the $7,000,000 limit available to pay damages will now include the defense costs. The carrier has added a separate $1,000,000 limit for defense costs that would apply if the $7,000,000 limit is exhausted.

Derek, as your long time Broker it has been our pleasure to serve the NJEFA and we look forward to continuing our relationship.

Sincerely,

Robert V. English, CIC/CRM
Senior Vice-President
Willis of New Jersey, Inc.

New Jersey Educational Facilities Authority

Insurance Proposal

Effective Date: 7/1/2014

Expiration Date: 7/1/2015

Willis of New Jersey, Inc.
1015 Briggs Road
Suite 100
Mount Laurel, NJ 08054
(856) 914-4600

Willis

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Financial Summary & Payment Terms

Financial Summary								
Coverage	Carrier	Expiring Premium	Renewal Premium			Down Payment / Installments	Service Fee	Comm.
Commercial Package	American Alternative	$77,258.12	$80,992.43			$80,992.43	Waived	12.5%
Excess Liability	Navigators	$16,194.00	$16,194.00			$16,194.00	Waived	11.0%
Directors & Officers	RSUI Indemnity	$21,128.46	$23,237.27			$23,237.27	Waived	11.0%
Worker Compensation	The Hartford	$ 3,691.00	$ 4,243.00			$ 4,243.00	Waived	12.5%

This renewal quote is 07/01/2014, after which insurers may withdraw or vary it.

Willis negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. These negotiated rates are detailed at: http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates/.

DIRECTIONS FOR BINDING

We have attached copies of the quotes received in the Appendices.

This Proposal is presented in conjunction with the Standard Terms and Conditions for US Property & Casualty Accounts which is enclosed.

Please review this Proposal and advise of any changes or questions you may have. To request the binding of coverage, please sign the order to bind request form included in this proposal and return or contact me by telephone or e-mail.

AM Best Rating Information

AM Best Rating Information

A.M. Best is the most widely recognized authority on the evaluation and rating of insurance companies based in part upon their financial strength and policyholders surplus.

As professional agents/brokers it has long been our established policy to make every effort to deal only with companies having a Best's Rating of A++, A+, A or A-, which are the four highest ratings available, and a minimum of $50 million in Policyholders' Surplus. It must be noted that neither Willis of New Jersey, Inc. nor any affiliated company guarantees the financial solvency of any insurance carrier. The following list outlines the A.M. Best Company rating scale and associated descriptions.

Financial Strength Ratings

An A.M. Best's Financial Strength Rating is an opinion of an insurer's ability to meet its obligations to policyholders.

A.M. Best Rating				
A++, A+	Superior		C++, C+	Marginal
A, A-	Excellent		C, C-	Weak
B++, B+	Very Good		D	Poor
B, B-	Good		E	Under Regulatory Supervision
			F	In Liquidation

Financial Size Categories

A.M. Best assigns each letter rated insurance company a Financial Size Category. This is designed to provide a convenient indicator of the size of a company in terms of its statutory surplus and related accounts.

Financial Size Categories (In millions of US dollars)				
Class I	Up to 1		Class IX	250 to 500
Class II	1 to 2		Class X	500 to 750
Class III	2 to 5		Class XI	750 to 1,000
Class IV	5 to 10		Class XII	1,000 to 1,250
Class V	10 to 25		Class XIII	1,250 to 1,500
Class VI	25 to 50		Class XIV	1,500 to 2,000
Class VII	50 to 100		Class XV	Greater than 2,000
Class VIII	100 to 250			

Carriers Quoted	AM Best Rating
American Alternative	A+ XV
Navigators	A XI
RSUI Indemnity	A+ XIV
The Hartford	A XV

Important Notices

SUB-BROKER / INTERMEDIARY / WHOLESALER

In our search for your insurance coverage we used the following wholesalers:

Line of Business	Wholesaler
Commercial Package	Glatfelter Public Practice
Excess Liability	Partners Specialty
Directors & Officers Liability	Hull & Company

SUBJECTIVITIES

In addition to signing the Bind Order included in this proposal, some insurance carriers included subjectivities to binding coverage.

COMMERCIAL PACKAGE

Note: If coverage is bound, along with a signed and completed order form, we will need the following to issue policies:

1. Signed Statement of 2014 Property Values

EXCESS LIAIBLITY

Subject To:

1. Copy of underlying Policy/Endorsements-**Within 60 days of binding.**
2. All Underlying Policy numbers-**Required to bind.**
3. Signed Terrorism Policy Holder Notice (attached)- **Due at Binding**
4. Signed Application -**Within 30 days of binding**
5. Description of the operations of all named insureds.
6. Loss runs for the past 5 years for all named insureds.
7. Named insureds are named insureds on ALL underlying policies.
8. Receipt of copies of underlying quote letters- **Due at Binding**

Client Service Team

Team Member
Robert V. English, CIC, CRM, Senior Vice Preseident Account Executive Direct: 8569144103 Mobile: 6094057667 Fax: 8569141881 robert.english@willis.com
Rosana Massey, Client Service Specialist Service the account Direct: 8569144114 Fax: 8569141881 rosana.massey@willis.com
Adam Clark, Claims Service Specialist Handle claims for insured Direct: 9738292922 adam.clark@willis.com

Client Services

Willis Certificate Center

The Willis Certificate Service Center is a team of dedicated professionals available to process your certificate and automobile identification requests. Our system makes it possible to easily issue large numbers in a specialized manner to fit your needs. Further, we have the ability to electronically send mid-term certificates and auto ID cards via email/fax to you and/or the certificate holder, as well as providing you with instant 24/7 access to certificates and auto ID cards issued via our Certificate Portal website.

Our turnaround times are four hours for routine mid-term requests, two hours for rush mid-term requests, and 16 hours for renewals. Rush requests can often be fulfilled within minutes when needed. You can request certificates and auto ID cards either through your service team, via the Internet, or by directly calling our Certificate Center. If you choose to use our center directly, we ask you to complete a certificate/automobile identification request form and submit it via the web site, e-mail or facsimile. The form can be accessed using the Certificate Portal.

The Certificate Portal website is offered exclusively by Willis. It provides access for certificate and automobile ID request virtually 24 hours per day; 7 days a week. Additionally, there is a savings in the cost of storing certificates and auto ID cards either in paper or on your systems. There is no longer a need to retain printed copies of these documents as they are accessible from the web. The website is maintained on Willis' IT platform.

Cert Central:

7:00 a.m. to 7:00 p.m. Central Standard Time

Phone: 877 945 7378

Fax: 888 467 2378

E-mail: certificates@willis.com or autoid@willis.com

Certificate Portal Website: Provided by your Willis service team.

In addition to the requesting of new certificates and automobile ID cards, the website also offers capability of searching, viewing and printing of any certificates and auto ID cards that are issued by the Certificate Center.

Use of the Certificate Portal requires security access which you can get by notifying your Willis service team. Your username and password and the Certificate Portal website address will be provided within five business days.

Order to Bind Coverage

Please bind the coverage:

☐ As set forth in the quotes recommended by Willis.

Coverage	Carrier	Effective Date

or

☐ As follows:
(insert complete instructions for binding including carrier, limits, options, etc.)

_____

_____

_____

_____

_____

New Jersey Educational Facilities Authority

_____ _____
Signature Date

_____
Title

_____
Printed Name

Standard Terms & Conditions

Willis

Standard Terms and Conditions for U.S. Property & Casualty Retail Accounts

Please note the following terms and conditions related to your decision to utilize Willis to purchase insurance coverage, products and/or services:

Services and Responsibilities

The services we provide to you will rely in significant part on the facts, information and direction provided by you or your authorized representatives. In order to make our relationship work, we must each provide the other with accurate and timely facts, information and direction as is reasonably required. You must provide us with complete and accurate information regarding your loss experience, risk exposures, and changes in the analysis or scope of your risk exposures and any other information reasonably requested by us or insurers. It is important that you advise us of any material changes in your business operations that may affect our services or the insurance coverages we place for you. A factor or circumstance is material if it would influence the judgment of a prudent insurer in determining premium and whether or not they would underwrite the risk. Therefore, all information which is material to your coverage requirements or which might influence insurers in deciding to accept your business, finalizing the terms to apply and/or the cost of cover, must be disclosed. Failure to make full disclosure of material facts might potentially allow insurers to avoid liability for a particular claim or to void the contract. This duty of disclosure applies equally at renewal of your existing coverage and upon placement of new lines of coverage. Willis will not be responsible for any consequences which may arise from any delayed, inaccurate or incomplete information.

We will assess the financial soundness of the insurers we recommend to provide your coverages based on publicly available information, including that produced by well-recognized rating agencies. Upon request, we will provide you with our analysis of such insurers. We cannot, however, guarantee or warrant the solvency of any insurer or any intermediary that we may use to place your coverage.

If you have a multi-year policy, it is important that you understand the limitations associated with the coverage options and the possibility that the financial strength of the carrier may change throughout the term of the policy. We recommend that you review the insurer's ratings for any downgrades during the term of this multi-year policy.

The final decisions with respect to all matters relating to your insurance coverages, risk management, and loss control needs and activities are yours. We will procure the insurance coverage chosen by you, prepare or forward insurance binders, and review and transmit policies to you.

If your insurance risks are in more than one jurisdiction, we, where required, will liaise between you and insurers to agree how to apportion the premium between applicable jurisdictions, and the amount of insurance premium tax payable in each jurisdiction. In providing such services, Willis is acting in its capacity as an insurance broker. You

should seek your own advice in relation to such tax laws where you consider it necessary. We will not be liable to you should the apportionment of premium or amount of tax payable under the policy be challenged by any tax authority. In addition, we will not be liable to you should the insurers fail, or refuse, to collect and pay such insurance premium tax to the relevant authorities.

We will review all binders, policies and endorsements for the purpose of confirming their accuracy and conformity to negotiated specifications and your instructions and advise you of any errors in, or recommended changes to, such policies. You agree that you will also review all such documents and advise us of any questions you have or of any document or provision which you believe may not be in accordance with your instructions as soon as possible, and in no event longer than two weeks, after you receive them. Your coverage is defined by the terms and conditions detailed in your insurance policies and endorsements. Your review of these documents, and any review you may seek from outside legal counsel or insurance consultants, is expected and essential.

We will meet, as requested by you, with your representatives to explain coverage and policies. We will promptly respond to your requests for coverage information, analysis of changing market conditions, and assistance in reporting subsequent changes in information to insurance companies and service providers.

In our capacity as insurance brokers, we do not provide legal or tax advice. We encourage you to seek any such advice you want or need from competent legal counsel or tax professionals.

Confidentiality

We will treat information you provide us in the course of our professional relationship as confidential and will use it only in performing services for you, except as directed by you or stated herein. We may share this information with third parties as may be required to provide our services. We may also disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We may share this information with other affiliated Willis companies in order to help provide our services and for matters connected with the management, development or operation of our and their business, and to the extent we do so, any such affiliated Willis companies will also keep your information confidential subject to our agreement with you. By providing us with data, you agree and represent that you are fully authorized to possess that data and to provide it to us, and further that we are fully authorized to obtain, maintain, process and transfer such data in a commercially reasonable manner and as we reasonably deem advisable in order to provide our services. You also agree that we may aggregate and anonymise your information and may disclose to third parties certain anonymised or industry-wide statistics or other information which may include information relating to you, but that we will not, without your consent, reveal any information specific to you other than on an anonymised basis and as part of an industry or sector-wide comparison. In our use of the information that you provide us, we agree that we will comply with all applicable privacy laws, and that we have implemented and

will maintain commercially reasonable and appropriate security measures in order to protect sensitive information from unauthorized use or disclosure. Records you provide us will remain your property and will be returned to you upon request, although we will have the right to retain copies of such records to the extent required in the ordinary course of our business or by law. You will treat any information we provide to you, including data, recommendations, proposals, or reports, as confidential, and you will not disclose it to any third parties. You may disclose this information to the extent required to comply with applicable laws or regulations or the order of any court or tribunal. We retain the sole rights to all of our proprietary computer programs, systems, methods and procedures and to all files developed by us.

Willis represents and warrants that, with respect to the personal information of any Massachusetts resident, (1) it has and is capable of maintaining appropriate security measures to protect Personal Information consistent with 201 CMR 17.00 and any applicable federal regulations; and (2) as of the Agreement Effective Date, it has and will at all times during the term of this Agreement, maintain a comprehensive written information security program that complies with applicable privacy and data security laws. Willis's information security program shall contain at least the following:

- Reasonable restrictions upon physical access to records containing personal information and storage of such records and data in locked facilities, storage areas or counters.

- Regular monitoring to ensure that the comprehensive information security program is operating in a manner reasonably calculated to prevent unauthorized access to or unauthorized use of personal information; and upgrading information safeguards as necessary to limit risks.

- Reviewing the scope of the security measures at least annually or whenever there is a material change in business practices that may reasonably implicate the security or integrity of records containing personal information.

- Documenting responsive actions taken in connection with any incident involving a breach of security, and mandatory post-incident review of events and actions taken, if any, to make changes in business practices related to protection of personal information.

Carrier Quotes

The quotes we have provided to you are based upon the information that you have provided to us. If you discover that previously submitted information is inaccurate or incomplete, please advise us immediately so that we can attempt to revalidate terms with insurers.

A carrier quote is an offer to provide coverage. Offers can be modified or withdrawn prior to your acceptance through your order to bind coverage. The quote itself is not a legally binding commitment or a confirmation of actual coverage. Should you choose to bind coverage, we will secure a formal commitment, typically in the form of a binder on a form issued or approved by the carrier(s) at issue.

Compensation and Disclosure

Willis is an insurance producer licensed to do business worldwide, including in all 50 states and the District of Columbia. Insurance producers are authorized by their license to work with insurance purchasers and discuss the benefits and terms and conditions of insurance contracts; to offer advice concerning the substantive benefits of particular insurance contracts; to sell insurance; and to obtain insurance for purchasers. The role of an insurance producer in any particular transaction involved one or more of these activities.

Upon request, Willis will provide you with additional information about the compensation Willis expects to receive based in whole or in part on your purchase of insurance, and (if applicable) the compensation expected to be received based in whole or in part on any alternative quotes presented to you.

To the extent Willis is compensated by commissions paid to us by insurers, they will be earned for the entire policy period at the time we place policies for you. We will be paid the commission percentage stated for the placement of your insurance as indicated, and will receive the same commission percentage for all subsequent renewals of this policy unless we negotiate a different commission percentage with you.

Willis negotiates commission rates with certain insurers on a corporate level. If the rate on your placement is lower than the negotiated rate, Willis will collect the difference directly from the insurer. These payments will not increase the cost of your insurance or otherwise impact your premium or rates. These negotiated rates are detailed at: : http://www.willis.com/About_Willis/The_Willis_Way/Commission_Rates/.

WillPLACE, a proprietary online tool, provides Willis brokers with access to global placement information so that we can seek to develop solutions for you with appropriate markets at competitive prices and terms. Some insurers pay Willis an Administration and Maintenance Fee for reporting on their book of business. Some of these insurers pay Willis an additional fee equal to 1% of the premium cost for placements matched through the WillPLACE system. Any insurer payments related to the WillPLACE system will not increase the cost of your insurance.

Willis develops panels of insurers in certain market segments. Participating insurers are reviewed on a variety of factors. Commission rates on panel placements may be higher than rates paid on business placed outside of the panel process. Willis discloses its commission rates to clients on quotes obtained through the panel process prior to binding the coverage. In some instances, insurers pay an administration fee to participate in the

panel process. Your Willis broker will provide you with additional information on Willis Panels upon request.

Where permitted by applicable law, Willis may assess a policy service fee. The fee is on a per-policy basis and is calculated on the premium amount. The policy service fee is compensation to Willis for such value-added services and resources including dedicated industry practices, technical resources, placement support and our strategic outcomes practices. The fee is not required by any insurer or regulator, nor is it included in the premium charged. It will be listed separately on your invoice. It is not necessary to procure a policy to obtain many of these and other services on a consultancy basis for a separate fee.

In some cases the use of a wholesale broker may be beneficial to you. We will not directly or indirectly place or renew your insurance business through a wholesale broker unless we first disclose to you in writing any compensation we or our corporate parents, subsidiaries or affiliates will receive as a result.

If wholesalers, underwriting managers or managing general agents have a role in providing insurance products and services to you, they will also earn and retain compensation for their role in providing those products and services. If any such parties are corporate parents, subsidiaries or affiliates of ours, any compensation we or our corporate parents, subsidiaries or affiliates will receive will be included in the total compensation we disclose to you. If such parties are not affiliated with us, and if you desire more information regarding the compensation those parties will receive, please contact us and we will assist you in obtaining this information.

In the ordinary course of business we may also receive and retain interest on premiums you pay from the date we receive the funds until we pay them to the insurers or their intermediaries, or until we return them to you after we receive such funds.

Commission schedules and other compensation arrangements related to our services on your behalf may change over time and may not always be congruent with your specific policy period. Willis will provide you with accurate information to the best of our knowledge when information is presented to you, but it is possible that compensation arrangements may change over time. We will update you on any changes to our compensation prior to your renewal, and will do so at any time upon your request.

As an insurance intermediary, we normally act for you. However, we or our corporate parents, subsidiaries or affiliates may provide services to insurers for some insurance products. These services may include (a) acting as a managing general agent, program manager or in other similar capacities which give us binding authority enabling us to accept business on their behalf and immediately provide coverage for a risk; (b) arranging lineslips or similar facilities which enable an insurer to bind business for itself and other insurers; or (c) managing lineslips for insurers. Contracts with these insurers may grant us certain rights or create certain obligations regarding the marketing of insurance products provided by the insurers.

We may place your insurance business under such a managing general agent's agreement, binding authority, lineslip or similar facility when we reasonably consider that these match your insurance requirements/instructions. When we intend to do so, we shall inform you and disclose the compensation payable to Willis in connection with the placement of the insurance coverage.

We may also provide reinsurance brokerage services to insurers with which your coverage is placed pursuant to separate agreements with those insurers. We may be compensated by the insurers for these services in addition to any commissions we may receive for placement of your insurance coverages.

Subsidiaries of Willis North America Inc are members of a major international group of companies. In addition to the commissions received by us from insurers for placement of your insurance coverages, other parties, such as excess and surplus lines brokers, wholesale brokers, reinsurance intermediaries, underwriting managers and similar parties (some of which may be owned in whole or in part by our corporate parents or affiliates), may earn and retain usual and customary commissions for their role in providing insurance products or services to you under their separate contracts with insurers or reinsurers.

The insurance market is complex, and there could be other relationships which are not described in this document which might create conflicts of interest. If a conflict arises for which there is no practicable way of complying with this commitment, we will promptly inform you and withdraw from the engagement, unless you wish us to continue to provide the services and provide your written consent. Please let us know in writing if you have concerns or we will assume that you understand and consent to our providing our services pursuant to these terms.

Premium Financing

You may choose to use a premium finance company, property appraiser, structured settlement firm or other similar service provider in connection with the insurance coverages we place for you or the services we provide to you. Premium finance options are not always available, but where they are, Willis currently works with industry leading finance providers for this service. Where permitted by law, we receive a fee for the administrative services we provide those companies. These services include processing the premium finance applications and marketing and sales support they do not have. If you would like more information about the fee we receive, please let us know.

Premium Payment/Handling of Funds

You agree to provide immediately available funds for payment of premiums by the payment dates specified in the insurance policies, invoices or other payment documents. Failure to pay premium on time may prevent coverage from incepting or result in cancellation of coverage by the insurer. We will not be responsible for any consequences

that may arise from any delay or failure by you to pay the amount payable by the indicated date.

We will handle any premiums you pay through us and any funds which we receive from insurers or intermediaries for payment or return to you in accordance with the requirements and restrictions of applicable state and federal insurance laws and regulations and state unclaimed property laws. In some cases we may transfer your funds directly to insurers. In other cases we may be required to transfer your funds to third parties such as wholesale brokers, excess and surplus lines brokers, or managing general agents for carrying out transactions for you.

Surplus Lines Placements

If a surplus lines, non-admitted and/or non-licensed insurer was used to quote your coverage, their premium rates, coverage terms and policy forms are not regulated by your home state. Their premium is subject to a surplus lines premium tax which is in addition to the premium. In the event of insolvency you will not be indemnified by any state guaranty fund for unpaid claims.

Claims

We will inform you of the reporting requirements for claims, including where claims should be reported and the method of reporting to be used, if applicable. Please carefully review any claims-reporting instructions or information we provide. Failure to timely and properly report a claim may jeopardize coverage for the claim. In addition, you should retain copies of all insurance policies and coverage documents as well as claims-reporting instructions after termination of the policies because in some cases you may need to report claims after termination of a policy.

Ethical Business Practice

We do not tolerate unethical behavior either in our own activities or in those with whom we seek to do business. We will comply with all applicable laws, regulations, and rules.

Sanctions

The sanctions profile of different business(es) may differ on the basis of a number of complex factors. Whether a sanctions program applies to you depends on a number of factors, including your ownership structure, control, location, and the nationality of your employees. In certain circumstances, the United States and other countries prohibit or restrict companies from conducting business in certain jurisdictions (e.g. Cuba), and can sanction companies who conduct such business. We cannot advise on the applicability of sanctions programs either to you or to insurers nor can we guarantee or otherwise warrant the position of any insurer under existing or future sanctions programs. You should take legal advice as you deem appropriate in this regard.

We will comply with all applicable sanctions programs and you are advised that, where obliged by law, we may have to take certain actions, including freezing of funds held on behalf of parties and individuals as required by sanctions programs.

Intellectual Property

Willis shall own and retain all right, title, and interest in and to the following (collectively, "Willis Property"): (i) all software, hardware, technology, documentation, and information provided by Willis in connection with the Claim and Risk Control Services; (ii) all ideas, know-how, methodology, models and techniques that may be developed, conceived, or invented by Willis during its performance under this Agreement; and (iii) all worldwide patent, copyright, trade secret, trademark and other intellectual property rights in and to the property described in clauses (i) and (ii) above. Accordingly, all rights in the Willis Property are hereby expressly reserved.

Electronic Communication

We agree that we may communicate with each other from time to time by electronic mail, sometimes attaching further electronic data as and when the circumstances require attachments. By consenting to this method of communication you and we accept the inherent risks (including the security risks of interception of or unauthorized access to such communications, the risks of corruption of such communications and the risks of viruses or other harmful devices). We each agree, however, that we will employ reasonable virus checking procedures on our computer systems, and we will each be responsible for checking all electronic communications received for viruses. You will also be responsible for checking that messages received are complete. In the event of a dispute neither of us will challenge the legal evidentiary standing of an electronic document, and the Willis system shall be deemed the definitive record of electronic communications and documentation.

Please note that our system blocks certain file extensions for security reasons, including, but not necessarily limited to, .rar, .text, .vbs, .mpeg, .mp3, .cmd, .cpl, .wav, .exe, .bat, .scr, .mpq, .avi, .com, .pif, .wma, .mpa, .mpg, .jpeg. Emails with such files attached will not get through to us; and no message will be sent to tell you they have been blocked. If you intend to send us emails with attachments, please verify with us in advance that our system will accept the proposed form of attachment.

Other Agreements

To the extent there is a conflict between these terms and conditions and a separately negotiated and signed agreement between you and Willis, the relevant portions of the signed agreement will control.

Severability

The provisions of this agreement shall be severable and, in the event any provision or portion of any provision shall be construed by any court of competent jurisdiction to be invalid, the same shall not invalidate any other provision of this agreement or the remainder of the enforceable portion of the provision.

Termination

In the event of termination, we will be entitled to receive and retain any commissions payable under the terms of our commission agreements with the insurers in relation to policies placed by us, whether or not the commissions have been received by us.

Our obligation to render services under the agreement ceases on the effective date of termination of the agreement. Nevertheless, we will process all remaining deposit premium installments on policies in effect at the time of termination. Claims and premium or other adjustments may arise after our relationship ends. Such items are normally handled by the insurance broker serving you at the time the claim or adjustment arises. However, it may be mutually agreed that we will provide services in these areas after the termination of our relationship for mutually agreed additional compensation. The obligations set forth under "Confidentiality" above shall survive any termination of the agreement.

Choice of Law

Our agreement for services shall be governed by and construed in accordance with the laws of the state in which our office is located.

Inquiries and Complaints

Your satisfaction is important to us. If you have questions or complaints, please inform the person who handles your account or contact the head of our office. Alternatively, you may call 1-866-704-5115, the toll free number we have set up exclusively for client feedback and complaints.

Appendices

Workers Compensation

Carrier: The Hartford

Effective Date: 7/1/2014 at 12:01am standard time
Expiration Date: 7/1/2015 at 12:01am standard time
Audit Basis: Annual

Coverage: Coverage for injury to Employees subject to terms, conditions and exclusions of the policy.

Part I: Workers Compensation (States)

States covered NJ

Part II: Worker's Comp and Employers LiabilityPart II: Increased Employers Liability

Each Accident	$1,000,000
Disease - Policy Limit	$1,000,000
Disease - Each Employee	$1,000,000

Part III: Other States

States other than monopolistic states of North Dakota, Ohio, Washington and Wyoming — All States Except ND OH WA WY

Estimated Payroll

State	Class Code	Description	Rate	Estimated Payroll
NJ	8810	Clerical Office Employees NOC	0.25	$1,300,000
NJ	9812	Additional Premium For Employers Liability Increased Limits	0.013	

Experience Modifier Effective 07/01/2014

.963

Estimated Premium

$4,243.00

Glatfelter Public Practice℠

A Division of Glatfelter Insurance Group

AN INSURANCE PROPOSAL PREPARED FOR:

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY

EFFECTIVE DATE: 7/1/2014

PRESENTED BY:	WILLIS OF NEW JERSEY INC 1015 BRIGGS ROAD STE 100 MOUNT LAUREL, NJ 08054
DATE:	April 11, 2014
MAILING ADDRESS:	Glatfelter Public Practice P.O. Box 2726 York, PA 17405
TELEPHONE:	(888) 855-4782
FACSIMILE:	(717) 747-7033
ADMINISTERED BY:	Glatfelter Underwriting Services, Inc. a/k/a Glatfelter Insurance Services in CA, MN, NV, TN and UT and Glatfelter Brokerage Services in NY

This proposal is valid until the proposed effective date.

Glatfelter Public Practice, a division of Glatfelter Insurance Group, is the nation´s premier public entity program manager for the following classes: municipalities; public and private schools; and water and sewer districts. We are recognized as the industry leader in our target markets. Glatfelter Public Practice´s mission statement is simple: we strive to provide our customers with innovative and stable products, prompt and considerate claims handling, attentive and personal service, pricing equity, and carrier security. Our commitment to customer service is evidenced by our high retention ratio and portfolio growth. Glatfelter Public Practice´s services include program underwriting, policy administration, product and program management, loss control, claims administration, licensing, compliance, and actuarial services. We distribute our products through a national network of independent brokers and believe this partnership is responsible for the distinct competitive advantage we enjoy in our target market.

Glatfelter Public Practice offers a broad portfolio of coverages including:

- Property (including Equipment Breakdown)
- Inland Marine
- Crime
- General Liability
- Law Enforcement Activity Liability
- Public Officials & Management Liability (including Employment Practices Liability and Cyber Liability and Privacy Crisis Management Expense)
- Auto
- Excess Liability

Please contact your insurance representative if you are interested in modifying your proposal to include one or more of these available coverages.

Agency License OB17046

Glatfelter Insurance Group is one of the top 25 privately owned insurance brokers in the U.S., providing property, casualty, life, accident and health insurance products and financial services to individuals, businesses and organizations. In addition to Glatfelter Public Practice, Glatfelter Insurance Group manages several specialty programs which include emergency services, public and private schools, hospice and home health care agencies, and car washes. Our unique culture, operating structure, and strong market relationships enable us to offer an impressive portfolio of value added products and services designed to help our clients manage risk. With more than 500 associates and seven satellite offices, Glatfelter Insurance Group serves the insurance and risk management needs of over 25,000 clients throughout the United States and Canada.

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YOUR INSURANCE PROPOSAL

This proposal is prepared from information supplied to Glatfelter Public Practice on the application submitted by your insurance representative.

This proposal may or may not contain all terms requested on the application. Proposed coverages are provided by the Glatfelter Public Practice insurance policy forms and are subject to the terms, exclusions, conditions and limitations of those policy forms. Actual policies should be reviewed for specific details. Your insurance representative can provide specimen policies upon request.

Your exposure to loss changes over time. Keep your insurance representative informed of any changes, so your coverage can be updated. We strongly recommend frequent reviews of your operations and Glatfelter Public Practice coverage with your insurance representative.

The proposed Property and Casualty coverage is underwritten by American Alternative Insurance Corporation (A.M. Best #11574). American Alternative Insurance Corporation is rated A+ (Superior) in Financial Size Category XV by A.M. Best Company.

PROPERTY

This coverage contains the following four sections:

- **Coverage A. Real Property** protects you for direct physical loss or damage to your buildings and structures at a premises shown on the schedule in this proposal caused by or resulting from a covered cause of loss. Pays up to the limit shown on the schedule in this proposal in any one occurrence. Real Property includes foundations of buildings, structures, machinery or boilers.
- **Coverage B. Personal Property** protects you for direct physical loss or damage to your contents at a premises shown on the schedule in this proposal caused by or resulting from a covered cause of loss. Pays up to the limit shown on the schedule in this proposal in any one occurrence.
- **Coverage C. Loss of Income** protects your loss of income if your operations are interrupted because of a covered loss to your buildings or contents. Covers the loss of income you sustain during the period of restoration. Pays up to the limit shown on the schedule in this proposal in any one occurrence.
- **Coverage D. Extra Expense** protects you from extra expense you incur if your operations are interrupted because of a covered loss to your buildings or contents, provided the extra expense is necessary to minimize your down-time and continue operations. Covers the extra expense (over and above normal operating expenses) incurred during the period of restoration. Pays up to the limit shown on the schedule in this proposal in any one occurrence.

Glatfelter Public Practice insures property against *any* cause of direct physical loss or damage unless the cause of loss is specifically excluded. Notable exclusions to coverage include, but are not limited to, war, nuclear activity, earthquake or flood, and asbestos. Please refer to the actual Property Coverage Part for a complete description of coverage, exclusions, and conditions.

Earthquake Coverage or Flood Coverage is optional for eligible locations.

A deductible applies to all property coverage.

Valuation

Glatfelter Public Practice insures property on a ***Replacement Cost (RC)*** basis unless indicated otherwise. If indicated on the Schedule of Property Limits, property coverage on designated premises may be provided on an ***Actual Cash Value (ACV)*** or ***Functional Replacement Cost (FRC)*** basis. Descriptions are:

- **Replacement Cost** pays to replace your property, without deduction for depreciation, but is subject to the limit on the policy.
- **Actual Cash Value** pays the cost to replace your property, subject to depreciation and subject to the limit on the policy.
- **Functional Replacement Cost** pays to replace your property with similar property intended to perform the same function, when replacement with identical property is impossible or unnecessary; it´s subject to the limit you select.

PROPERTY

Property Premises Summary

Premises	Address	City	State	Zip
1	103 COLLEGE ROAD EAST	PRINCETON	NJ	08540

Policy Deductible: $5,000

Equipment Breakdown Deductible:
If no deductible is shown above, the Policy Deductible applies.

Schedule of Property Coverage - Blanket Limits

The following Blanket Limit Schedule for Coverage A - Real Property and Coverage B - Personal Property applies to all items of Real Property and Personal Property except for the property listed in the Schedule of Property Coverage - Individual Limits.

Premises	Blanket Limit of Insurance	Valuation	Coinsurance	Inflation Guard
ALL	$607,610	Replacement Cost	N/A	0%

Schedule of Property Coverage - Individual Limits

		Real Property				Personal Property			
Premises/ Item	Description/ Occupancy	Limit	Valuation	Coins.	Inflation Guard	Limit	Valuation	Coins.	Inflation Guard
1 / 1	OFFICE	Not Covered				Included in Blanket			

Coverages C and D: Schedule of Limits

Loss of Income	Loss sustained up to:	$250,000	per occurrence
Extra Expense	Loss sustained up to:	$250,000	per occurrence

Property Coverage Extensions Limits

Extension	Limit of Insurance	
Accounts Receivable:	$250,000	
Fine Arts (without certified appraisal):	$25,000	(subject to $1,500 per item)
Fine Arts (with certified appraisal):	$50,000	
In Transit or Temporarily Off Premises:	$25,000	
Valuable Papers & Records:	$250,000	
Outdoor Property:	$50,000	
Trees, Shrubs, Plants and Lawns:	$10,000	
Software:	$500,000	

PROPERTY

Coverage Highlights

The following apply unless noted otherwise in this proposal:

Accounts Receivable

- Pays the costs you incur in restoring your accounts receivable records following a covered loss.
- Also pays amounts you are unable to collect if your accounts receivable records cannot be restored.
- Applies on-premises or away from premises.
- Pays up to $250,000 in any one occurrence; higher limits are available.

Commandeered Property

- Pays at your request for direct physical loss or damage to commandeered property caused by or resulting from any covered cause of loss.
- Coverage applies only for the time you officially use the commandeered property to manage an emergency situation and the time to return the property.
- Pays the "replacement cost" of the commandeered property and loss of use.

Debris Removal

- Covers up to 25% of the amount paid for direct physical loss to covered property if the expense is incurred as a result of a covered cause of loss.
- Pays up to an additional $100,000 if the debris removal expense exceeds the 25% provided above.

Deductible Waiver

- If a Property claim occurs in conjunction with a claim under a Glatfelter Public Practice Auto Physical Damage or Inland Marine coverage, only one deductible, the largest, will apply to all losses.

Equipment Breakdown

- Extends property coverage to include the mechanical breakdown of equipment or the explosion of pressure vessels at a covered premises. Covered equipment includes such items as covered real property or personal property that generates, transmits or utilizes energy, including electronic communications and data processing equipment; or during normal usage, operates under vacuum or pressure, other than the weight of its contents. Please refer to the actual Property Coverage Part for equipment not covered.
- Covers loss of income or extra expense you may suffer if utilities are interrupted as a result of an accident to covered equipment owned by a landlord or utility company.
- Subject to Property limits and sub-limits as noted here:
  - Loss of Income: Refer to the property schedule in this proposal
  - Extra Expense: Refer to the property schedule in this proposal
  - Expediting Expenses: $100,000
  - Hazardous Substances: $100,000
  - Spoilage: $100,000
  - Data Restoration: $500,000

Fine Arts

- Pays the fair market value to restore fine arts to its pre-loss condition or replace the item with an identical object.
- Pays up to $25,000 in any one occurrence (subject to $1,500 per item) without a certified appraisal.
- Pays up to $50,000 in any one occurrence with a certified appraisal.

Fire Department Charges

- Pays the fire department charges assumed by contract prior to a covered loss; or when required by local ordinance.
- Charges are payable only when a fire department is called to save or protect real property or personal property at a premises described in the Declarations.
- No deductible.
- Pays up to $25,000 in any one occurrence.

Fire Extinguishing Recharge Costs

- Will pay the cost to recharge fire extinguishing equipment at your premises regardless of whether the discharge was accidental or was the result of a covered cause of loss.
- No deductible.

Limited Fungus. Wet Rot, Dry Rot and Bacteria

- Protects against loss by fungus, wet rot, dry rot or bacteria arising out of occurrences of windstorm, hail, explosion, civil commotion, vehicles, aircraft, smoke, vandalism, sprinkler leakage, sinkhole collapse, volcanic action, falling objects, the weight of ice / snow / sleet, or water damage (and flood if optional flood coverage is purchased).
- Pays up to $25,000 total for all occurrences. Will not pay more than $25,000 even if it continues to be present or active, or recurs, in a later policy period.

Newly Acquired Property

- Covers newly acquired buildings, buildings under construction, construction materials and supplies and contents at newly acquired locations.
- Up to 90 days or the end of the policy period.
- Limits are $1,000,000 for buildings and $500,000 for contents.

Ordinance Coverage

- Applies to buildings on a replacement cost basis when damaged by a covered loss.
- Coverage applies to any undamaged portion of your building caused by any law or ordinance that:
  - Requires demolition of parts of your building not damaged
  - Regulates the construction or repair of buildings or establishes zoning or land use requirements, and
  - Is in force at the time of loss
- Includes the cost to demolish and clear the site of the undamaged part of the property and the increased cost to repair, rebuild or construct the affected building.
- The total paid for the undamaged portion is included within the building limit and does not increase that limit. The most we will pay for the cost to demolish the undamaged part of the property or the increased cost to repair or rebuild shall not exceed 100% of the amount paid.

Outdoor Property

- Covers fixed or permanent: items such as exterior signs, antennas, fences, benches, playground equipment, hydrants, dumpsters, electric utility power transmission and distribution lines, poles and related equipment owned by the insured not at scheduled premises, if you have building coverage with Glatfelter Public Practice.
- Pays up to $50,000 in any one occurrence; higher limits are available.

Personal Effects

- Will pay the replacement cost for direct physical loss to property on your premises that belongs to you, your officers, managers, elected or appointed officials, employees, or volunteer workers.
- Pays up to $5,000 in any one occurrence.

Pollution Remediation Expenses

- Applies on-premises only.
- You have up to 180 days after the date of loss to notify us.
- Pays up to $25,000 in any policy period resulting from a covered cause of loss.
- Pays up to $100,000 in any policy period resulting from a specified cause of loss.
- No coverage for fungus, wet rot, dry rot, virus, bacteria or asbestos.

Preservation of Property

- Pays for <u>any</u> direct physical loss or damage to real or personal property if it is necessary to move the property from a premises for the purpose of preserving it from direct physical loss or damage by a covered cause of loss.
- Coverage applies while it is being moved or while temporarily stored at another location.
- Loss or damage must occur within 90 days after the property is first moved.

Real or Personal Property in Transit or Off Premises

- Pays up to $25,000 in any one occurrence; higher limits are available.

Software

- Coverage for the cost of restoring, researching, replacing, or reproducing electronic data or the media on which it is stored and any resulting loss of income and extra expense.
- Covered causes of loss include computer virus.
- Applies on-premises or away from premises.
- Pay up to $500,000 in any one occurrence; higher limits are available.

Trees, Shrubs, Plants & Lawns

- Covers against loss by fire, lightning, explosion, civil commotion, aircraft, vehicles and vandalism up to $10,000 any one occurrence subject to a $1,000 maximum for any single tree, plant or shrub.

Valuable Papers & Records

- Coverage for the cost of restoring, researching, replacing, or reproducing your documents following a covered loss.
- Applies on-premises or away from premises.
- Pays up to $250,000 in any one occurrence; higher limits are available.

Arson, Theft or Vandalism Information Reward

- We will reimburse you for the payment of rewards that you actually incur which provide information related to arson fire, theft or vandalism, subject to certain conditions.
- Pays up to $25,000 per loss.
- No deductible applies.

Lock Replacement

- Covers the necessary expense you incur to replace locks, lock cylinders and keys after a covered theft of your covered property.
- Pays up to $25,000 per occurrence.
- No deductible.

Spoilage due to Off "Premises" Electrical Service Interruption

- Covers damage and expense that are the result of an interruption of electrical power service to your premises. The interruption must result from direct physical loss or damage by a covered cause of loss to the off premises power supply equipment.
- Coverage applies to:
  - Physical damage to perishable goods due to spoilage;
  - Physical damage to perishable goods due to contamination from the release of refrigerant, including but not limited to ammonia;
  - Any necessary expenses you incur to reduce the amount of loss and does not exceed the amount of loss.
- Pays up to $50,000 in any one occurrence.

Water Contamination Notification Expense Coverage

- Pays all necessary printing, mailing and other expenses you incur when you are required by law or regulatory authority to notify your customers of actual or possible water contamination.
- Pays up to $5,000 in any one policy period.
- No deductible.

CRIME

Coverage provides reimbursement for the loss of your money or other property on a loss sustained basis resulting from dishonest acts of your employees or volunteers. For governmental entities, Glatfelter Public Practice insures these employee theft exposures on the Government Crime form on a Per Employee or Per Loss basis. A Faithful Performance of Duty coverage extension is included. Other Crime coverages include Forgery or Alteration, Money & Securities, Computer Fraud, Funds Transfer Fraud and Money Orders and Counterfeit Paper Currency.

Coverage does not apply to any public officials or employees whose positions require separate bonds such as a tax collector or treasurer. Those obligations are typically addressed by a surety bond and Glatfelter Public Practice coverage cannot be used to fulfill those requirements. Otherwise, your treasurer is covered as an employee in this coverage part.

Government Crime

Insuring Agreement	Limit of Insurance	Deductible Amount
Employee Theft *includes Faithful Performance*	$250,000 per Loss	$500 per Loss
Forgery or Alteration	$250,000 per Occurrence	$500 per Occurrence
Inside the Premises - Theft of Money & Securities	$250,000 per Occurrence	$500 per Occurrence
Inside the Premises - Robbery/Safe Burglary	$5,000 per Occurrence	$500 per Occurrence
Outside the Premises	$250,000 per Occurrence	$500 per Occurrence
Computer Fraud	$250,000 per Occurrence	$500 per Occurrence
Funds Transfer Fraud	$100,000 per Occurrence	$500 per Occurrence
Money Orders	$100,000 per Occurrence	$500 per Occurrence

GENERAL LIABILITY

This coverage contains the following three sections:

- **Coverage A. Bodily Injury and Property Damage Liability** protects you when claims are made against you because of injury to others or damage to their property, unless caused by an auto.
- **Coverage B. Personal and Advertising Injury Liability** protects you when claims are made against you because of injury to others arising from offenses such as slander or violation of a person´s privacy.
- **Coverage C. Medical Expense** pays medical expenses for bodily injury caused by an accident on your premises or because of your operation. These expenses are payable even if the injury occurred through no fault of your own.

Coverages	Limit
Each Occurrence:	$1,000,000
Damage to Premises Rented to You:	$1,000,000
Medical Expense:	$10,000
Personal and Advertising Injury:	$1,000,000
General Aggregate:	$3,000,000
Products - Completed Operations Aggregate:	$3,000,000
Deductible:	$0

Employee Benefits Liability

Each Employee Limit:	$1,000,000
Annual Aggregate:	$1,000,000
Each Employee Deductible:	None

GENERAL LIABILITY

Coverage Highlights

The following apply unless noted otherwise in this proposal:

Defense Costs	• Payable in addition to the Limits of Insurance.
Bodily Injury	• Bodily Injury includes mental anguish and mental injury, shock, fright or death resulting from bodily injury, sickness or disease.
Contractual Liability	• Covers you for the liability you agreed to assume of another party, either orally or in writing, but not for the sole negligence of the other party. • The claim must be otherwise covered (not excluded).
Damage to Property of Persons Receiving Services	• Covers you for liability for a personal property loss suffered by a member of the public receiving services from you, provided the loss is caused by theft, physical damage or disappearance. • Subject to a $100 deductible each occurrence. • Coverage is limited to firefighting, emergency medical services or rescue squad units.
"Good Samaritan" Liability	• Covers volunteer members and employees for liability arising from actions on their own to render services at the scene of an emergency requiring immediate action. • Applies to professional health care or any other services. • To qualify as a "Good Samaritan", the individual must act independently of your organization or any other organization.
Damage to Premises Rented to You (including Fire Damage Legal Liability)	• Covers you for liability for damages, due to "property damage" or caused by "specified perils", to any one premises while rented to you or temporarily occupied by you with permission of the owner.

Pollution Liability

- Covers you for bodily injury or property damage arising out of a pollution incident resulting from any of the following:
  - heat, smoke or fumes from a hostile fire
  - escape of fuels or lubricants from mobile equipment
  - escape or back-up of sewage or wastewater if property damage occurs away from land you own or lease
  - application of pesticides or herbicides
  - potable water which you supply to others
  - chemicals you use in your water or wastewater treatment
  - natural gas or propane gas used in your treatment process

All pollution incidents must be accidental, unintended and stopped as soon as possible.

Watercraft Liability

- Covers you for bodily injury or property damage arising from your use of the following:
  - non-owned boats (unless carrying persons or property for a charge)
  - owned boats that are not powered by motors
  - owned boats that are powered by motors of not more than 100 horsepower, and jet skis and wave runners regardless of horsepower

Failure to Supply Water

- Coverage is included for failure to supply water and is not subject to the ISO sudden and accidental restriction.

Public Use of Property

- No coverage is provided for claims arising out of the principles of eminent domain, including condemnation, adverse possession, and dedication by adverse use, or inverse condemnation.

AUTO

Coverage	Symbol	Limit
Combined Single Limit for Bodily Injury & Property Damage (each accident):	8,9	$1,000,000
"No Fault" or Statutory Personal Injury Protection (each person):		
Auto Medical Payments:		
Uninsured Motorists:		
Underinsured Motorists:		
Physical Damage Comprehensive:	2, 8, 10	see schedule below
Physical Damage Collision:	2, 8, 10	see schedule below

Schedule of Vehicles

Vehicle No.	Year/Make/Model	VIN	ACV	Agreed Value	Comp.	Coll. Ded.
	HIRED CAR PHYS DAMAGE		X		$100	$500

AUTO

Coverage Highlights

The following apply unless noted otherwise in this proposal:

Liability on "Any Auto" basis	• Covers your liability for owned, hired or non-owned autos
Temporary Substitute Vehicle Liability	• Coverage is provided when a replacement vehicle is loaned to you while a covered vehicle is temporarily out of service. • Coverage is on a primary basis.
Uninsured Motorist/Underinsured Motorist	• Covers bodily injury and/or property damage sustained by an eligible party caused by a negligent uninsured/underinsured motorist per state laws.
Hired Car Physical Damage	• Coverage for hired, borrowed or commandeered vehicles on an actual cash value basis. • Coverage is primary.
Deductible Waiver	• If an Auto Physical Damage claim occurs in conjunction with a claim under a Glatfelter Public Practice Inland Marine or Property coverage, only one deductible, the largest, will apply to all losses.
Airbag Coverage	• Covers loss caused by accidental discharge of an airbag.
Elected or Appointed Officials - Commissions as Insureds	• Covers your elected or appointed officials while using a covered auto you do not own, hire or borrow, while performing duties related to the conduct of your business. • Covers commissions, authorities, boards or agencies, their commissioners, officers and members while using a covered auto you do not own, hire or borrow, but only while acting within the authority granted by you and only performing duties related to the conduct of your business.
Knowledge of Accident	• Failure of any agent, volunteer worker or employee of the insured, other than an employee authorized by you to give or receive notice of an accident, claim, suit or loss, to notify us of any accident, shall not invalidate insurance afforded by the policy.

EXCESS LIABILITY

Excess Liability coverage protects you with the following:

- Excess limits above the limits of your scheduled underlying Auto Liability, General Liability, Law Enforcement Activity Liability, and Public Officials and Management Liability coverage parts.
- Excess coverage will apply when scheduled underlying policies have been exhausted.

Policy Type: Follow Form Excess

	Limit of Insurance
Each Occurrence:	$10,000,000
General Aggregate:	$10,000,000

Coverage Highlights

The following apply unless noted otherwise in this proposal:

Employer's Liability	• Included in excess limits if scheduled as underlying coverage. • A copy of the WC renewal declarations page is required for information to be included in the renewal policy.
Defense Costs	• Payable in addition to the Limits of Insurance.
Public Use of Property	• No coverage is provided for claims arising out of the principles of eminent domain, including condemnation, adverse possession, dedication by adverse use, or inverse condemnation.
Failure to Supply Water	• Coverage is included for failure to supply water and is not subject to the ISO sudden and accidental restriction.

PREMIUM SUMMARY

Coverage	Premium
Property	$1,111
Inland Marine	Not Requested
Crime	$863
General Liability	$63,156
Law Enforcement Activity Liability	Not Requested
Public Officials and Management Liability	Not Requested
Cyber Liability and Privacy Crisis Management Expense	Not Requested
Auto	$534
Excess Liability	$14,606
Total Annual Premium (excludes state-imposed taxes, surcharges and fees)	$80,270
Total Estimated State Imposed Taxes, Surcharges and Fees	$722.43

PROPOSAL NOTES

General

Note: Please read this proposal carefully. It describes in detail the coverages included in the GPP program. In some cases these coverages may be broader, and in others narrower, than those requested in the bid specifications.

Note: If coverage is bound, along with a signed and completed order form, we will need the following to issue policies:

1. Signed Statement of 2014 Property Values

Note: The premiums quoted may include package discounts. If you should decide to buy some coverages but not others, your premiums may change.

Note: Unless stated otherwise in this proposal, renewal policy forms and endorsements remain unchanged from the expiring policies.

Property

Note: Computer Equipment (Hardware) coverage is included in the contents limit.

Note: Losses caused by Earthquake are excluded for all items at all premises.

Note: Losses caused by Flood are excluded for all items at all premises.

Note: We quoted based on the property values you submitted. You should review them carefully to make sure they are adequate.

Auto

Note: Your Auto Liability quote is for hired and non-owned autos only.

Excess Liability

Note: Coverage is quoted excess of Auto Liability and General Liability and Employers Liability and Employee Benefits Liability.

GLATFELTER PUBLIC PRACTICE ORDER FORM

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY (C49991)

Coverage	Effective/ Expiration Dates	Accept *Initial to accept coverage*	Decline *Initial to decline coverage*	Premium Quoted
Property	_____	_____	_____	$_____
Inland Marine	_____	_____	_____	$_____
Crime	_____	_____	_____	$_____
General Liability	_____	_____	_____	$_____
Law Enforcement Activity Liability	_____	_____	_____	GL includes Law Enf Liab premium, if quoted
Public Officials and Management Liability	_____	_____	_____	$_____
Auto	_____	_____	_____	$_____
Excess Liability	_____	_____	_____	$_____
Total	_____	_____	_____	$_____

Payment Plans Installment Option (no installment fee)
[ ] Semi-Annual ($2,500 account minimum)
[ ] Quarterly ($3,500 account minimum)
[ ] Ten Pay ($10,000 account minimum and 25% down payment)

_____ _____

Signature of Insurance Representative **Date**

Agency Name/Address _____
_____
_____

Producer/Service Rep _____

Before you return this form, you must:

1. Provide the INSURED'S Federal ID#:_____
2. Identify all Mortgagees, Loss Payees and Additional Insureds/lessors (provide addresses).
3. Complete Uninsured Motorist's Selection/Rejection form, if required.

This is not a binder, nor should it be used as one. This form is solely for the purpose of ordering property and casualty insurance coverages for which Glatfelter Public Practice has provided a valid quote.

Comments/Notes

_____
_____
_____

GENERAL LIABILITY 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 coverage part the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this coverage part. The words "we," "us" and "our" refer to the company providing this insurance. The words "policy period" mean the term of duration of the policy shown in the Declarations.

The word "insured" means any person or organization qualifying as such under **SECTION II. WHO IS AN INSURED.**

Other words and phrases that appear in quotation marks have special meaning. Refer to **SECTION V. DEFINITIONS.**

SECTION I. COVERAGES

COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION III. LIMITS OF INSURANCE**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **Coverages A, B** or medical expenses under **Coverage C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.**

b. This insurance applies to "bodily injury" or "property damage" only if:

(1) The "bodily injury" or "property damage" is caused by an "occurrence" arising out of your operations that takes place in the "coverage territory";

(2) The "bodily injury" or "property damage" occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1., Paragraph 2.a., or **Paragraph 2.f. of SECTION II. WHO IS AN INSURED and no insured authorized by** you to give or receive notice of an "occurrence" or claim, knew or had reason to know that the "bodily injury" or "property damage" had occurred in whole or in part. If any such persons knew or had reason to know, prior to the policy period, that the "bodily injury" or "property damage" occurred in whole or part, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known to have occurred prior to the policy period.

c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1., Paragraph 2.a., or Paragraph 2.f. of **SECTION II. WHO IS AN INSURED** or no insured authorized by you to give or receive notice of an "occurrence", or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

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d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred when any insured listed under Paragraph 1., Paragraph 2.a., or Paragraph 2.f. of **SECTION II. WHO IS AN INSURED** or any insured authorized by you to give or receive notice of an "occurrence" or claim:

(1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;

(2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or

(3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

2. **Exclusions Applicable to Coverage A**

This insurance does not apply to:

a. **Aircraft, Auto or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto", or watercraft owned or operated by, or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

(1) A watercraft while ashore on premises you own or rent;

(2) A watercraft you do not own that is not being used to carry persons or property for a charge;

(3) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft;

(4) A watercraft you own that is:

(a) Powered by a motor or combination of motors of 100 horsepower or less;

(b) Not powered by a motor; or

(c) A "personal watercraft";

(5) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured; or

(6) "Bodily injury" or "property damage" arising out of:

(a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it licensed or principally garaged; or

(b) The operation of any of the equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

b. **Asbestos**

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials, or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

This exclusion does not apply to:

(1) "Bodily injury" or "property damage" arising from; or

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(2) The costs of abatement, removal or disposal of;

asbestos released as a result of "emergency service activity" or "training operations" away from premises which are either owned by, rented to, or occupied by any insured.

c. **Chromated Copper Arsenate (CCA)**

"Bodily injury" or "property damage" arising from any loss, cost or expense arising out of or resulting from, either directly or indirectly, chromated copper arsenate (CCA).

However, this exclusion does not apply if all of the following conditions have been met:

(1) There is a maintenance program in place and operating that includes the annual sealing of all CCA treated wood surfaces with a weather resistant polyurethane or oil-based semi-transparent stain; and

(2) An absorbent ground cover is in place under the CCA treated wood structures; and

(3) Records of when the work was performed and the type of sealant utilized are maintained.

d. **Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

(1) That the insured would have in the absence of the contract or agreement; or

(2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs or takes place subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage" provided:

(a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and

(b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

e. **Dam, Reservoir or Levee Structural Failure or Collapse**

"Bodily injury or "property damage", loss, costs or expense arising directly or indirectly out of the structural failure, collapse, bursting, flooding, cracking, settling, seepage, underseepage, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee, or dike owned, operated, maintained, constructed or controlled by any insured.

This exclusion does not apply to "bodily injury" or property damage", loss, costs or expense arising directly or indirectly out of the structural failure, collapse, bursting, flooding, cracking, settling, spillage, subsidence, landslide or other earth movement of any dam, reservoir, levee or dike which is scheduled in the coverage declarations.

f. **Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

(1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

(2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

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g. **Damage to Property**

"Property damage" to:

(1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;

(2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;

(3) Property loaned to you;

(4) Personal property in the care, custody or control of the insured;

(5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or

(6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented or loaned to you for a period of 30 or fewer consecutive days. The Each Occurrence Limit shown in the Declarations will apply to this coverage.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (4) of this exclusion does not apply to "property damage" to personal property belonging to anyone receiving service from any insured during an "emergency service activity" because of loss by theft, physical damage or disappearance of such property during the period when "volunteer workers" or "employees" of the insured arrive on the scene or while they are rendering service to others and ending when they either leave the scene, complete their service, or transfer care of a transported patient to others. This insurance does not apply to that portion of any loss for which the Named Insured has other valid and collectible insurance. The limit of the company's liability is the Each Occurrence Limit stated in the Declarations, subject to a $100 deductible each "occurrence".

Paragraphs (5) and (6) of this exclusion do not apply to "property damage" resulting from actions taken to protect persons or property during an "emergency service activity" or "law enforcement activity".

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

h. **Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

i. **Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

j. **Distribution of Material in Violation of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

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(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

k. **Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

l. **Employer's Liability**

"Bodily injury" to:

(1) An "employee" of the insured arising out of or in the course of:

(a) Employment by the insured; or

(b) Performing duties related to the conduct of the insured's operations;

(2) A "volunteer worker", if you provide or are required to provide benefits for such "volunteer worker" under any workers' compensation, disability benefits, or unemployment compensation law, or any similar law; or

(3) The spouse, child, parent, brother or sister of that "employee" or "volunteer worker" as a consequence of (1) or (2) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

m. **Employment Practices and Employee Benefit Plans**

"Bodily injury" or "property damage" arising out of your "employment practices" or "administration" of your "employee benefit plans".

n. **Expected or Intended Injury**

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" or "property damage" resulting from reasonable actions taken to protect persons or property.

o. **Fungi or Bacteria**

(1) Any injury or damage which would not have occurred or taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

(2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

(3) This exclusion does not apply:

(a) To any "fungi" or bacteria that are, are on, or are contained in a good or product intended for consumption; or

(b) To any injury or damage arising out of or caused by your water or waste water treatment process or sewage operations.

p. **Law Enforcement Activity**

Damages arising out of any "law enforcement activity".

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q. **Lead, Electromagnetic Radiation, Nuclear**

(1) Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to:

(a) The toxic properties of lead, or any material or substance containing lead with the exception of "potable water" which you supply to others; or

(b) Electromagnetic radiation;

or exposure thereto, or for the costs of abatement, mitigation, removal, elimination, or disposal of any of them.

(2) Any loss, cost or expense arising out of any actual, alleged or threatened injury or damage to any person or property from any radioactive matter or nuclear material.

r. **Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

(1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or

(2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition or stunting activity.

s. **Personal and Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

t. **Pollution**

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged, or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water.

(1) This exclusion does not apply:

(a) To "bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and is caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

(b) To "bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:

i. At any premises, site or location which is or was at any time used by any insured or others for the handling, storage, disposal, processing or treatment of waste; or

ii. At any premises, site or location on which any insured or other contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants" except to the extent coverage is provided in Paragraph (c) below.

(c) To "bodily injury" or "property damage" which occurs or takes place as a result of your operations provided the "bodily injury" or "property damage" is not otherwise excluded in whole or in part and arises out of the following:

i. "Potable water" which you supply to others;

ii. Chemicals you use in your water or wastewater treatment process;

iii. Natural gas or propane gas you use in your water or wastewater treatment process;

iv. Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;

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v. "Training operations" by you;

vi. Water runoff from the cleaning of equipment used in an "emergency service activity";

vii. Application of pesticide or herbicide if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government; or

viii. Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, but only if:

(aa) The fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and

(bb) The fuels, lubricants or other operating fluids are not:

(i) Intentionally discharged; or

(ii) Brought on or to a premises, site or location with the intent to be discharged as part of the operations being performed by an insured, contractor or subcontractor.

(d) To "bodily injury" or to "property damage" if such "bodily injury" or "property damage" is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way, but only if "property damage" occurs away from land you own or lease.

Paragraph (1)(c) and (1)(d) of this exclusion only apply if the discharge is accidental, unintended and stopped as soon as possible. The entirety of any discharge or series of related discharges will be deemed a single discharge regardless of the length of time over which the "pollutants" are released. The entirety of any discharge or series of related discharges will be deemed to have only occurred at the date the earliest discharge commenced.

(2) This insurance does not apply to any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

Discharge as used in this exclusion includes dispersal, seepage, migration, release or escape.

u. **Professional Health Care Services**

Damages arising out of providing or failing to provide "professional health care services".

v. **Professional Services**

Damages arising out of the rendering of or failure to render any architectural, engineering, surveying or legal professional services by you or any engineer, architect, surveyor, or lawyer performing work on your behalf in such capacity.

w. **Public Use of Property**

"Bodily injury" or "property damage" arising out of the principles of eminent domain, condemnation, inverse condemnation or adverse possession.

x. **Recall of Products, Work or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

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(1) "Your product";

(2) "Your work"; or

(3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

y. **Riot, Civil Commotion or Mob Action**

"Bodily injury" or "property damage" arising out of:

(1) Riot, civil commotion or mob action; or

(2) Any act or omission in connection with the prevention or suppression of a riot, civil commotion or mob action.

This exclusion does not apply to injury or damage arising out of your "emergency service activity", except "professional health care services", in response to a riot, civil commotion or mob action.

z. **Sexual Abuse**

"Bodily injury" arising out of the "sexual abuse" of any person. However, this exclusion shall not apply to the Named Insured if no elected or appointed official, "executive officer", officer, director, or trustee of the Named Insured knew or had reason to know of the "sexual abuse". Also, we will defend an insured for covered civil action subject to the other terms of this coverage part until either a judgment or final adjudication establishes such an act, or the insured confirms such act.

aa. **Specific Operations**

"Bodily injury" or "property damage" arising from the ownership, operation, maintenance, entrustment to others, or use of any:

(1) School;

(2) Hospital or medical clinic;

(3) Nursing home, convalescent home, or home for the aged, handicapped or orphaned;

(4) Mental or psychiatric institution or institution for the restraint or treatment of substance abusers;

(5) Airport or similar facility;

(6) Port or similar facility;

(7) Public housing authority or project;

(8) Gas or electric generation facility; or

(9) Sanitary landfill, dump, or other permanent waste disposal facility.

bb. **Water or Wastewater Professional Activity**

Damages arising out of an act, error or omission from your "water or wastewater professional activities".

cc. **War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

(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.

dd. **Workers' Compensation and Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

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Exclusions a. through c., e. through m., o. through z., and bb. through dd. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. The Each Occurrence Limit shown in the Declarations will apply to this coverage.

COVERAGE B. PERSONAL AND ADVERTISING INJURY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

(1) The amount we will pay for damages is limited as described in **SECTION III. LIMITS OF INSURANCE**; and

(2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under **Coverages A, B,** or medical expenses under **Coverage C.**

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A AND B.**

b. This coverage applies to "personal and advertising injury" only if:

(1) The "personal and advertising injury" is caused by an offense arising out of your operations; and

(2) The offense is committed in the "coverage territory" during the policy period.

2. Exclusions Applicable to Coverage B

This insurance does not apply to:

a. **Asbestos**

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of or in any way related to asbestos or asbestos-containing materials, or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

b. **Breach of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

c. **Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

d. **Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

e. **Distribution of Material in Violation of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;

(2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or

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(3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communication or distribution of material or information.

f. **Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

g. **Employment Practices and Employee Benefit Plans**

"Personal and advertising injury" arising out of your "employment practices" or "administration" of your "employee benefit plans".

h. **Fungi or Bacteria**

(1) Any injury which would not have occurred or taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.

(2) Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi".

i. **Infringement of Copyright, Patent, Trademark or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

j. **Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

(1) Advertising, broadcasting, publishing or telecasting;

(2) Designing or determining content of web-sites for others; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 22.a. b., and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. **Knowing Violation of the Rights of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

l. **Law Enforcement Activity**

Damages arising out of any "law enforcement activity".

m. **Lead, Electromagnetic Radiation, Nuclear**

(1) Any injury, expense, cost, loss, liability or legal obligation arising out of or in any way related to:

(a) The toxic properties of lead, or any material or substance containing lead; or

(b) Electromagnetic radiation;

or exposure thereto, or for the costs of abatement, mitigation, removal, elimination or disposal of any of them.

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(2) Any loss, cost or expense arising out of any actual, alleged or threatened injury to any person or property from any radioactive matter or nuclear material.

n. **Material Published Prior to Policy Period**

"Personal and advertising injury" arising out of the oral or written publication of material whose first publication took place before the beginning of the policy period.

o. **Material Published with Knowledge of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

p. **Pollution**

"Personal and advertising injury" arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged, or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous. Environment includes any air, land, structure (or the air therein), watercourse or other body of water, including underground water.

q. **Pollution Related**

Any loss, cost or expense arising out of any:

(1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

r. **Professional Health Care Services**

Damages arising out of providing or failing to provide "professional health care services".

s. **Professional Services**

Damages arising out of the rendering of or failure to render any architectural, engineering, surveying or legal professional services by you or any engineer, architect, surveyor, or lawyer performing work on your behalf in such capacity.

t. **Public Use Of Property**

"Personal and advertising injury" arising out of the principles of eminent domain, condemnation, inverse condemnation or adverse possession.

u. **Quality or Performance of Goods**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

v. **Sexual Abuse**

"Personal and advertising injury" arising out of the "sexual abuse" of any person.

w. **Specific Operations**

"Personal and advertising injury" arising from the ownership, operation, maintenance, entrustment to others, or use of any:

(1) School;

(2) Hospital or medical clinic;

(3) Nursing home, convalescent home, or home for the aged, handicapped or orphaned;

(4) Mental or psychiatric institution or institution for the restraint or treatment of substance abusers;

(5) Airport or similar facility;

(6) Port or similar facility;

(7) Public housing authority or project;

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(8) Gas or electric generation facility; or

(9) Sanitary landfill, dump, or other permanent waste disposal facility.

x. **Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

y. **War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

(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.

z. **Water or Wastewater Professional Activity**

Damages arising out of an act, error or omission from your "water or wastewater professional activities".

aa. **Wrong Description of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

COVERAGE C. MEDICAL EXPENSE

1. Insuring Agreement

a. At your written request, we will pay medical expenses as described below for "bodily injury" caused by an accident:

(1) On premises you own or rent;

(2) On ways next to premises you own or rent;

(3) On that portion of a right-of-way, easement, or similar interest in property, which you do not own or rent, upon which water, sewer, or other utility fixtures are installed as part of your operations, including any surface feature which directly results from the presence of such water, sewer or other utility fixture, but does not include any other portion of a right-of-way, easement or similar interest in property; or

(4) Because of your operations;

provided that:

(a) The accident takes place in the "coverage territory" and during the policy period;

(b) The expenses are incurred and reported to us within one year of the date of the accident; and

(c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

(1) First aid administered at the time of an accident;

(2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and

(3) Necessary ambulance, hospital, professional nursing and funeral services.

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2. **Exclusions Applicable to Coverage C**

We will not pay expenses for "bodily injury":

a. **Any Insured**

To any insured, except "volunteer workers" not performing an "emergency service activity" or a "law enforcement activity".

b. **Athletic Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

c. **Coverage A Exclusions**

Excluded under **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY.**

d. **Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

e. **Injury on Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

f. **Products – Completed Operations Hazard**

Included within the "products-completed operations hazard".

g. **Workers' Compensation and Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

a. All expenses we incur.

b. Up to $1,000 for the cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.

c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.

d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to $500 a day because of time off from work.

e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.

f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.

g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

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b. This insurance applies to such liability assumed by the insured;

c. The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same "insured contract";

d. The allegations in the "suit" and the information we know about the underlying basis for the "suit" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

f. The indemnitee:

(1) Agrees in writing to:

(a) Cooperate with us in the investigation, settlement or defense of the "suit";

(b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

(c) Notify any other insurer whose coverage is available to the indemnitee; and

(d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

(a) Obtain records and other information related to the "suit"; and

(b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as **SUPPLEMENTARY PAYMENTS.** Notwithstanding the provisions of any contractual liability exclusions or exceptions to exclusions, such payments will not be deemed to be damages and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as **SUPPLEMENTARY PAYMENTS** ends when:

(1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or

(2) The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II. WHO IS AN INSURED

1. If you are designated in the Declarations as:

a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business. However, if you are a public entity, you are insured as a partner in a partnership or as a joint venturer in a joint venture, but only if the partnership or joint venture is between you and another governmental organization or non-profit entity. Coverage does not extend to a partnership or joint venture that operates, controls, or funds a school, hospital or medical clinic, nursing home, airport, port, public housing, gas or electric generation facility.

c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

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d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

e. A public entity, you are an insured. Your operating authorities, boards, commissions, districts or any other governmental units are insureds, provided that you operate, control, and fund the authority, board, commission, district, or other governmental unit. Coverage does not extend to an authority, board, commission, district, or other governmental unit that operates, controls, or funds a school, hospital or medical clinic, nursing home, airport, port, public housing, gas or electric generation facility.

f. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

a. **Elected or appointed officials.** Your elected and appointed officials, including elected and appointed officials of your operating authorities, boards, commissions, districts, or other governmental units but only for acts within the course and scope of their duties for the insured public entity or its operating authorities, boards, commissions, districts or other governmental units.

b. **Employees and Volunteer Workers.** "Employees" and "volunteer workers" but only for acts within the course and scope of their employment or volunteer activities for you.

c. **Real Estate Managers.** Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.

d. **Temporary Custodians.** Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

e. **Legal Representatives.** Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

f. **Medical Directors.** Physicians who are your medical directors, but only for acts within the course and scope of their medical director duties on behalf of your "emergency service activity".

g. **Mutual Aid Agreements.** Any persons or organizations providing service to you under any mutual aid or similar agreement, but only for acts within the scope of that mutual aid or similar agreement.

h. **Good Samaritans.** "Employees" and "volunteer workers" while acting as a Good Samaritan independently of his or her activities on your behalf, but only when he or she encounters the scene of an emergency requiring sudden action. In no event will such person who responds to the scene of an emergency with or for any other emergency service organization be an insured.

i. **Owners of Commandeered Equipment.** The owner of commandeered equipment other than an "auto" is an insured while the equipment is in your temporary care, custody or control and is being used as part of an "emergency service activity".

J. **Blanket Additional Insureds.** Any person or organization required to be an additional insured under an "insured contract", if agreed to by you prior to the "bodily injury", "property damage", or "personal and advertising injury", caused in whole or in part, by your acts or omissions or the acts or omissions of those acting on your behalf:

(1) In the performance of your operations; or

(2) In connection with your premises owned or rented by you.

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3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
   a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
   b. **COVERAGE A** does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
   c. **COVERAGE B** does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or "suits" brought; or
   c. Persons or organizations making claims or bringing "suits".

2. The General Aggregate Limit is the most we will pay for the sum of:
   a. Medical expenses under **COVERAGE C**;
   b. Damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
   c. Damages under **COVERAGE B.**

3. The Products - Completed Operations Aggregate Limit is the most we will pay under **COVERAGE A** for damages because of "bodily injury" and "property damage" included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under **COVERAGE B** for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.

5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
   a. Damages under **COVERAGES A** and
   b. Medical expenses under **COVERAGE C**;

   because of all damages arising out of the same or related "occurrence".

6. Subject to Paragraph 5. above, the Each Occurrence Limit is the most we will pay under **COVERAGE A** for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under **COVERAGE C** for all medical expenses because of "bodily injury" sustained by any one person.

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The Limits of Insurance of this coverage part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV. CONDITIONS

The following conditions apply in addition to the Common Policy Conditions.

1. **Bankruptcy**

   Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage part.

2. **Duties in the Event of an Occurrence, Offense, Claim or Suit**

   a. You must see to it that we are notified as soon as practicable of an "occurrence", or an offense which may result in a claim or "suit". To the extent possible, notice should include:

      (1) How, when and where the "occurrence" or offense took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.

   b. If a claim is made or "suit" is brought against any insured, you must:

      (1) Immediately record the specifics of the claim or "suit" and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

   e. If you report an "occurrence" or offense, to an insurer providing other than General Liability insurance, which later develops into a General Liability claim covered under this coverage part, failure to report such "occurrence" or offense to us at the time of the "occurrence" or offense shall not be deemed in violation of these conditions. However, you shall give notification to us, as soon as is reasonably possible, that the "occurrence" or offense is a General Liability claim.

   f. Knowledge of an "occurrence" or offense by any of your agents, "volunteer workers" or "employees" shall not constitute knowledge by you unless one of your officers or anyone responsible for administering your insurance program has received a notification from the agent, "volunteer worker" or "employee".

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3. **Legal Action Against Us**

No person or organization has a right under this coverage part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this coverage part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this coverage part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

4. **Other Insurance**

If other valid and collectible insurance is available to the insured "volunteer worker", "employee", elected or appointed officer, director, commissioner, trustee, medical director or owner of commandeered equipment for a loss we cover under **COVERAGES A or B** of this form, our insurance is primary, with no consideration or contribution with other insurance, except with respect to any medical malpractice liability insurance available to a physician who is acting on your behalf by providing medical treatment of a person. With respect to said medical malpractice liability insurance, our insurance is excess over that coverage.

If other valid and collectible insurance is available to the insured, other than "volunteer workers", "employees", elected or appointed officers, directors, commissioners, trustees, medical directors or owners of commandeered equipment, for a loss we cover under **COVERAGES A or B** of this form, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

This insurance is excess over:

(1) Any of the other insurance, whether primary, excess, contingent or on any other basis:

(a) That is fire, extended coverage, builder's risk, installation risk or similar coverage for "your work";

(b) That is fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;

(c) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner;

(d) That is insurance covering your liability for "bodily injury" or "property damage" arising out of the providing, serving or selling of alcoholic beverages to others;

(e) That is insurance covering your liability for "bodily injury" or "property damage" arising out of the igniting or discharging of fireworks, including but not limited to firecrackers, aerial or ground displays, in conjunction with any demonstration or show conducted or sponsored by you. However, this coverage shall not be excess should the "bodily injury" or "property damage" result from an emergency response you provide in response to an emergency arising out of fireworks;

(f) If the loss arises out of the maintenance or use of aircraft or watercraft to the extent not subject to exclusion a. of **COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY.**

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(g) That is liability insurance available to an independent commission, board, or authority or to an individual serving on such independent commission, board, or authority at your request;

(h) That is liability insurance available to participants in a mutual aid or similar agreement; or

(i) That is liability insurance available to a partnership or joint venture;

or

(2) Any other primary insurance, including pools or self-insurance, covering your liability for damages arising out of the premises or operations for which you have been added as an additional insured.

When this insurance is excess, we will have no duty under **COVERAGES A or B** to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

(i) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and

(ii) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this excess insurance provision and was not bought specifically to apply in excess of the limits of insurance shown in the Declarations of this coverage part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. **Representations**

By accepting this policy, you agree:

a. The information in the Declarations is accurate and complete;

b. The information is based upon representations you made to us; and

c. We have issued this policy in reliance upon your representations.

Your failure to disclose all hazards existing as of the inception date of the policy shall not prejudice you with respect to the coverage afforded, provided such failure or omission is not intentional. This coverage part is void if any material fact or circumstance relating to this insurance is intentionally omitted or misrepresented.

6. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this coverage part to the first Named Insured, this insurance applies:

a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or "suit" is brought.

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7. **Transfer of Rights of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this coverage part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. **When We Do Not Renew**

If we decide not to renew this coverage part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION V. DEFINITIONS

1. "Administration" means any of the following acts that you do or authorize a person to do:
   a. Counseling "employees" or "volunteer workers", other than giving legal advice, on "employee benefit plans";
   b. Interpreting your "employee benefit plans";
   c. Handling records for your "employee benefit plans"; and
   d. Effecting enrollment, termination or cancellation of "employees" or "volunteer workers" under your "employee benefit plans".

2. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
   a. Notices that are published include material placed in the Internet or on similar electronic means of communication; and
   b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.

3. "Auto" means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. However, "auto" does not include "mobile equipment".

4. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. "Coverage territory" means:
   a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
   b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
   c. All other parts of the world if the injury or damage arises out of:
      (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
      (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
      (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication

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provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.

6. "Emergency service activity" means:
   a. All operations conducted by your firefighting, emergency medical services, or rescue squad units; and
   b. Which are sanctioned by you.

7. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

8. "Employee benefit plans" means a formal program or programs of employee benefits you maintain, such as group life insurance plans, group accident or health insurance plans, savings plans, or vacation plans, provided that no one other than an "employee" or "volunteer worker" or their dependents may subscribe to or benefit from such plans. This term also includes unemployment insurance, social security, workers' compensation, statutory disability benefits, or similar statutorily required plans.

9. "Employment practices" means an actual or alleged improper employment related practice, policy, act or omission involving an actual, prospective, or former "volunteer worker" or "employee", including:
   a. Failing to hire or refusing to hire;
   b. Wrongful dismissal, discharge, or termination of employment or membership, whether actual or constructive;
   c. Wrongful deprivation of a career opportunity, or failure to promote;
   d. Wrongful discipline of "volunteer workers" or "employees";
   e. Negligent evaluation of "volunteer workers" or "employees";
   f. Retaliation against "volunteer workers" or "employees" for the exercise of any legally protected right or for engaging in any legally protected activity;
   g. Failure to adopt adequate workplace or employment-related policies and procedures;
   h. Harassment, including "sexual harassment"; or
   i. Violation of any federal, state or local laws (whether common law or statutory) concerning employment or discrimination in employment.

10. "Executive Officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

11. "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".

12. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

13. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
   a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or
   b. You have failed to fulfill the terms of a contract or agreement;

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if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

14. "Insured contract" means:
    a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
    b. A sidetrack agreement;
    c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
    d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
    e. An elevator maintenance agreement;
    f. That part of any other contract or agreement pertaining to your operations (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

       Paragraph f. does not include that part of any contract or agreement:
       (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
       (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
          (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
          (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
       (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

15. "Law enforcement activity" means the activities of any insured while acting as a law enforcement official, officer, auxiliary officer, "employee", or "volunteer worker" of the law enforcement agency or department of the Named Insured. "Law enforcement activity" does not include your operations related to any building, code, license, permit, health, sanitation, animal control, safety, planning or zoning enforcement.

16. "Law enforcement wrongful act" means any actual or alleged error, act, omission, neglect, or breach of duty, including violation of any civil rights law, while performing a "law enforcement activity". All claims arising from a series of related errors, acts, omissions, neglects, or breaches of duty while performing "law enforcement activities" will constitute a single "law enforcement wrongful act".

17. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your operations. "Leased worker" does not include a "temporary worker".

18. "Loading or unloading" means the handling of property:

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a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

b. While it is in or on an aircraft, watercraft or "auto"; or

c. While it is being moved from an aircraft, watercraft or "auto" 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 "auto".

19. "Medical incident" means any act, error or omission in the rendering of or failure to render "professional health care services" by you or by anyone for whose "professional health care services" you are legally responsible. Any such act, error or omission, together with all related acts, errors or omissions in the furnishing of such services to any one person, shall be considered one "medical incident".

20. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

b. Vehicles maintained for use solely on or next to premises you own or rent;

c. Vehicles that travel on crawler treads;

d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.

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22. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:
    a. False arrest, detention or imprisonment;
    b. Malicious prosecution;
    c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
    d. Oral or written publication in any manner of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
    e. Oral or written publication in any manner of material that violates a person's right of privacy;
    f. The use of another's advertising idea in your "advertisement"; or
    g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

23. "Personal watercraft" means a vessel you own, rent, or borrow which uses an inboard motor powering a water jet pump as its primary source of motive power, and which is designed to be operated by a person sitting, standing, or kneeling on the vessel, rather than the conventional manner of sitting or standing inside the vessel.

24. "Pollutants" mean 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.

25. "Potable water" means water intended and provided for human consumption.

26. "Products-completed operations hazard":
    a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
        (1) Products that are still in your physical possession; or
        (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
            (a) When all of the work called for in your contract has been completed.
            (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
            (c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

            Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.
    b. Does not include "bodily injury" or "property damage" arising out of:
        (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
        (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
        (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

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27. "Professional health care services" means:

a. Providing medical or nursing services;

b. Providing professional services of any other health care professional, including emergency medical technicians and paramedics;

c. Furnishing or dispensing drugs or medical, surgical or dental supplies or appliances;

d. Handling of patients:

(1) From the place where they are accepted for movement into or onto the means of transport,

(2) During transport, and

(3) From the means of transport to the place where they are finally delivered;

e. Dispatching of, including the failure or refusal to dispatch, personnel to provide any of the above services;

f. Serving on, or carrying out the orders of, a health care accreditation board or similar professional board or committee; and

g. Establishing medical protocol, creating medical training curricula, providing medical training, conducting medical quality assurance programs, and carrying out similar duties.

28. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

29. "Sexual abuse" means any actual, attempted or alleged sexual conduct by a person, or by persons acting in concert, which causes injury. "Sexual abuse" includes sexual molestation, sexual assault, sexual exploitation, or sexual injury, but does not include "sexual harassment".

30. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature by a person, or by persons acting in concert, which causes injury, but only when:

a. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or

b. Such conduct has the purpose or effect of interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

31. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage", "personal and advertising injury", "medical incident", "law enforcement wrongful act", or a "water or wastewater professional activity" to which this insurance applies are alleged. "Suit" includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other civil alternative dispute resolution proceeding in which such damages is claimed and to which the insured submits with our consent.

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32. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.

33. "Training operations" means activities used to prepare, train, or instruct members of a fire department, emergency medical services unit, or rescue squad in accepted and recognized emergency procedures, including municipal, state and federal standards.

34. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

35. "Water or wastewater professional activity" means an act, error or omission which arises from your activities as a water or wastewater district, water utility, or any other entity whose primary duty is the treatment and distribution of "potable water", or the collection and treatment of wastewater.

36. "Your product" means:

    a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

        (1) You;

        (2) Others trading under your name; or

        (3) A person or organization whose business or assets you have acquired; and

    b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

    "Your product" includes:

    a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

    b. The providing of or failure to provide warnings or instructions.

    "Your product" does not include vending machines or other property rented to or located for the use of others but not sold.

37. "Your work" means:

    a. Work or operations performed by you or on your behalf; and

    b. Materials, parts or equipment furnished in connection with such work or operations.

    "Your work" includes:

    a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and

    b. The providing of or failure to provide warnings or instructions.

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AMENDATORY ENDORSEMENT - GENERAL LIABILITY

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

A. AMENDMENT OF COVERAGE FOR DAMAGE TO PREMISES RENTED TO YOU

1. Paragraph 6. of **SECTION III. LIMITS OF INSURANCE** is replaced by the following:

   6. Subject to Paragraph 5. above, the Damage to Premises Rented to You Limit is the most we will pay under COVERAGE A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by "specified perils", while rented to you or temporarily occupied by you with permission of the owner.

2. The word Fire is changed to "specified perils" where it appears in:

   a. **SECTION IV. CONDITIONS**, Paragraph 4. Other Insurance, b. Excess Insurance.

   b. **SECTION V. DEFINITIONS**, Paragraph 14.a.

3. The last paragraph of **SECTION I. COVERAGES** Paragraph **2. Exclusions Applicable to Coverage A**, is replaced by the following:

   Exclusions a. through c., e. through m., o. through z., and bb. through dd. do not apply to damage by "specified perils" to premises while rented to you or temporarily occupied by you with the permission of the owner. The Damage to Premises Rented to You Limit shown in the Declarations will apply to this coverage.

4. The following definition is added to **SECTION V. DEFINITIONS:**

   "Specified perils" means fire, lightning, explosion, smoke, riot or civil commotion.

B. BODILY INJURY RE-DEFINED

Definition 4. "Bodily Injury" in **SECTION V. DEFINITIONS** is replaced by the following:

4. "Bodily injury" means bodily injury, sickness or disease sustained by a person. This includes mental anguish, mental injury, shock, fright or death resulting from bodily injury, sickness or disease.

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AMENDATORY ENDORSEMENT
EACH LOCATION
GENERAL AGGREGATE LIMIT

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

A. Paragraph 2. of **SECTION III. LIMITS OF INSURANCE** is replaced by the following:

2. The General Aggregate Limit is the most we will pay for the sum of:
   a. Medical expenses under **COVERAGE C**;
   b. Damages under **COVERAGE A** except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
   c. Damages under **COVERAGE B;**

   For each "location" owned by or rented to you.

B. The following definition is added to **SECTION V. DEFINITIONS:**

"Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right of way of a railroad.

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ELECTRONIC DATA LIABILITY

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

Schedule

Loss of "Electronic Data" Limit:	$ 1,000,000
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

A. Exclusion 2.k. of **Coverage A – Bodily Injury And Property Damage Liability** in **SECTION I. COVERAGES** is replaced by the following:

2. **Exclusions**

This insurance does not apply to:

k. Electronic Data

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate "electronic data" that does not result from physical injury to tangible property.

B. The following paragraph is added to **SECTION III. LIMITS OF INSURANCE:**

Subject to 5. above, the Loss of "Electronic Data" Limit shown in the Schedule above is the most we will pay under Coverage A for "property damage" because of all loss of "electronic data" arising out of any one "occurrence".

C. The following definition is added to **SECTION V. DEFINITIONS:**

"Electronic data" means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software (including systems and applications software), hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

D. For the purposes of the coverage provided by this endorsement, the definition of "Property Damage" in **SECTION V. DEFINITIONS** is replaced by the following:

28. "Property damage" means:

a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it;

b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it; or

c. Loss of, loss of use of, damage to, corruption of, inability to access, or inability to properly manipulate "electronic data", resulting from physical injury to tangible property. All such loss of "electronic data" shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, "electronic data" is not tangible property.

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EMPLOYEE BENEFITS LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

SCHEDULE

Coverage	Limit Of Insurance		Deductible		Premium
Employee Benefits Programs	$1,000,000	each "employee"	$	each "employee"	$ 735
	$1,000,000	aggregate			

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. The following is added to **Section I – Coverages:**

COVERAGE – EMPLOYEE BENEFITS LIABILITY

1. **Insuring Agreement**

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:

   (1) The amount we will pay for damages is limited as described in Paragraph **D.** (Section **III** – Limits Of Insurance); and

   (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

   No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

   b. This insurance applies to damages only if the act, error or omission, is negligently committed in the "administration" of your "employee benefit program" and takes place while this endorsement is in effect.

2. **Exclusions**

   This insurance does not apply to:

   a. **Dishonest, Fraudulent, Criminal Or Malicious Act**

   Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

   b. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

   "Bodily injury", "property damage" or "personal and advertising injury".

   c. **Failure To Perform A Contract**

   Damages arising out of failure of performance of contract by any insurer.

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d. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

(1) Failure of any investment to perform;

(2) Errors in providing information on past performance of investment vehicles; or

(3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. **Workers' Compensation And Similar Laws**

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.

g. **ERISA**

Damages for which any insured is 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.

h. **Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. **Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages **A and B** are replaced by Supplementary Payments – Coverages **A, B** and **Employee Benefits Liability.**

2. Paragraphs **1.b.** and **2.** of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs **2.** and **3.** of **Section II – Who Is An Insured** are replaced by the following:

2. Each of the following is also an insured:

a. Each of your "employees" who is or was authorized to administer your "employee benefit program".

b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.

c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this endorsement.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:

a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.

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b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.

D. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

1. **Limits Of Insurance**

a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:

(1) Insureds;

(2) "Claims" made or "suits" brought;

(3) Persons or organizations making "claims" or bringing "suits";

(4) Acts, errors or omissions; or

(5) Benefits included in your "employee benefit program".

b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:

(1) An act, error or omission; or

(2) A series of related acts, errors or omissions

negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

2. **Deductible**

a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.

b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.

c. The terms of this insurance, including those with respect to:

(1) Our right and duty to defend any "suits" seeking those damages; and

(2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"

apply irrespective of the application of the deductible amount.

d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

E. For the purposes of the coverage provided by this endorsement, Conditions **2.** and **4.** of **Section IV – Conditions** are replaced by the following:

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2. **Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**

   a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

      (1) What the act, error or omission was and when it occurred; and

      (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

   b. If a "claim" is made or "suit" is brought against any insured, you must:

      (1) Immediately record the specifics of the "claim" or "suit" and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

   c. You and any other involved insured must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

4. **Other Insurance**

   If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

   a. **Primary Insurance**

      This insurance is primary. Our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in **b.** below.

   b. **Method Of Sharing**

      If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

      If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.

F. For the purposes of the coverage provided by this endorsement, the following definitions are added to the Definitions Section:

1. "Cafeteria plans" means plans authorized by applicable law to allow "employees" to elect to pay for certain benefits with pre-tax dollars.

2. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

3. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:

   a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;

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b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;

c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;

d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and

e. Any other similar benefits designated in the Schedule or added thereto by endorsement.

G. For the purposes of the coverage provided by this endorsement, Definitions **1.**, **7.** and **31.** in the **Definitions** Section are replaced by the following:

1. "Administration" means:

   a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";

   b. Handling records in connection with the "employee benefit program"; or

   c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

   However, "administration" does not include handling payroll deductions.

7. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

31. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:

   a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

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NEW JERSEY CHANGES – LOSS INFORMATION

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

The following is added to **SECTION IV. CONDITIONS**:

9. **Your Right to Loss Information**

We will provide the first Named Insured shown in the Declarations the following loss information relating to this and any preceding General Liability coverage part we have issued to you during the previous three years:

a. A list or other record of each "occurrence", or offense of which we were notified in accordance with paragraph 2.a. of the **Duties in the Event of an Occurrence, Offense, Claim or Suit** condition of this section. We will include a brief description of the "occurrence", or offense or and information on whether any claim arising out of the "occurrence", or offense or is open or closed.

b. A summary by policy year of payments made and amounts reserved, stated separately under any applicable General Aggregate Limit and Products - Completed Operations Aggregate Limit.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

You must not disclose this information to any claimant or any claimant's representative without our consent.

We will provide this information only if we receive a written request from the first Named Insured during the policy period. We will provide this information within 45 days of receipt of the request.

We compile claim and "occurrence" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers or others to whom this information is furnished by or on behalf of any insured.

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NEW JERSEY CHANGES

This endorsement modifies insurance provided under the following:

GENERAL LIABILITY COVERAGE PART

A. The following paragraph is added to Exclusion q. **Lead, Electromagnetic Radiation, Nuclear** of **Exclusions Applicable to Coverage A:**

However, this exclusion does not apply to "bodily injury" arising out of or in any way related to the toxic properties of lead, or any material or substance containing lead.

B. Exclusion v. **Sexual Abuse** of **Exclusions Applicable to Coverage B** is deleted and replaced by the following:

This insurance does not apply to:

u. **Sexual Abuse**

"Personal and advertising injury" arising out of the "sexual abuse" of any person. However, this exclusion shall not apply to the Named Insured if no elected or appointed official, executive officer, officer, director, or trustee of the Named Insured knew or had reason to know of the "sexual abuse". Also, we will defend an insured for covered civil action subject to the other terms of this coverage part until either a judgment or final adjudication establishes such an act, or the insured confirms such act.

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A Division of Glatfelter Insurance Group

CLAIM REPORTING

Successful claim handling begins with prompt notification. Incidents that will or might give rise to a claim should be immediately reported to your agent. The agent will relay pertinent information to Glatfelter Claims Management, Inc. (GCM). Minimum information needed is:

- Name and telephone number of insured contact person.
- Date, time and location of the accident or incident.
- Description of how the incident occurred.
- Description of the vehicle or property involved.
- Description of the damage and/or injuries.
- Description of any other automobiles, property, persons and witnesses involved, including addresses and telephone numbers, if available.
- If known, the name and incident report number of the responding police department or other authority.

Do not delay reporting an incident to your agent waiting on information such as a police report, repair estimate, or other claim details. When additional information is obtained, it should be promptly reported to your agent or the claim handler assigned by GCM.

Should a claim arise, some important points to remember are:

- Provide assistance to injured persons.
- Protect property from further damage.
- Do not divulge information to anyone other than the assigned claim handler or GCM's authorized representative.
- If a lawsuit is filed, contact your agent immediately who will transmit copies to GCM.

If an after-hours emergency should arise, please contact our office for assistance.

Glatfelter Claims Management, Inc.
P.O. Box 5126
York, PA 17405
Telephone: (800) 233-1957
Claims Fax: (717) 747-7051
E-Mail: claims@glatfelters.com

License Number: 2D89880 (California only)

Glatfelter Claims Management, Inc., a division of Glatfelter Insurance Group, is a wholly owned, third-party claims administrator charged with the handling of claims for Glatfelter Public Practice, on behalf of American Alternative Insurance Corporation.

Glatfelter Public Practice℠

A Division of Glatfelter Insurance Group

(800) 233-1957

www.GlatfelterPublicPractice.com

Named Insured: NEW JERSEY EDUCATIONAL

Policy No. or Type of Policy: GPPA-PF-6054686-02/000 **Effective Date:** 07-01-2013

Insurance Company: **American Alternative Insurance Company**

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you now have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1)of the Act:* The term "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 certain air carriers or vessels 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.

Coverage for certified acts of terrorism has been included in your policy. No additional premium has been charged under this policy for such terrorism coverage.

YOU SHOULD KNOW THAT WHERE 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, IF ANY, 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 INSURERS' 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 EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

HOW DOES THE ACT AFFECT YOUR INSURANCE COVERAGE?

You have a policy of insurance issued by us which has no terrorism exclusion attached to it.

- This policy will remain in effect as written for the remainder of the policy period shown in the Declarations of the policy.
- The decision not to include a terrorism exclusion to your policy when it was issued or last renewed was based on a number of reasons, and the continuation or importance of these reasons may or may not have been altered by the passage of the Act.
- In the time between now and the next renewal we will examine and refine our treatment of terrorism under your policy. This means that you may or may not have the same terms offered to you upon renewal and that the premium charged may or may not reflect alteration based upon the terrorism exposure.

WHAT IS THE TERRORISM RISK INSURANCE ACT ?

The following is a partial summary of the Terrorism Risk Insurance Act, as amended, (hereinafter referred to as the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act. The Act has been extended through December 31, 2014.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
   1. occurs within the United States; or
   2. occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which US income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.

B. "Act of terrorism" means any act that is certified by the Secretary of State, in concurrence with the Secretary of State and the Attorney General of the United States:
   1. To be an act of terrorism;
   2. To be a violent act or an act that is dangerous to:
      a. human life;
      b. property; or
      c. infrastructure;
   3. to have resulted in damage within the United States, or outside of the United States in the case of:
      a. an air carrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
      b. the premises of a United States mission; and

4. to have been committed by an individual or individuals, as part of an effort to coerce the civilian populations of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
   1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
   2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed $5,000,000."

D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after December 31, 2007, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2008 and for all additional program years, the program trigger is $100,000,000 of aggregate industry insured losses.

E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except Directors and Officers Liability); or farm owners multiple peril insurance.

F. Under the Act for program years through December 31, 2014, the federal government will reimburse the insurance company for 85% of its insured losses in excess of a deductible, until aggregate "insured losses" in any Program Year exceed $100 billion. Each insurer's deductible will be 20% of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year.

   For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

   Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds $100 billion in the aggregate during any Program Year.

COMMERCIAL EXCESS LIABILITY 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, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under the "controlling underlying insurance".

Other words and phrases that appear in quotation marks in this Coverage Part have special meaning. Refer to Section IV – Definitions. Other words and phrases that are not defined under this Coverage Part but defined in the "controlling underlying insurance" will have the meaning described in the policy of "controlling underlying insurance".

The insurance provided under this Coverage Part will follow the same provisions, exclusions and limitations that are contained in the applicable "controlling underlying insurance", unless otherwise directed by this insurance. To the extent such provisions differ or conflict, the provisions of this Coverage Part will apply. However, the coverage provided under this Coverage Part will not be broader than that provided by the applicable "controlling underlying insurance".

There may be more than one "controlling underlying insurance" listed in the Declarations and provisions in those policies conflict, and which are not superseded by the provisions of this Coverage Part. In such a case, the provisions, exclusions and limitations of the "controlling underlying insurance" applicable to the particular "event" for which a claim is made or suit is brought will apply.

SECTION I – COVERAGES

1. **Insuring Agreement**

   a. We will pay on behalf of the insured the "ultimate net loss" in excess of the "retained limit" because of "injury or damage" to which insurance provided under this Coverage Part applies.

      We will have the right and duty to defend the insured against any suit seeking damages for such "injury or damage" when the applicable limits of "controlling underlying insurance" have been exhausted in accordance with the provisions of such "controlling underlying insurance".

      When we have no duty to defend, we will have the right to defend, or to participate in the defense of, the insured against any other suit seeking damages for "injury or damage".

      However, we will have no duty to defend the insured against any suit seeking damages for which insurance under this policy does not apply.

      At our discretion, we may investigate any "event" that may involve this insurance and settle any resultant claim or suit, for which we have the duty to defend.

      But:

      (1) The amount we will pay for "ultimate net loss" is limited as described in Section II – Limits Of Insurance; and

      (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this Coverage Part. However, if the policy of "controlling underlying insurance" specifies that limits are reduced by defense expenses, our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of defense expenses, judgments or settlements under this Coverage Part.

   b. This insurance applies to "injury or damage" that is subject to an applicable "retained limit". If any other limit, such as, a sublimit, is specified in the "controlling underlying insurance", this insurance does not apply to "injury or damage" arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "controlling underlying insurance".

   c. If the "controlling underlying insurance" requires, for a particular claim, that the "injury or damage" occur during its policy period in order for that coverage to apply, then this insurance will only apply to that "injury or damage" if it occurs during the policy period of this Coverage Part. If the "controlling underlying insurance" requires that the "event" causing the particular "injury or damage" takes place during its policy period in order for that coverage to apply, then this insurance will apply to the claim only if the "event" causing that "injury or damage" takes place during the policy period of this Coverage Part.

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d. Any additional insured under any policy of "controlling underlying insurance" will automatically be an additional insured under this insurance. If coverage provided to the additional insured is required by a contract or agreement, the most we will pay on behalf of the additional insured is the amount of insurance required by the contract, less any amounts payable by any "controlling underlying insurance".

Additional insured coverage provided by this insurance will not be broader than coverage provided by the "controlling underlying insurance".

2. **Exclusions**

The following exclusions, and any other exclusions added by endorsement, apply to this Coverage Part. In addition, the exclusions applicable to any "controlling underlying insurance" apply to this insurance unless superseded by the following exclusions, or superseded by any other exclusions added by endorsement to this Coverage Part.

Insurance provided under this Coverage Part does not apply to:

a. **Medical Payments**

Medical payments coverage or expenses that are provided without regard to fault, whether or not provided by the applicable "controlling underlying insurance".

b. **Auto**

Any loss, cost or expense payable under or resulting from any of the following auto coverages:

(1) First-party physical damage coverage;

(2) No-fault coverage;

(3) Personal injury protection or auto medical payments coverage; or

(4) Uninsured or underinsured motorists coverage.

c. **Pollution**

(1) "Injury or damage" which 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.

(2) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

This exclusion does not apply to the extent that valid "controlling underlying insurance" for the pollution liability risks described above exists or would have existed but for the exhaustion of underlying limits for "injury or damage".

d. **Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

SECTION II – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations, and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or suits brought, or number of vehicles involved;

c. Persons or organizations making claims or bringing suits; or

d. Limits available under any "controlling underlying insurance".

2. The Limits of Insurance of this Coverage Part will apply as follows:

a. This insurance only applies in excess of the "retained limit".

b. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss", for all "injury or damage" covered under this Coverage Part.

However, this Aggregate Limit only applies to "injury or damage" that is subject to an aggregate limit of insurance under the "controlling underlying insurance".

c. Subject to Paragraph 2.b. above, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under this insurance because of all "injury or damage" arising out of any one "event".

d. If the Limits of Insurance of the "controlling underlying insurance" are reduced by defense expenses by the terms of that policy, any payments for defense expenses we make will reduce our applicable Limits of Insurance in the same manner.

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3. If any "controlling underlying insurance" has a policy period that is different from the policy period of this Coverage Part then, for the purposes of this insurance, the "retained limit" will only be reduced or exhausted by payments made for "injury or damage" covered under this insurance.

The Aggregate Limit of this Coverage Part applies separately to each consecutive annual period of this Coverage Part and to any remaining period of this Coverage Part of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION III – CONDITIONS

The following Conditions apply. In addition, the Conditions applicable to any "controlling underlying insurance" are also applicable to the coverage provided under this insurance unless superseded by the following conditions.

1. **Appeals**

   If the "controlling underlying insurer" or insured elects not to appeal a judgment in excess of the amount of the "retained limit", we may do so at our own expense. We will also pay for taxable court costs, pre- and postjudgment interest and disbursements associated with such appeal. In no event will this provision increase our liability beyond the applicable Limits of Insurance described in Section II – Limits Of Insurance.

2. **Bankruptcy**

   a. **Bankruptcy Of Insured**

      Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

   b. **Bankruptcy Of Controlling Underlying Insurer**

      Bankruptcy of the "controlling underlying insurer" will not relieve us of our obligations under this Coverage Part.

   However, insurance provided under this Coverage Part will not replace any "controlling underlying insurance" in the event of bankruptcy or insolvency of the "controlling underlying insurer". The insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect and recoverable.

3. **Duties In The Event Of An Event, Claim Or Suit**

   a. You must see to it that we are notified as soon as practicable of an "event", regardless of the amount, which may result in a claim under this insurance. To the extent possible, notice should include:

      (1) How, when and where the "event" took place;

      (2) The names and addresses of any injured persons and witnesses; and

      (3) The nature and location of any "injury or damage" arising out of the "event".

   b. If a claim is made or suit is brought against any insured, you must:

      (1) Immediately record the specifics of the claim or suit and the date received; and

      (2) Notify us as soon as practicable.

      You must see to it that we receive written notice of the claim or suit as soon as practicable.

   c. You and any other insured involved must:

      (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;

      (2) Authorize us to obtain records and other information;

      (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and

      (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of "injury or damage" to which this insurance may also apply.

   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

4. **First Named Insured Duties**

   The first Named Insured is the person or organization first named in the Declarations and is responsible for the payment of all premiums. The first Named Insured will act on behalf of all other Named Insureds for giving and receiving of notice of cancellation or the receipt of any return premium that may become payable.

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At our request, the first Named Insured will furnish us, as soon as practicable, with a complete copy of any "controlling underlying insurance" and any subsequently issued endorsements or policies which may in any way affect the insurance provided under this Coverage Part.

5. **Cancellation**

   a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

   b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or

      (2) 30 days before the effective date of cancellation if we cancel for any other reason.

   c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

   d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

   e. 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.

   f. If notice is mailed, proof of mailing will be sufficient proof of notice.

6. **Changes**

   This Coverage Part contains all the agreements between you and us concerning the insurance afforded. The first Named Insured is authorized by all other insureds to make changes in the terms of this Coverage Part with our consent. This Coverage Part's terms can be amended or waived only by endorsement.

7. **Maintenance Of/Changes To Controlling Underlying Insurance**

   Any "controlling underlying insurance" must be maintained in full effect without reduction of coverage or limits except for the reduction of aggregate limits in accordance with the provisions of such "controlling underlying insurance" that results from "injury or damage" to which this insurance applies.

   Such exhaustion or reduction is not a failure to maintain "controlling underlying insurance". Failure to maintain "controlling underlying insurance" will not invalidate insurance provided under this Coverage Part, but insurance provided under this Coverage Part will apply as if the "controlling underlying insurance" were in full effect.

   The first Named Insured must notify us in writing, as soon as practicable, if any "controlling underlying insurance" is cancelled, not renewed, replaced or otherwise terminated, or if the limits or scope of coverage of any "controlling underlying insurance" is changed.

8. **Other Insurance**

   a. This insurance is excess over, and shall not contribute with any of the other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this Coverage Part.

      When this insurance is excess, if no other insurer defends, we may undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

   b. When this insurance is excess over other insurance, we will pay only our share of the "ultimate net loss" that exceeds the sum of:

      (1) The total amount that all such other insurance would pay for the loss in the absence of the insurance provided under this Coverage Part; and

      (2) The total of all deductible and self-insured amounts under all that other insurance.

9. **Premium Audit**

   a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.

   b. If this policy is auditable, the premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit premium is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

   c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

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10. **Loss Payable**

Liability under this Coverage Part does not apply to a given claim unless and until:

a. The insured or insured's "controlling underlying insurer" has become obligated to pay the "retained limit"; and

b. The obligation of the insured to pay the "ultimate net loss" in excess of the "retained limit" has been determined by a final settlement or judgment or written agreement among the insured, claimant, "controlling underlying insurer" (or a representative of one or more of these) and us.

11. **Legal Action Against Us**

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, "controlling underlying insurer" and the claimant or the claimant's legal representative.

12. **Transfer Of Defense**

a. **Defense Transferred To Us**

When the limits of "controlling underlying insurance" have been exhausted, in accordance with the provisions of "controlling underlying insurance", we may elect to have the defense transferred to us. We will cooperate in the transfer of control to us of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

b. **Defense Transferred By Us**

When our limits of insurance have been exhausted our duty to provide a defense will cease.

We will cooperate in the transfer of control of defense to any insurer specifically written as excess over this Coverage Part of any outstanding claims or suits seeking damages to which this insurance applies and which would have been covered by the "controlling underlying insurance" had the applicable limit not been exhausted.

In the event that there is no insurance written as excess over this Coverage Part, we will cooperate in the transfer of control to the insured and its designated representative.

13. **When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

SECTION IV – DEFINITIONS

The definitions applicable to any "controlling underlying insurance" also apply to this insurance. In addition, the following Definitions apply.

1. "Controlling underlying insurance" means any policy of insurance or self-insurance listed in the Declarations under the Schedule of "controlling underlying insurance".
2. "Controlling underlying insurer" means any insurer who provides any policy of insurance listed in the Declarations under the Schedule of "controlling underlying insurance".
3. "Event" means an "occurrence", offense, accident, act, or other event, to which the applicable "controlling underlying insurance" applies.
4. "Injury or damage" means any injury or damage, covered in the applicable "controlling underlying insurance" arising from an "event".
5. "Retained limit" means the available limits of "controlling underlying insurance" applicable to the claim.
6. "Ultimate net loss" means the total sum, after reduction for recoveries, or salvages collectible, that the insured becomes legally obligated to pay as damages by reason of:

   a. Settlements, judgments, binding arbitration; or

   b. Other binding alternate dispute resolution proceeding entered into with our consent.

   "Ultimate net loss" includes defense expenses if the "controlling underlying insurance" specifies that limits are reduced by defense expenses.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's lawful representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

B. Paragraph 5.b. of the **Cancellation** Provisions of **Section III – Conditions** is replaced by the following:

b. If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

(1) We may cancel this policy by mailing or delivering to the first Named Insured and any person entitled to notice under this policy written notice of cancellation at least:

(a) 10 days before the effective date of cancellation if we cancel for:

(i) Nonpayment of premium; or

(ii) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f) as follows:

i. "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'"; and

ii. "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, corporate, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

(b) 30 days before the effective date of cancellation if we cancel for any other reason.

(2) In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation.

C. The following is added to Paragraph 5. **Cancellation** of **Section III – Conditions:**

CANCELLATION OF POLICIES IN EFFECT FOR 60 DAYS OR MORE

a. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

(1) Nonpayment of premium;

(2) Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);

(3) Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;

(4) Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;

(5) Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;

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(6) Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;

(7) Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;

(8) Loss of or reduction in available insurance capacity;

(9) Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;

(10) Loss of or substantial changes in applicable reinsurance;

(11) Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;

(12) Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond.

(13) Agency termination, provided:

(a) We document that replacement coverage at comparable rates and terms has been provided to the first Named Insured, and we have informed the first Named Insured, in writing, of the right to continue coverage with us; or

(b) We have informed the first Named Insured, in writing, of the right to continue coverage with us and the first Named Insured has agreed, in writing, to the cancellation or nonrenewal based on the termination of the first Named Insured's appointed agent.

(14) Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

b. If we cancel this policy based on Paragraph a.(1) or (2) above, we will mail or deliver a written notice, to the first Named Insured and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to the first Named Insured and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.

c. In the notice of cancellation which is sent to the first Named Insured, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.

d. Notice will be sent to the last mailing addresses known to us, by:

(1) Certified mail; or

(2) First-class mail, if we have obtained from the post office a date-stamped proof of mailing showing names and addresses.

e. We need not send notice of cancellation if you have:

(1) Replaced coverage elsewhere; or

(2) Specifically requested termination.

D. Paragraph **13. When We Do Not Renew** of **Section – III Conditions** is replaced by the following:

NONRENEWAL

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the first Named Insured at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.

2. This notice will be sent to the first Named Insured at the last mailing address known to us by:

a. Certified mail; or

b. First-class mail, if we have obtained from the post office a date-stamped proof of mailing showing the first Named Insured's name and address.

3. We need not mail or deliver this notice if you have:

a. Replaced coverage elsewhere; or

b. Specifically requested termination.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
(BROAD FORM)

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions:

2. Exclusions

NUCLEAR ENERGY LIABILITY

a. Under any Liability Coverage, to "injury or damage":

(1) With respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, 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 insured is, or had this 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.

b. Under any Liability Coverage, to "injury or damage" resulting from "hazardous properties" of "nuclear material", if:

(1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an insured or (b) has been discharged or dispersed therefrom;

(2) 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 an insured; or

(3) The "injury or damage" arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation 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 (3) applies only to property damage to such "nuclear facility" and any property thereat.

c. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material (a) containing "by-product 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" content, and (b) resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

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"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 "insured" 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 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.

"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.

"Injury or damage" includes all forms of radioactive contamination of property.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Any endorsement addressing acts of terrorism (however defined) in any "controlling underlying insurance" does not apply to this excess insurance. The following provisions addressing acts of terrorism apply with respect to this excess insurance:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act 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, 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.

"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. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. 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; and
2. 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.

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PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

SCHEDULE

Products-completed Operations Aggregate Limit:	$
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

Section II — Limits Of Insurance is replaced by the following:

1. The Limits of Insurance shown in the Declarations, and the Schedule of this endorsement, and the following rules fix the most we will pay regardless of the number of:
   a. Insureds;
   b. Claims made or suits brought, or number of vehicles involved;
   c. Persons or organizations making claims or bringing suits; or
   d. Limits available under any "controlling underlying insurance".
2. The Limits of Insurance will apply as follows:
   a. This insurance only applies in excess of the "retained limit".
   b. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss", for all "injury or damage" covered under this Coverage Part, except "ultimate net loss" because of "injury or damage":
      (1) That is not subject to an aggregate limit of insurance under the "controlling underlying insurance"; or
      (2) Included in the products-completed operations hazard.
   c. The Products-completed Operations Aggregate Limit shown in the Schedule of this endorsement is the most we will pay for the sum of all "ultimate net loss" under this insurance because of all "injury or damage" included in a products-completed operations hazard.
   d. Subject to Paragraph **b.** or **c.** of this endorsement, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of all "ultimate net loss" under this insurance because of all "injury or damage" arising out of any one "event".
3. If any "controlling underlying insurance" has a policy period that is different from the policy period of this Coverage Part then, for the purposes of this insurance, the "retained limit" will only be reduced or exhausted by payments made for "injury or damage" covered under this insurance.

The Aggregate Limits, as described in Paragraphs **b.** and **c.** above, apply separately to each consecutive annual period of this Coverage Part and to any remaining period of this Coverage Part of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

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PER LOCATION AGGREGATE LIMIT OF INSURANCE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Paragraph **2.b.** under **Section II – Limits Of Insurance** is deleted and replaced by the following:

2.b. The Aggregate Limit is the most we will pay for the sum of all "ultimate net loss", for all "injury or damage" covered under this Coverage Part.

However, this Aggregate Limit only applies to "injury or damage" that is subject to an aggregate limit of insurance under the "controlling underlying insurance".

The above described Aggregate Limit applies separately to each location owned by or rented to or managed by the named insured.

As used herein, location means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.

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SUBLIMITED COVERAGES ENDORSEMENT

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Paragraph **1.b.** under **Insuring Agreement** in **Section I —Coverages** is deleted and replaced by the following:

This insurance applies to "injury or damage" that is subject to an applicable "retained limit" that is specifically listed in the Schedule of "controlling underlying insurance". If any other limit, such as, a sublimit, is specified in the "controlling underlying insurance", this insurance does not apply to "injury or damage" arising out of that exposure unless that limit is specified in the Declarations under the Schedule of "controlling underlying insurance".

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E.R.I.S.A. EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following exclusion is added to Paragraph **2. Exclusions** of **Section I - Coverages:**

This insurance does not apply to any "injury or damage" arising out of or associated with any obligation of the insured under the Employees' Retirement Income Security Act (E.R.I.S.A.), and any amendments thereto or any similar federal, state or local statute.

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POLLUTION LIABILITY EXCLUSION – GLATFELTER PUBLIC PRACTICE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

I. Exclusion c. **Pollution** under Paragraph 2. **Exclusions** of **Section I – Coverages** is deleted and replaced by the following:

This insurance does not apply to:

c. **Pollution**

(1) Any professional liability or related defense costs and expenses arising out of the actual "discharge" of pollutants.

(2) Any "injury or damage", loss, cost, expense, liability or legal obligation arising out of or in any way related to pollution, however caused. Pollution includes the actual, alleged, or potential presence in or introduction into the environment of any substance if such substance has, or is alleged to have, the effect of making the environment impure, harmful or dangerous. Environment includes any air, land, structure (or the air within), watercourse or other body of water, including underground water.

However, this exclusion does not apply to:

(a) Bodily injury if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and is caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests.

(b) Bodily injury or property damage arising out of heat, smoke or fumes from a hostile fire unless that hostile fire occurred or originated at:

(i) Any premises, site or location which is or was at any time used by any insured or others for the handling, storage, disposal, processing or treatment of waste; or

(ii) Any premises, site or location on which any insured or other contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, pollutants except to the extent coverage is provided in Paragraph c.(2)(c) below.

(c) Bodily injury or property damage which occur or take place as a result of your operations provided the bodily injury or property damage is not otherwise excluded in whole or part and arises out of the following:

(i) Potable water which you supply to others;

(ii) Chemicals you use in your water or wastewater treatment process;

(iii) Natural gas or propane gas you use in your water or wastewater treatment process;

(iv) Urgent response for the protection of property, human life, health or safety conducted away from premises owned by or rented to or regularly occupied by you;

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(v) "Training operations" by you;

(vi) Water runoff from the cleaning of equipment used in an "emergency service activity";

(vii) Application of pesticide or herbicide if such application meets all standards of any statute, ordinance, regulation or license requirement of any federal, state or local government; or

(viii) Fuels, lubricants or other operating fluids needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of a covered auto or mobile equipment or its parts, but only if:

(a) The fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them; and

(b) The fuels, lubricants or other operating fluids are not:

(1) Intentionally "discharged"; or

(2) Brought on or to a premises, site or location with the intent to be "discharged" as part of the operations being performed by an insured, contractor or subcontractor.

(d) Bodily injury or to property damage if such bodily injury or property damage is caused by the escape or back-up of sewage or waste water from any sewage treatment facility or fixed conduit or piping that you own, operate, lease, control or for which you have the right of way. The property damage must occur away from land you own or lease, to be covered.

(e) Bodily injury or to property damage caused by an accident which occurs away from a premises owned by or rented to an insured with respect to pollutants not in or upon a covered auto if:

(i) The pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of a covered auto; and

(ii) The "discharge" of the pollutants is caused directly by such upset, overturn or damage.

Paragraphs **c.(2)(c)** and **c.(2)(d)** of this exclusion only apply with respect to "short-term pollution events" and only if you notified us of the "short-term pollution event" as soon as practicable but no more than fourteen (14) days after its ending. The entirety of any "discharge" or series of related "discharges" will be deemed a single "discharge" regardless of the length of time over which the pollutants are released. The entirety of any "discharge" or series of related "discharges" will be deemed to have occurred only at the date the earliest "discharge" commenced.

(3) Any loss, cost or expense arising out of any:

(a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, pollutants; or

(b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

However, this paragraph does not apply to liability for damages because of property damage that the insured would have in the absence of such request, demand, order or statutory or regulatory requirement, or such claim or suit by or on behalf of a governmental authority.

II. For the purposes of this exclusion, the following definitions are added to **Section IV – Definitions**:

(a) "Discharge" includes dispersal, seepage, migration, release or escape.

(b) "Training operations" means activities used to prepare, train, or instruct members of a fire department, emergency medical services unit, or rescue squad in accepted and recognized emergency procedures, including municipal, state and federal standards.

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(c) "Emergency service activity" means:

(1) All operations conducted by your firefighting, emergency medical services, or rescue squad units; and

(2) Which are sanctioned by you.

(d) "Short-term pollution event" means a "discharge" of pollutants which:

(1) Begins during the policy period;

(2) Begins at an identified time and place;

(3) Ends, in its entirety, at an identified time within forty-eight (48) hours of the beginning of the "discharge" of the pollutants; and

(4) Does not originate from an "underground storage tank", except for storage tanks used to hold or process water, wastewater or sewage.

To be a "short-term pollution event", the "discharge" of pollutants need not be continuous. However, if the "discharge" is not continuous, then all "discharges" of the same pollutants from essentially the same source, considered together, must satisfy Provisions (1) through (4) of this definition to be considered a "short-term pollution event".

(e) "Underground storage tank" means any storage tank, including any attached pumps, valves or piping, buried below the surface of the ground or water, or which at any time, had been buried under the surface of the ground or water and then subsequently exposed by any means. For the purposes of this definition, buried means that at least 10% of it is below the surface of the ground or water.

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Massey, Rosana

From: Julianne Brown <jbrown@psgins.com>
Sent: Monday, April 28, 2014 3:56 PM
To: Massey, Rosana
Cc: Charla Woodeshick
Subject: New Jersey Educational Facilities Authority-Navigators Excess quote from Navigators Insurance Company
Attachments: qt.pdf; specimen.pdf

Importance: High

Attached please find terms on behalf of **Navigators Insurance Company** (admitted) for **Excess.**

Subject To:

1. Copy of underlying Policy/Endorsements-**Within 60 days of binding.**
2. All Underlying Policy numbers-**Required to bind.**
3. Signed Terrorism Policy Holder Notice (attached)- **Due at Binding**
4. Signed Application -**Within 30 days of binding**
5. Description of the operations of all named insureds.
6. Loss runs for the past 5 years for all named insureds.
7. Named insureds are named insureds on ALL underlying policies.
8. Receipt of copies of underlying quote letters- **Due at Binding**

Julianne Brown
Account Manager
Partners Specialty Group, LLC

25 B Hanover Road, Suite 305
Florham Park, NJ 07932
Phone: 973-825-7677
Fax: 973-593-0137
jbrown@psgins.com
http://www.psgins.com

PARTNERS SPECIALTY
GROUP, LLC.

QUOTE # 4807 A

4/28/14

TO: Willis of New Jersey, Inc.
ATTN: Rosana Massey

FAX #: (856) 914-1881

FROM: Julianne Brown
Account Manager
for Charla Woodeshick

Renewal of: NY13EXC753269IV

Expires: 7/1/14

We are pleased to offer the following quotation for your review, which is valid for 30 days.

INSURED: **New Jersey Educational Facilities Authority**
103 College Road East
Princeton, NJ 08540-6601

POLICY PERIOD: 7/1/14 to 7/1/15

INSURER: **Navigators Insurance Company Admitted**

COVERAGE: Navigators Excess

LIMITS: ***See Attached***

DEDUCTIBLE: ***See Attached***

CONDITIONS: ***See Attached***

EXCLUSIONS: ***See Attached***

PREMIUM:

	$ 16,000.00
Broker Fee	50.00
NJ PLIGA	144.00
Total	**$ 16,194.00**

COMMISSION: 11.00%

25 % Minimum Earned Premium in the event of cancellation.

CERTIFICATES OF INSURANCE: The responsibility for the accuracy of the information set forth in any certificate of insurance is the sole responsibility of the person or entity which issues the certificate.

Although Partners Specialty Group (hereafter "PSG") may retain copies of certificates of insurance forwarded to us, PSG does so strictly without prejudice as to their accuracy. Neither the insurers, their representatives, nor PSG will be responsible for any liability resulting from your issuance of any certificate of insurance.

We also draw your attention to the fact that unless the policy is physically endorsed, the issuance of a certificate does not amend, extend, or alter the coverage afforded by the policy or change the person(s) or entities to whom such coverage is afforded under the policy.

Moreover, neither the underwriters, their representatives, nor PSG will be responsible for any liability resulting from the issuance of any unauthorized endorsement or the issuance of an endorsement which has been authorized by the insurer but where the authorized wording has been amended or revised in any way, without the prior written approval of the insurers.

PLEASE REFER TO THE POLICY FORM FOR FULL DETAILS ON TERMS AND CONDITIONS. SAMPLE FORMS ARE AVAILABLE

PARTNERS SPECIALTY
GROUP, LLC.

QUOTE # 4807 A

ON REQUEST.

IMPORTANT: COVERAGE IS NOT BOUND. This coverage is subject to the terms and conditions of the specified insurance company forms currently in use including any listed amendatory endorsements. Should a change in insurance company be involved, terms and conditions may vary from those currently in force. A copy of the form to be used is available upon request. THE COVERAGE DESCRIBED IN THIS QUOTATION MAY NOT CONFORM TO THE TERMS AND CONDITIONS REQUESTED. In order to bind the coverage a request must be received in writing.

25 B Hanover Road, Suite 305
Florham Park, NJ 07932
Phone: 973-825-7670 Fax: 973-593-0137

Excess Casualty Division
A Division of Navigators Management Company, Inc.
Robert Philhower
One Penn Plaza, 32nd Floor
New York, NY 10119

Date: April 28, 2014

Jon Bannett
Partners Specialty
25B Hanover Road, Suite 305
Florham Park, NJ 07932

Via Email: jbannett@psgins.com

Re: **New Jersey Educational Facilities Authority**
103 College Road East
Princeton, NJ 08540-6601

Dear Jon:

Thank you for the opportunity to offer a Navigators Excess quotation for New Jersey Educational Facilities Authority. Our quote is as follows:

1:

Company:	Navigators Insurance Company - Admitted	
Coverage:	Navigators Excess	
Policy Period:	7/1/2014 to 7/1/2015	
Limits:	$15,000,000	Each Occurrence or Event
	$15,000,000	General Aggregate
	$15,000,000	Products-Completed Operations Aggregate
Premium:	$16,000	
Terrorism Premium:	$0	
Minimum Earned:	25%	
Surcharge :	$144.00	New Jersey PLIGA
Total Due:	$16,144.00	

Underlying:

Excess Liability

Carrier:	American Alternative Insurance Corporation
Policy No:	GPPA-PF-6054686-02/000
Term:	07/01/2013 to 07/01/2014
Limits:	$10,000,000 Each Occurrence
	$10,000,000 Aggregate
	$10,000,000 Products Completed Operations Aggregate
	Which is in excess of at least
	$1,000,000 Each Occurrence
	$3,000,000 Aggregate
	$3,000,000 Products Completed Operations Aggregate
	☒ Occurrence ☐ Claims Made

Excess Casualty Division
A Division of Navigators Management Company, Inc.
Robert Philhower
One Penn Plaza, 32nd Floor
New York, NY 10119

Forms and Endorsements:

1.	Commercial Excess Liability Coverage Part	NAV-EXC-001
2.	Policy holder Disclosure Notice of Terrorism Insurance Coverage	PHN NAVG TERR
3.	New Jersey Changes	NAV-ECD-200-NJ
4.	OFAC ENDORSEMENT	NAV-ML-002
5.	CLAIM REPORTING PROCEDURES	NAV-PHN-200
6.	Amendment of Limits of Insurance Application of the General	NAV-EXC-301
7.	Disclosure Pursuant to Terrorism Risk Insurance Act	IL 09 85
8.	Nuclear Energy Liability Exclusion	NAV-EXC-302
9.	Exclusion - Rejected Coverage	NAV-EXC-321
10.	Exclusion - Discrimination	NAV-EXC-314
11.	Professional Services Exclusion	NAV-EXC-305
12.	Exclusion - Financial Services	NAV-EXC-309
13.	Exclusion - Insurance and Related Operations	NAV-EXC-310
14.	Cap on Losses From Certified Acts of Terrorism	NAV-ECD-400

Subject To:

1. Copy of underlying Policy/Endorsements within 60 days of binding.
2. All Underlying Policy numbers required to bind.
3. Signed Terrorism Policy Holder Notice
4. Signed Application within 30 days of binding
5. Description of the operations of all named insureds.
6. Loss runs for the past 5 years for all named insureds.
7. Named insureds are named insureds on ALL underlying policies.
8. Receipt of copies of underlying quote letters.

This quote is valid until 05/28/2014.

The terms of our quote may differ from those requested in your submission. Sample policy forms are available upon request. Please let me know if you need copies of any of the forms.

To bind coverage, please send a written request (letter, fax or email).

Should you have any questions please feel free to contact me.

Best Regards,

Robert Philhower
Voice: (973) 455-8081
Fax: (973) 455-7218
rphilhower@navg.com

Excess Casualty Division
A Division of Navigators Management Company, Inc.
Robert Philhower
One Penn Plaza, 32nd Floor
New York, NY 10119

Navigators Insurance Company and its wholly owned subsidiary, Navigators Specialty Insurance Company are rated "A" [Excellent] by A.M. Best and "A" [Strong] by Standard & Poor's. For more than 30 years we have been committed to our corporate values of specialization, teamwork, strength and results. We have excellent financial strength and are one of the most profitable insurance companies.

Learn About Our Financial Strength: www.navg.com/navigators/aboutus_ratings.aspx

POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism, *as defined in Section 102(1) of the Act*: The term "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 certain air carriers or vessels 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 WHERE 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 OR COVERAGES YOU REJECTED IN THE UNDERLYING INSURANCE. 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 INSURERS' 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 EXCEED $100 BILLION, YOUR COVERAGE MAY BE REDUCED.

Acceptance or Rejection of Terrorism Insurance Coverage

	I hereby elect to purchase terrorism coverage for a prospective premium of $0.00
	I hereby decline to purchase terrorism coverage for certified acts of terrorism. I understand that I will have no coverage for losses resulting from certified acts of terrorism.

Navigators Insurance Company
Insurance Company

Policyholder/Applicant's Signature

Print Name

Policy Number

Date

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Commercial Excess Liability Coverage Part

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

Throughout the policy the words "you" and "your" refer to the Named Insured. The words "we," "us" and "our" refer to the company providing this insurance. The word "insured" means any other person or organization qualifying as such under SECTION II – WHO IS AN INSURED.

Other words and phrases that appear in quotations in this policy have special meanings. Refer to SECTION V - DEFINITIONS.

SECTION I – COVERAGE

1. Insuring Agreement

   A. Excess Liability

      1. We will pay on behalf of the insured and in excess of "underlying limits" those sums the insured becomes legally obligated to pay as damages for "loss" to which this insurance applies. This insurance applies only if:

         a. the "loss" is caused by an "event" that takes place in the coverage territory;

         b. the "loss" occurs during the "policy period;" and

         c. the "controlling underlying insurance" applies to the "loss."

      2. If an aggregate limit of "controlling underlying insurance" is exhausted by the payment of judgments or settlements to which this insurance applies, or would have applied but for the amount of the damages, this insurance will apply in place of the "controlling underlying insurance" until we have paid our applicable Limits of Insurance.

      3. When paragraph 2. above applies, excluding the "controlling underlying insurance" obligations to investigate and settle claims or defend suits against the insured, we have the right and duty to investigate claims and defend suits which seek damages to which this insurance applies. Our right and duty to defend end when we have paid our applicable Limits of Insurance.

      4. When paragraph 2. above does not apply, we have the right, but not the duty, to participate in the investigation or settlement of any claim or the defense of any suit against any insured.

      5. We have the right, at our discretion, to settle any claim to which this insurance applies.

      6. As respects paragraphs 3. and 4. above, "defense expenses" we incur in the investigation of any claim or defense of any suit will be paid in addition to the Limits of Insurance except when such costs reduce the limits of "controlling underlying insurance," in which case they will reduce our Limits of Insurance.

      7. The amount we pay is limited. See SECTION III – LIMITS OF INSURANCE.

2. Exclusions

   The EXCLUSIONS sections of the "controlling underlying insurance" are made part of this policy. If an inconsistency or contradiction exists between an Exclusion of this policy and an Exclusion of the "controlling underlying insurance" the Exclusion of this policy will apply.

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However, in no case will coverage be excluded by the "controlling underlying insurance" and not excluded by this policy.

This insurance does not apply to any liability:

1. to which "controlling underlying insurance" does not apply;
2. for which coverage is provided by "controlling underlying insurance" at limits less than the limits of insurance applicable to other coverage provided by the "controlling underlying insurance" and less than "underlying limits;"
3. for "loss" which commenced prior to this "policy period," whether or not such "loss" continues, progresses, changes or resumes during this "policy period;"
4. for damage to property you own, rent or occupy, including any costs or expenses incurred by you or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including the prevention of injury to a person or damage to another's property;
5. for damage to personal property in the care, custody or control of any insured;
6. arising out of any "aircraft products;"
7. arising out of the actual, alleged, suspected or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "asbestos;"
8. arising out of the actual, alleged, suspected or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "fungi" or bacteria;
9. arising out of the actual, alleged, suspected or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of "silica" or "silica related dust;"
10. arising out of any "employment practices" of any insured;
11. arising out of:
    a. war, including undeclared or civil war;
    b. 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
    c. insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these;
12. imposed under:
    a. an uninsured or underinsured motorist, uninsured or underinsured boater, Medical Payments, Personal Injury Protection, No-Fault or any similar law;
    b. a workers compensation, disability benefits, unemployment compensation or any similar law;
    c. the Employee Retirement Income Security Act of 1974, any amendments thereto or any similar law.

SECTION II – WHO IS AN INSURED

The WHO IS AN INSURED section of the "controlling underlying insurance" is made part of this policy. Any person or organization that is an insured in "controlling underlying insurance" is an insured in this policy to the same extent.

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SECTION III – LIMITS OF INSURANCE

The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of insureds, claims made or suits brought, or persons or organizations making claims or bringing suits.

1. The General Aggregate Limit is the most we will pay for the sum of all damages to which this insurance applies, except:
   a. damages because of bodily injury or property damage included within any applicable products-completed operations hazard; or
   b. damages arising out of the ownership, operation, maintenance or use of an automobile;
2. The Products-Completed Operations Aggregate Limit is the most we will pay for the sum of all damages included within any applicable products-completed operations hazard;
3. Subject to paragraphs 1. and 2. above, the Each Event Limit is the most we will pay for all damages that arise out of any one "event."

SECTION IV – CONDITIONS

The CONDITIONS sections of the "controlling underlying insurance" are made part of this policy. If an inconsistency or contradiction exists between the Conditions of this policy and the Conditions of the "controlling underlying insurance," the Conditions of this policy will apply.

1. Appeals
   At our discretion we may appeal any judgment which would result in a payment under this policy. When we do appeal, we will pay all costs associated with the appeal in addition to the Limits of Insurance. Any such appeal will not increase our Limits of Insurance.
2. Bankruptcy or Insolvency
   Bankruptcy or insolvency of the insured or the insured's estate will not relieve us of our obligations under this policy. Bankruptcy or insolvency of any company providing "controlling underlying insurance" will not reduce the "underlying limits" or increase our obligations under this policy. We will not be required to drop down or replace "controlling underlying insurance".
3. Cancellation
   a. The first Named Insured may cancel this policy at any time by providing us advanced written notice of the cancellation date.
   b. We may cancel this policy at any time by providing the first Named Insured written notice of cancellation:
      i. at least 10 days in advance if we cancel for non-payment of premium; or
      ii. at least 30 days in advance if we cancel for any other reason:
   c. If the "controlling underlying insurance" is cancelled for any reason, this policy is also cancelled. Reinstatement of the "controlling underlying insurance" does not reinstate this policy unless reinstatement is endorsed hereon.

   Return premium, if any, will be calculated per Condition 11. Premium. Proof of mailing will be proof of notice.

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4. Non-Renewal
   a. We are not obligated to renew this policy. However, should we decide not to renew, we will provide the first Named Insured written notice of our decision at least 30 days prior to the expiration date shown in the Declarations.
   b. We will not restrict the terms or increase premium of this policy at renewal unless we have given the first Named Insured at least 30 days advanced notice of any such changes. However, no notice will be provided or required if a restriction in this policy results from a restriction applicable to "controlling underlying insurance."
   c. The first Named Insured may non-renew this policy by:
      i. providing advance written notice to us;
      ii. rejecting our offer to renew; or
      iii. failing to reply to our offer to renew.

   Proof of mailing will be proof of notice.

5. Changes
   This policy contains all of the agreements between you and us. This policy may only be changed by endorsements we issue.

6. Duties When There is an "Event," Claim or Suit
   a. You must see to it that we and any other insurers who could provide coverage are notified as soon as practicable of any "event" which may be reasonably expected to result in a claim under this policy. To the extent possible, notice should include:
      i. how, when and where the "event" took place;
      ii. the names and addresses of any injured persons and witnesses; and
      iii. the nature and location of any injury or damage arising out of the "event."
   b. If a claim is made or suit is brought against any insured which may be reasonably expected to result in a claim under this policy, you must:
      i. immediately record the specifics of the claim or suit and the date received; and
      ii. notify us, and any other insurers who could provide coverage, as soon as practicable.
   c. You and any other involved insured must:
      i. immediately send us, and any other insurers who could provide coverage, copies of any demands, notices, summonses or legal papers received in connection with a claim or suit which may be reasonably expected to result in a claim under this policy;
      ii. authorize us to obtain records and other information;
      iii. cooperate with us in the investigation or settlement of the claim, issues relating to coverage under this policy or defense against the suit; and
      iv. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of the injury or damage to which this insurance may apply.
   d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense, other than first aid, without our consent.

   Notice to us may be sent to our address shown in the Declarations.

7. Legal Action Against Us
   No person or organization has a right under this insurance:
   a. to join us as a party or otherwise bring us into a suit asking for damages from an insured; or
   b. to sue us on this insurance unless all of its terms have been fully complied with.

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8. Maintenance of Controlling Underlying Insurance
During the "policy period" you must maintain "controlling underlying insurance" with "underlying limits" at least equal to the amounts shown in the Declarations. The "underlying limits" must be unimpaired at the beginning of this "policy period."
If you fail to maintain the "controlling underlying insurance" this policy will be invalid.
If you fail to maintain "underlying limits," we will only be liable to the extent we would have been liable had you maintained the "underlying limits." Reduction of "underlying limits" by the payment of judgments or settlements for "loss" to which this insurance applies, or would have applied but for the amount of the damages, will not be considered a failure to maintain "underlying limits."

9. Other Insurance
This insurance is excess over any insurance available to the insured except insurance purchased specifically to apply in excess of this policy.

10. Payment of Damages
When the amount of damages payable under this policy has been determined by final judgment or a written settlement agreement between the claimant and us, we will pay that amount, up to our applicable Limits of Insurance, after the "controlling underlying insurance" or the insured has paid the full amount of the "underlying limits."

11. Premium
The Premium shown in the Declarations is the premium for the coverage we provide for the "policy period." The first Named Insured is responsible for the payment of all premiums under this policy. If this policy is cancelled prior to its expiration date return premium will be calculated as follows:
   a. if cancelled by us:
      [{(Premium) – (Minimum Earned Premium)} x (Pro Rata factor)]
   b. if cancelled by you:
      [{(Premium) – (Minimum Earned Premium)} x {(Pro Rata factor) x (.90)}].

12. Separation of Insureds
Except with respect to the Limits of Insurance and any rights or duties specifically assigned in this policy to the first Named Insured, this insurance applies:
   a. as if each Named Insured were the only Named Insured; and
   b. separately to each insured against whom claim is made or suit is brought.

13. Transfer of Rights of Recovery Against Others
If an insured has rights to recover all or part of any payment we have made under this insurance, the insured must preserve those rights and, at our request, pursue or transfer those rights to us. The insured must do nothing after an "event" to impair them.

14. Reformation of Underlying
If the "controlling underlying insurance" is reformed after an "event" to provide coverage for a "loss," the terms of such reformation do not apply to this policy.

15. When we Defend
When we have a duty to defend an insured, the insured will cooperate with us in the transfer of the defense to counsel of our choosing. If the law of the governing jurisdiction permits an insured to select their own counsel to be paid for by us, we shall only be liable for the reasonable and necessary defense costs of one law firm per insured at rates customarily paid by us for the defense of similar claims in the jurisdiction where the claim is pending.

16. Claims outside the U.S.A, it's Territories, Possessions or Canada
When we have the duty to defend an insured and are prevented by law or otherwise from doing so, we will reimburse the insured for any reasonable and necessary expenses incurred in the defense of a suit to which this insurance applies.
If the insured becomes legally obligated to pay damages to which this insurance applies

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and we are prevented by law from paying such damages on behalf of the insured, we will reimburse the insured, in U.S currency at the prevailing exchange rate at the time the damages were paid, for such damages.

SECTION V – DEFINITIONS

The DEFINITIONS sections of the "controlling underlying insurance" are made part of this policy, and apply to words or phrases used in this policy provided always that words or phrases in quotations in this policy will have the meaning given them in this policy.

"Aircraft products" means:

a. an aircraft;
b. ground control or support equipment; or
c. any article, component or device made, sold, licensed, handled or distributed by any insured that is used to achieve, control or maintain flight or landing of an aircraft.

"Asbestos" means the mineral in any form.

"Controlling underlying insurance" means the policy listed in the Schedule of Underlying Insurance shown in the Declarations, or its renewal or replacement which applies to the "loss," or would have applied but for:

a. an exclusion in that policy; or
b. the exhaustion or erosion of an aggregate limit of insurance;

If more than one policy is listed in the Schedule, the "controlling underlying insurance" is the policy which applies to the "loss" or would have applied but for the reasons a. or b. listed above.

"Defense expenses" means expenses we incur to investigate a claim or defend a suit. Defense expenses include interest which accrues on the portion of a judgment, after entry of that judgment and after the insured or any underlying insurer has paid the full amount of their portion of the judgment but before we have paid, offered to pay or deposited in the court the part of the judgment that is within our applicable Limits of Insurance.

"Employment practices" means:

a. dismissal, discharge or termination of employment, whether actual, constructive or retaliatory;
b. failure or refusal to hire or promote;
c. discipline, demotion, coercion or retaliatory treatment;
d. failure to grant tenure;
e. negligent employment evaluation;
f. sexual or other workplace harassment, including quid pro quo and hostile work environment;
g. employment discrimination;
h. invasion of privacy, violation of employment related civil rights, employment related libel, slander or defamation;
i. creating or enforcing or failing to create or enforce employment related policies or procedures; or
j. actual or alleged violations of the Family and Medical Leave Act of 1993 or its amendments.

"Event" means an accident, incident, occurrence, offense, wrongful act or other "loss" causing "event" defined by and to which the "controlling underlying insurance" applies.

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"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi. But "fungi" does not include mushrooms cultivated for human consumption.

"Loss" means bodily injury, property damage, personal and advertising injury or other loss defined by and to which the "controlling underlying insurance" applies.

"Policy period" means the period of time between the effective date shown in the Declarations and the earlier of the expiration date shown in the Declarations or the expiration date shown in an endorsement to this policy.

"Silica" means silicon dioxide, occurring in crystalline, amorphous or impure forms, silica particles, silica dust or silica compounds.

"Silica related dust" means a mixture or combination of silica and other dust particles.

"Underlying limits" means the amounts shown in the Declarations as the minimum limits of insurance to be provided by "controlling underlying insurance."

In Witness Whereof, the issuing Company has caused this policy to be signed officially below, and countersigned on the Declarations page by a duly authorized representative of said Company.

Stanley A. Galanski
President

Jeff L. Saunders
Vice President

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NEW JERSEY CHANGES

The following applies and supersedes any other provision to the contrary:

A. Pursuant to New Jersey law, this policy cannot be cancelled or nonrenewed for any underwriting reason or guideline which is arbitrary, capricious or unfairly discriminatory or without adequate prior notice to the insured. The underwriting reasons or guidelines that an insurer can use to cancel or nonrenew this policy are maintained by the insurer in writing and will be furnished to the insured and/or the insured's legal representative upon written request.

This provision shall not apply to any policy which has been in effect for less than 60 days at the time notice of cancellation is mailed or delivered, unless the policy is a renewal policy.

B. Cancellation:

1. If this policy has been in effect for less than 60 days, we may cancel this policy for any reason subject to the following:

   a. We may cancel this policy by mailing or delivering to you, and any person entitled to notice under this policy, written notice of cancellation at least:
      (1) 10 days before the effective date of cancellation if we cancel for:
         (a) Nonpayment of premium; or
         (b) Existence of a moral hazard as defined in N.J.A.C. 11:1-20.2(f) as follows:
            (i) "The risk, danger or probability that the insured will destroy, or permit to be destroyed, the insured property for the purpose of collecting the insurance proceeds. Any change in the circumstances of an insured that will increase the probability of such a destruction may be considered a 'moral hazard'; and
            (ii) "The substantial risk, danger or probability that the character, circumstances or personal habits of the insured may increase the possibility of loss or liability for which an insurer will be held responsible. Any change in the character or circumstances of an individual, company, partnership or other insured that will increase the probability of such a loss or liability may be considered a 'moral hazard'".

   b. 60 days before the effective date of cancellation if we cancel for any other reason.

   In the notice of cancellation we will state the reason for cancellation.

2. If this policy has been in effect for 60 days or more, or is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:
   a. Nonpayment of premium;
   b. Existence of a moral hazard, as defined in N.J.A.C. 11:1-20.2(f);
   c. Material misrepresentation or nondisclosure to us of a material fact at the time of acceptance of the risk;
   d. Increased hazard or material change in the risk assumed which we could not have reasonably contemplated at the time of assumption of the risk;
   e. Substantial breaches of contractual duties, conditions or warranties that materially affect the nature and/or insurability of the risk;
   f. Lack of cooperation from the insured on loss control matters materially affecting insurability of the risk;

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g. Fraudulent acts against us by the insured or its representative that materially affect the nature of the risk insured;
h. Loss of or reduction in available insurance capacity;
i. Material increase in exposure arising out of changes in statutory or case law subsequent to the issuance of the insurance contract or any subsequent renewal;
j. Loss of or substantial changes in applicable reinsurance;
k. Failure by the insured to comply with any Federal, State or local fire, health, safety or building or construction regulation, law or ordinance with respect to an insured risk which substantially increases any hazard insured against within 60 days of written notification of a violation of any such law, regulation or ordinance;
l. Failure by the insured to provide reasonable and necessary underwriting information to us upon written request therefore and a reasonable opportunity to respond;
m. Agency termination, provided:
   (1) We document that replacement coverage at comparable rates and terms has been provided to you, and we have informed you, in writing, of the right to continue coverage with us; or
   (2) We have informed you, in writing, of the right to continue coverage with us and you have agreed, in writing, to the cancellation or nonrenewal based on the termination of the your appointed agent.
n. Any other reasons in accordance with our underwriting guidelines for cancellation of commercial lines coverage.

3. If we cancel this policy based on Paragraphs 2.a. or 2.b. above, we will mail or deliver a written notice, to you and any person entitled to notice under this policy, at least 10 days before the effective date of cancellation. If we cancel this policy for any other reason listed above, we will mail or deliver a written notice to you and any person entitled to notice under this policy, not more than 120 days nor less than 30 days before the effective date of such cancellation.

4. In the notice of cancellation which is sent to you, we will state the reason for cancellation. For cancellation due to the nonpayment of premium, the notice will state the effect of nonpayment by the due date. Cancellation for nonpayment of premium will not be effective if payment of the amount due is made before the effective date set forth in the notice.

5. Notice will be sent to the last mailing addresses known to us, by:
   a. Certified mail; or
   b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing names and addresses.

6. We need not send notice of cancellation if you have:
   a. Replaced coverage elsewhere; or
   b. Specifically requested termination.

C. Non-Renewal:

1. We may elect not to renew this policy for any reason permitted to cancel it. If we elect not to renew this policy, we will mail notice of nonrenewal, stating the reasons for nonrenewal, you at least 30 days but not more than 120 days before the expiration date of this policy. If this policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.

2. This notice will be sent to you at the last mailing address known to us by:
   a. Certified mail; or
   b. First class mail, if we have obtained from the post office a date stamped proof of mailing showing your name and address.

3. We need not mail or deliver this notice if you have:
   a. Replaced coverage elsewhere; or
   b. Specifically requested termination.

All other terms of the policy remain unchanged.

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OFAC ENDORSEMENT

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

U.S. ECONOMIC AND TRADE SANCTIONS LIMITATIONS CLAUSE

No insurer shall be deemed to provide cover and no insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that insurer to any sanction, prohibition or restriction under the trade or economic sanctions, laws or regulations of the United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC).

All other terms, conditions and exclusions of this Policy remain unchanged.

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Policyholder Notice

CLAIM REPORTING PROCEDURES

Conditions of the policy require that in the event of a claim, you notify us as soon as practicable. All claim notifications are to be reported to the Schaumburg Claims Office by electronic mail to RBClaims@navg.com.

In the alternative, claim notices may also be:

- Mailed to the Schaumburg Claims Office at:

  Navigators Management Co., Inc.
  Claims Division
  1375 E. Woodfield Road, Suite 720
  Schaumburg, IL 60173

- Or faxed to 203-658-1824

- Or telephone 855-444-4796

All claims notifications must be accompanied by an ACORD loss form and should contain current contact information for the insured and claimant, as well as a detailed description of the loss.

If the insured files a claim with the agent, it is the agent's responsibility to forward the claim to the Schaumburg Claims Office.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT OF LIMITS OF INSURANCE APPLICATION OF THE GENERAL AGGREGATE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

Item 1. of SECTION III - LIMITS OF INSURANCE is deleted and replaced by the following:

1. The General Aggregate Limit is the most we will pay for the sum of all damages to which this insurance applies, except:
   a. damages because of bodily injury or property damage included within the products-completed operations hazard; or
   b. damages arising out of the ownership, operation, maintenance or use of an "automobile;"

   When "controlling underlying insurance" has a General Aggregate Limit which applies separately and fully to each of your projects or each of your locations, this General Aggregate will apply in the same manner.

All other terms and conditions of the policy remain unchanged.

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POLICY NUMBER:

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE

Terrorism Premium (Certified Acts) "SEE DECLARATIONS" **This premium is the total Certified Acts premium attributable to the following Coverage Part(s), Coverage Form(s) and/or Policy(s):** **Additional information, if any, concerning the terrorism premium:**
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

A. Disclosure Of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

B. Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

C. Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act 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, 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.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following is added to SECTION I - COVERAGE, 2. Exclusions.:

This insurance does not apply:

1. to any liability:
   a. with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by 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
   b. resulting from the hazardous properties of nuclear material and with respect to which:
      i. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof; or
      ii. the insured is, or had this 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.

2. to any liability 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 an insured, 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 an insured; or

3. to any liability arising out of the furnishing, by an insured, of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation 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 applies only to injury to or destruction of property at such nuclear facility.

As used in this endorsement:

1. "hazardous properties" includes radioactive, toxic or explosive properties;

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2. "nuclear material" means "source material," "special nuclear material" or "by-product material;"

3. "source material," "special nuclear material" and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

4. "spent fuel" means any 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 by-product 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 6. below;

6. "nuclear facility" means:
   a. any nuclear reactor;
   b. any equipment or device designed or used for:
      i. separating the isotopes of uranium or plutonium;
      ii. processing or utilizing spent fuel; or
      iii. handling, processing or packaging waste;
   c. any equipment or device used for the processing, fabricating or alloying of "nuclear material" if at any time the total amount of such material in the custody of the insured 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 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;

With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

All other terms of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - REJECTED COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following is added to SECTION I - COVERAGE, 2. Exclusions:

This insurance does not apply to any liability:

1. for which coverage was available on the "controlling underlying insurance" but which you did not purchase.

All other terms of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - DISCRIMINATION

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following is added to SECTION I - COVERAGE, 2. Exclusions:

This insurance does not apply to any liability:

1. arising out of discrimination, by any insured, against any person.

All other terms of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - PROFESSIONAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following is added to SECTION I - COVERAGE, 2. Exclusions:

This insurance does not apply to any liability arising out of the rendering or failure to render any "professional services;"

B. The following is added to SECTION V – DEFINITIONS:

"Professional services" includes but is not limited to:

a. real estate, travel, legal, accounting or advertising services;
b. preparing, approving, or failing to prepare or approve maps, shop drawings, opinions, reports, surveys, field orders, change orders, designs, drawings or specifications;
c. engineering, architectural, inspection or surveying services, including related supervisory services;
d. medical, surgical, dental, x-ray or nursing services, treatment, advice or instruction;
e. any health, physical fitness, dietary, rehabilitative or therapeutic service treatment, advice or instruction;
f. any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
g. optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses or similar products or hearing aid devices;
h. body piercing or tattooing services;
i. services in the practice of pharmacy;
j. services, collection or distribution of blood or blood products;
k. law enforcement or firefighting services; and
l. handling, embalming, disposal, burial, cremation, interment or disinterment of dead bodies.

All other terms of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - FINANCIAL SERVICES

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

The following is added to SECTION I - COVERAGE, 2. Exclusions:

This Insurance does not apply to any liability arising out of the rendering of or the failure to render financial services by any insured to others. For the purpose of this exclusion, financial services include but are not limited to:

1. Planning, administering or advising on:

   a. Any:
      (1) Investment;
      (2) Pension;
      (3) Annuity;
      (4) Savings;
      (5) Checking; or
      (6) Individual retirement plan, fund or account;

   b. The issuance or withdrawal of any bond, debenture, stock or other securities;

   c. The trading of securities, commodities or currencies; or

   d. Any acquisitions or mergers;

2. Acting as a dividend disbursing agent, exchange agent, redemption or subscription agent, warrant or scrip agent, fiscal or paying agent, tax withholding agent, escrow agent, clearing agent, or electronic funds transfer agent;

3. Lending or arranging for the lending of money, including credit card, debit card, leasing or mortgage operations or activities or interbank transfers;

4. Repossessing of real or personal property from a borrower or acting as an assignee for the benefit of creditors;

5. Checking on reporting of credit;

6. Maintaining of financial accounts or records;

7. Tax planning, tax advising or the preparation of tax returns; or

8. Selling or issuing travelers checks, letters of credit, certified checks, bank checks or money orders.

All other terms of the policy remain unchanged.

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THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION - INSURANCE AND RELATED OPERATIONS

This endorsement modifies insurance provided under the following:

COMMERCIAL EXCESS LIABILITY COVERAGE PART

A. The following is added to SECTION I - COVERAGE, 2. Exclusions:

This insurance does not apply to any liability:

1. because of:
   a. any obligation assumed by any insured; or
   b. the failure to discharge, or the improper discharge of any obligation or duty, contractual or otherwise;

   with respect to any contract or treaty of insurance, reinsurance, suretyship, annuity, endowment or employee benefit plan, including applications, receipts or binders;
2. because of the membership in or contribution to, management of or administration of, any insurance plan, pool, association, insolvency or guarantee fund or any similar insurance fund, organization or association, whether voluntary or involuntary;
3. resulting from the rendering of, or failure to render, the following professional services:
   a. Advising, inspecting, reporting or making recommendations in the insured's capacity as an insurance company, consultant, broker, agent or representative thereof;
   b. Effecting insurance, reinsurance or suretyship coverages;
   c. Investigating, defending or settling any claim under any contract or treaty of insurance, self-insurance, reinsurance or suretyship;
   d. Auditing or maintaining accounts or records of others;
   e. Conducting an investment, loan, or real estate department or operations; Acting in any capacity as a fiduciary or trustee for mutual funds, pension or welfare funds, annuities, endowments, employee benefit plans or other similar activities; or
   f. Performing any claim, investigative, adjustment, engineering, inspection, consulting, survey, audit, appraisal, actuarial or data processing service for a fee.

All other terms of the policy remain unchanged.

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POLICY NUMBER:
ENDORSEMENT NUMBER:

COMMERCIAL UMBRELLA/EXCESS LIABILITY
NAV-ECD-400 01 08

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART
COMMERCIAL EXCESS LIABILITY COVERAGE PART

If aggregate insured losses attributable to "certified acts of terrorism" 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, 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.

"Certified act of terrorism" means an act that is certified under the federal Terrorism Risk Insurance Act 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. The criteria contained in the Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:

1. 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; and

2. 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.

Any other terms of the policy that conflict with this endorsement are deleted.

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Massey, Rosana

From: Emmanuella Desormes <Emmanuella.Desormes@hullco.com>
Sent: Wednesday, April 30, 2014 3:01 PM
To: Massey, Rosana
Cc: Ryan Roth
Subject: New Jersey Educational Facilities Author / Policy #: Renewal of NHP651866 - Expires: 7/1/14
Attachments: New Jersey Educational Facilities - Quote Packet.pdf

Importance: High

Hello Rosana,

I hope all is well. We are pleased to forward the attached Professional Liability quote on behalf of RSUI Indemnity Company effective 7/1/14. Please review and feel free to contact our office with any questions or concerns. All requests to bind coverage must be received by our office in writing.

Subjectivities:

1. PRIOR TO BINDING - NONE

Underwriter's Notes:

- As stated in our informal conditional renewal letter, we did have to make some adjustments. The adjustment in price is mainly due to changes in not for profit underwriting appetite, as you are already aware of the changes we have been making, and the nature of operations. Please note RSG 214039 0911 Defense Expense in Addition to the Limit of Liability has been replaced with RSG 204162 0911 Additional Defense Expense Limit, as we are now capping this at $1,000,000. All other terms remain as expiring.

If you have any questions, please feel free to contact our office.

Thank You & Have A Great Day!!

Emmanuella Desormes
Professional Lines Team Member

Hull & Company

30A Vreeland Road, Suite 302 | Florham Park, NJ 07932 | Direct Line 1.862.204.3656 | Main Phone 1.973.377.7779 | eFax 1.866.281.2401 | Emmanuella.Desormes@Hullco.com

CONFIDENTIALITY NOTICE: The information contained in this communication, including attachments, may contain privileged and confidential information that is intended only for the exclusive use of the addressee. If the reader of this message is not the intended recipient, or the employee or agent responsible for delivering it to the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this communication in error please notify us by telephone immediately.

BINDING NOTICE: Insurance coverage cannot be bound, amended or cancelled via an e-mail message without confirmation from an authorized representative of Hull & Co. Inc.

Hull & Company, Inc.
2 Walnut Grove Drive, Suite 210
Horsham, PA 19044
(215)443-3500 Fax: (215)443-3502
Managing General Agents ■ Wholesale Insurance Brokers

Renewal Quotation

04/30/2014

Rosana Massey
Willis of New Jersey Inc
1015 Briggs Rd., Suite 100
Mount Laurel, NJ 08054

RE: New Jersey Educational Facilities Author
File#: NEWJ478
Renewal Date: 07/01/14

Dear Rosana:

We are pleased to offer the following quotation. This quotation is offered on the basis indicated on behalf of an insurance company that is approved by the Insurance Department as an admitted insurer. It is incumbent upon you to ascertain the accuracy of the quote, and to review with the insured the terms of the quote carefully, as the coverage, terms and conditions may be different than those you requested. If changes or corrections are required, please notify our office in writing immediately. Changes may require carrier approval and will be issued by endorsement as your office is not granted binding authority.

All requests to bind coverage must be received in our office in writing. Coverage cannot be backdated or presumed to be bound without confirmation from an authorized representative of Hull & Company, Inc., Horsham. Be advised that if Hull & Company, Inc., Horsham has not received a response from you by the expiration date of this quote we will consider this quotation closed.

Type of Insurance: Professional Liability - D&O

Insurer: RSUI Indemnity Company - Admitted

Limits: $7,000,000

Rate: (if applicable)

Premium:	**$23,030.00**
PLIGA Fee	$207.27
Total	**$23,237.27**

Commission: 11 % Minimum Earned Premium: 0.00 %

Policy is not subject to Audit.

Quote is subject to receipt of the following at time of binding:

- NONE

Term of policy coverage: Annual

Terms and Conditions (include, but are not limited to, the following terms, conditions and exclusions.)

Underwriter's Notes:

As stated in our informal conditional renewal letter, we did have to make some adjustments. The adjustment in price is mainly due to changes in not for profit underwriting appetite, as you are already aware of the changes we have been making, and the nature of operations. Please note RSG 214039 0911 Defense Expense in Addition to the Limit of Liability has been replaced with RSG 204162 0911 Additional Defense Expense Limit, as we are now capping this at $1,000,000. All other terms remain as expiring.

Specimen policy and forms are available for your review upon request. These terms are valid until 07/01/2014 12:01 a.m. Please be sure to check the carrier's A. M. Best rating to satisfy you and your client's interests. We look forward to hearing from you concerning placement of this coverage.

By: Ryan Roth
Broker - Professional Lines
(862)204-3659
Ryan.Roth@HullCo.com

RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326-1160
(404) 231-2366

April 25, 2014

Hull & Company
2 Walnut Grove Drive
Suite 210
Horsham, PA 19044

ATTENTION: RYAN ROTH

RE: Directors and Officers Liability Quote

Submission Number:	**280478**
Renewal of:	NHP651866
Company:	RSUI Indemnity Company - (Best rating: A+ XIII)
Insured:	**New Jersey Educational Facilities Authority** **Princeton, NJ**
Policy Dates:	July 01, 2014 - July 01, 2015
Form:	RSG 211003 0609 Directors and Officers Liability Policy - Not For Profit Organization - 2009
Limit:	$7,000,000
Retention (each loss):	
Insuring Agreement A:	$0
Insuring Agreement B:	$50,000
Insuring Agreement C:	$50,000
Employment Practices Claim:	$50,000

Policy Attachments

- RSG 204162 0911 Additional Defense Expense Limit - $1,000,000
- RSG 204091 1210 Amended Settlement Clause
- RSG 204081 0108 Cap on Losses From Certified Acts of Terrorism
- RSG 214038 0204 Coverage Extension - Public Officials
- Delete Bond Exclusion
- RSG 204123 0108 Disclosure Pursuant to Terrorism Risk Insurance Act
- RSG 206070 0204 Exclusion - Prior and or Pending Litigation Backdated - Higher Limits - 12/23/1996 for $5,000,000 and 7/01/2000 for $2,000,000 xs $5,000,000
- RSG 214044 0204 Full Severability
- RSG 204154 0509 HR Loss Prevention Services Notice
- RSG 204147 0511 Modified Notice of Claim or Circumstance - Specific Position Trigger - CEO, GC or RM; 60 days
- RSG 203039 0611 New Jersey Changes - Cancellation and Nonrenewal
- RSG 204136 0606 Side A Non-Rescindable Coverage
- RSG 204150 1207 State Amendatory Discrepancy
- RSG 204153 0609 Sublimit - Defense Expenses - Wage and Hour Claims - $100,000 sublimit / $50,000 SIR
- RSG 204113 0210 Sublimit - Defense of Non - Monetary Damages - $50,000 per claim / $250,000 aggregate; $50,000 SIR
- RSG 204119 1011 Third Party Liability Coverage - $50,000 SIR
- RSG 207002 0204 Three (3) Year Bilateral Discovery Period - 75% 125% 150%

Premium Amount

Premium:	**$23,030.00**	
Gross Premium:	**$23,030.00**	
Other Fee:	**$207.27**	**NJPLIGA Assessment%: 0.9**

Please read all terms and conditions shown above carefully as they may not conform to specifications shown on your submission.

This Quote is valid until 07/01/2014.

We greatly appreciate your business.

RSUI Indemnity Company
Corporate Office
945 East Paces Ferry Rd.
Atlanta, GA 30326-1160

DIRECTORS AND OFFICERS LIABILITY POLICY
NOT FOR PROFIT ORGANIZATION

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY THAT APPLIES ONLY TO THOSE **CLAIMS** FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** THAT ARE REPORTED TO THE **INSURER** DURING THE **POLICY PERIOD**, OR WITHIN SIXTY (60) DAYS THEREAFTER. THE LIMIT OF LIABILITY AVAILABLE TO PAY **LOSS** SHALL BE REDUCED OR TOTALLY EXHAUSTED BY PAYMENT OF **DEFENSE EXPENSES**.

PLEASE READ YOUR POLICY CAREFULLY

CLAIM NOTICE

Mail notices to: **RSUI Group, Inc.**
945 East Paces Ferry Rd.
Suite 1800
Atlanta, GA 30326-1160

Fax notices to: **(404) 231-3755**
Attn: Claims Department

E-mail notices to: **reportclaims@rsui.com**

A member of Alleghany Insurance Holdings LLC

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NOT FOR PROFIT ORGANIZATION
PLEASE READ YOUR POLICY CAREFULLY

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Words and phrases that appear in **bold** text have special meaning. Refer to SECTION III. - DEFINITIONS.

In consideration of the payment of premium and in reliance upon all statements made to the **Insurer** in the **Application**, and subject to the terms, conditions, definitions, exclusions and limitations hereinafter provided, the **Insurer** agrees:

SECTION I. - INSURING AGREEMENTS

A. With the **Insured Person** that if a **Claim** for a **Wrongful Act** is first made against any **Insured Person** during the **Policy Period** and reported in accordance with SECTION V. – CONDITIONS, C. Notice of Claim or Circumstance of this policy, the **Insurer** will pay on behalf of such **Insured Person** all **Loss** such **Insured Person** is legally obligated to pay, except and to the extent that the **Insured Organization** is required or permitted to indemnify such **Insured Persons**.

B. With the **Insured Organization** that if a **Claim** for a **Wrongful Act** is first made against any **Insured Person** during the **Policy Period** and reported in accordance with SECTION V. – CONDITIONS, C. Notice of Claim or Circumstance of this policy, the **Insurer** will pay on behalf of the **Insured Organization** all **Loss** for which the **Insured Organization** is required or permitted to indemnify the **Insured Person**.

C. With the **Insured Organization** that if a **Claim** for a **Wrongful Act** is first made against the **Insured Organization** during the **Policy Period** and reported in accordance with SECTION V. – CONDITIONS, C. Notice of Claim or Circumstance of this policy, the **Insurer** will pay on behalf of the **Insured Organization** all **Loss** the **Insured Organization** is legally obligated to pay.

SECTION II. - COVERAGE EXTENSIONS

A. Marital Estate

This policy shall cover **Loss** arising from any **Claim** made against the lawful spouse or any legally recognized domestic partner of an **Insured Person** for **Claims** arising solely out of his or her status as the spouse or domestic partner of an **Insured Person** (where such status is derived by reason of statutory law or common law) where such **Insured Person** is entitled to coverage under this policy. Such coverage shall extend to any **Claim** in which a recovery is sought from marital community property, property jointly held by the **Insured Person** and the spouse or domestic partner, or property transferred from the **Insured Person** to the spouse or domestic partner.

Provided, however, that this COVERAGE EXTENSION shall not extend coverage to any **Claim** for, arising from, based upon or attributable to any actual or alleged **Wrongful Act** of the spouse or domestic partner.

B. Outside Board Extension

This policy shall cover **Loss** arising from an **Insured Person** having served, at the direction of and with the consent of the **Insured Organization**, as Director, Officer, or Trustee for any eleemosynary corporation or other not for profit organization where such **Insured Person** is entitled to indemnification by the **Insured Organization**.

This COVERAGE EXTENSION shall be excess of any indemnification and/or insurance that may be permitted or provided by such eleemosynary corporation or organization, regardless of payment made by or on behalf of such eleemosynary corporation or organization, including but not limited to any other Director and Officer Liability Insurance or similar insurance provided for, to, or by any such eleemosynary corporation or organization.

C. Estates and Legal Representatives

This policy shall cover **Loss** arising from any **Claim** made against the estates, heirs, legal representatives or assigns of an **Insured Person** who is deceased, or against the legal representatives or assigns of an **Insured Person** who is incompetent, insolvent or bankrupt, for the **Wrongful Act** of such **Insured Person**.

SECTION III. - DEFINITIONS

A. Application means the application attached to and forming part of this policy, or any prior policy, including any materials submitted or requested in connection with such application, all of which are deemed a part of this policy.

B. Claim, either in the singular or the plural, means:

1. A written demand for monetary or non-monetary relief;

2. A civil, criminal, administrative, regulatory or arbitration proceeding for monetary or non-monetary relief which is commenced by:
   a. Receipt or service of a complaint or similar pleading;
   b. Return of an indictment (in the case of a criminal proceeding); or
   c. Receipt of a notice of charges;
3. An administrative or regulatory investigation when conducted by the Equal Employment Opportunity Commission ("EEOC") or equivalent state, local or foreign agency, which is commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to the **Insured**.

The DEFINITION of **Claim** shall include an **Employment Practices Claim**; provided, the DEFINITION of **Claim** shall not include any internal or external labor or grievance proceeding which is pursuant to a collective bargaining agreement.

C. **Defense Expenses** means reasonable and necessary legal fees and expenses incurred, with the **Insurer's** consent, by any **Insured** in defense of a **Claim**, including any appeal therefrom. **Defense Expenses** however, shall not include:
   1. Remuneration, overhead or benefit expenses associated with any **Insured Person**; or
   2. Any obligation to apply for or furnish any appellate or similar bond.

D. **Employee** means any past, present or future employee of the **Insured Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any full-time, part-time, seasonal, and temporary employee or volunteers of the **Insured Organization**. An individual who is leased or contracted to the **Insured Organization** shall also be an **Employee**, but only if the **Insured Organization** provides indemnification to such leased or contracted individual in the same manner as is provided to the **Insured Organization's** employees.

E. **Employment Practices Claim** means any **Claim** alleging an **Employment Practices Wrongful Act**.

F. **Employment Practices Wrongful Act** means any actual or alleged:
   1. Wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract;
   2. Employment related harassment (including but not limited to sexual harassment);
   3. Employment related discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
   4. Employment-related retaliation;
   5. Employment-related misrepresentation to an **Employee** or applicant for employment with the **Insured Organization**;
   6. Employment-related libel, slander, humiliation, defamation and/or invasion of privacy;
   7. Wrongful failure to employ or promote;
   8. Wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation, including the giving of defamatory statements in connection with an **Employee** reference;
   9. Employment related wrongful discipline;
   10. Failure to grant tenure or practice privileges;
   11. Failure to provide or enforce adequate or consistent organization policies or procedures relating to employment performance;
   12. Violations of the following federal laws (as amended) including all regulations promulgated thereunder:
      a. Family and Medical Leave Act of 1993;
      b. Americans with Disabilities Act of 1992 (ADA);
      c. Civil Rights Act of 1991;

d. Age Discrimination in Employment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990; or

e. Title VII of the Civil Rights Law of 1964 (as amended) and 42 U.S.C. Section 1983, as well as the Pregnancy Discrimination Act of 1978;

13. Violation of an **Insured Person's** civil rights relating to any of the above; or

14. Negligent hiring, retention, training or supervision, infliction of emotional distress, or violation of an individual's civil rights, when alleged in conjunction with any of the foregoing items 1. through 13.,

whether such **Employment Practices Wrongful Act** as described in 1-14 above is committed directly, indirectly, intentionally or unintentionally, but only if the **Employment Practices Wrongful Act** actually or allegedly pertains to acts committed by an **Insured** and are alleged against an **Insured** by an **Insured Person** or applicant for employment with the **Insured Organization**.

G. **Insured** means any **Insured Organization** and/or any **Insured Person**.

H. **Insured Organization** means:

1. The organization named in Item 1. of the Declarations Page and any **Subsidiary** existing prior to or at the inception date of this policy; or

2. Subject to SECTION V. - CONDITIONS, I. Merger, Consolidation or Acquisition of this policy, **Insured Organization** shall mean any **Subsidiary** created or acquired after the inception date of this policy; or

3. In the event a bankruptcy proceeding shall be instituted by or against the foregoing entities, the resulting debtor-in-possession (or equivalent status outside the United States), if any.

I. **Insured Person** means any past, present or future director, officer, trustee, **Employee**, or any committee member of a duly constituted committee of the **Insured Organization**.

J. **Insurer** means the Company providing this insurance as shown on the Declarations Page.

K. **Loss** means damages (including back pay and front pay), settlements, judgments (including pre- and post-judgment interest on a covered judgment) and **Defense Expenses**. **Loss** (other than **Defense Expenses)** shall not include:

1. Any amount for which the **Insureds** are not financially liable or for which there is not legal recourse to the **Insureds**;

2. Amounts owed under any employment contract, partnership, stock or other ownership agreement, or any other type of contract;

3. Disability, social security, workers compensation, medical insurance, retirement or pension benefit payments, or settlement amounts representing employment related benefit payments;

4. The cost of creating or reinstating employment;

5. Any amounts owed to any **Employee** as wages or compensation previously incurred or vested without regard to any **Claim**;

6. Civil or criminal fines or penalties;

7. Taxes, whether owed to or by any **Insured**;

8. Amounts, including **Defense Expenses**, arising out of, based upon or attributable to actual or alleged liability or costs incurred by any **Insured** to modify any building or property in order to make such building or property more accessible or accommodating to any disabled person, or any actual or alleged liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar relating to an **Employment Practices Claim**;

9. Matters that may be uninsurable under the law pursuant to which this policy shall be construed.

The DEFINITION of **Loss** shall include punitive or exemplary damages and the multiplied portion of any multiplied damage award, if and where insurable. For purposes of determining whether punitive or exemplary damages, or the multiplied portion of any multiplied damage award arising from any **Claim** shall be insurable by law, the **Insurer** agrees to abide by the law of whichever jurisdiction is applicable to such **Claim** and is most favorable to the **Insured** in that regard.

L. **Personal Injury Wrongful Act** shall mean any actual or alleged:

1. False arrest, wrongful detention or imprisonment, or malicious prosecution;

2. Libel, slander, defamation of character or invasion of privacy;
3. Wrongful entry, eviction or other invasion of the right of occupancy;
4. Infringement of copyright or trademark or other unauthorized use of title; or
5. Plagiarism or misappropriation of ideas.

However, **Personal Injury Wrongful Act** shall not include:

a. Publication or utterance concerning any organization or business enterprise or its products or services made by or at the direction of an **Insured** with knowledge of the falsity thereof; or

b. The printing of periodicals, advertising matter, or any or all jobs taken by any **Insured** to be printed for a third party when the periodical, advertising matter or other printing is not a regular part of the **Insured's** own activities.

M. **Policy Period** means the period beginning at the inception date and ending at the expiration date stated in Item 2. of the Declarations Page or to any earlier policy cancellation or termination date.

N. **Subsidiary** means any entity of which the **Insured Organization**, either directly or indirectly, or through one or more of its **Subsidiaries**:

1. Owns more than fifty percent (50%) of the voting interest; or
2. Has the right to elect or appoint more than fifty percent (50%) of the voting directors or trustees.

A **Subsidiary** ceases to be a **Subsidiary** when the **Insured Organization** no longer owns more than fifty percent (50%) of the voting interest, or no longer has the right to elect or appoint more than fifty percent (50%) of the voting directors, or trustees, either directly or indirectly, or through one or more of its **Subsidiaries**.

O. **Wrongful Act** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty, or any **Employment Practices Wrongful Act** or **Personal Injury Wrongful Act**, by:

1. An **Insured Person** while acting in his or her capacity as such and on behalf of the **Insured Organization** or any matter claimed against them solely by reason of their status as an **Insured Person**; or
2. The **Insured Organization**.

SECTION IV. - EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

1. Based upon, arising out of or attributable to the gaining by any **Insured** of any profit or advantage to which such **Insured** was not legally entitled; provided, this EXCLUSION shall not apply unless a judgment or other final adjudication adverse to such **Insured** establishes that the **Insured** gained such profit or advantage;
2. Based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any criminal or deliberate fraudulent act; provided, this EXCLUSION shall not apply unless a judgment or other final adjudication adverse to any **Insured** in the **Claim** shall establish that such **Insured** committed such criminal or fraudulent act;

The **Wrongful Act** of any **Insured Person** shall not be imputed to any other **Insured Person** for the purpose of determining the applicability of EXCLUSIONS 1. and 2. above;

3. For actual or alleged bodily injury, sickness, disease or death of any person, mental anguish or emotional distress; damage to or destruction of any tangible property, including loss of use thereof, whether or not such property is physically damaged; provided, this EXCLUSION shall not apply to allegations of mental anguish or emotional distress made solely in connection with an **Employment Practices Claim**;
4. For violation of any of the responsibilities, obligations or duties imposed by: The Fair Labor Standards Act (except the Equal Pay Act) or any state or local statutory or common law, regulation or ordinance that governs payment or administration of wages, hours worked, or employee entitlements; the Employee Retirement Income Security Act of 1974; the National Labor Relations Act; the Worker Adjustment and Retraining Notification Act; the Consolidated Omnibus Budget Reconciliation Act; the Occupational Safety and Health Act; any rules or regulations of any of the foregoing promulgated thereunder and amendments thereto; or any similar provisions of any federal, state or local statutory or common law that govern the same subject matter governed by the laws referenced in this section even if particular laws have some additional or different provisions; provided, this EXCLUSION shall not apply to **Loss** arising from a **Claim** for employment related retaliation;

5. Alleging, arising out of, based upon or attributable to any obligation pursuant to any workers' compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, this EXCLUSION shall not apply to **Loss** arising from a **Claim** for employment related retaliation;

6. For the actual, alleged or threatened discharge, dispersal, release or escape of pollutants or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, including but not limited to **Claims** alleging damage to the **Insured Organization**;

   Pollutant includes (but is not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, whether live or inanimate, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes (but is not limited to) materials to be recycled, reconditioned or reclaimed;

7. Brought by or on behalf of any **Insured**, except:

   a. A derivative action brought by or made on behalf of, or in the name or right of, the **Insured Organization,** if such action is brought and maintained independently of, and without assistance, participation or intervention of any **Insured**;

   b. An **Employment Practices Claim** brought by an **Insured Person**;

   c. Any **Claim** brought by the examiner, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Insured Organization**, in or after any bankruptcy proceeding by or against an **Insured Organization**;

   d. Any **Claim** brought by any past director, officer, trustee, manager or equivalent executives of the **Insured Organization** who have not served as a director, officer, trustee, manager or equivalent executive for at least five (5) years prior to the date such **Claim** is first made, and if the **Claim** is brought and maintained totally independent of and without the solicitation, assistance, active participation or intervention of the **Insured Organization** or any **Insured Person** not described in this paragraph 7.d.; or

   e. Any instigation of or involvement in any **Claim**, or solicitation, assistance, active participation or intervention by any **Insured** whistleblower under Section 806 of the Sarbanes-Oxley Act of 2002 or any rule or regulation promulgated thereunder, or under any similar whistleblower statute, rule or regulation under any other federal or state law.

8. Alleging, arising out of, based upon or attributable to, directly or indirectly, the same or essentially the same facts underlying or alleged in any matter which, prior to the inception date of this policy, has been the subject of notice to any insurer of a **Claim**, or a potential or threatened **Claim**, or an occurrence or circumstance that might give rise to a **Claim** under any policy of which this insurance is a renewal or replacement or which it may succeed in time;

9. Alleging, arising out of, based upon or attributable to, in whole or in part, the performance or rendering of or failure to perform professional services, where such services are undertaken for others for a fee;

10. Alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or was pending at the inception date of this policy, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation;

11. Alleging, arising out of, based upon or attributable to, in whole or in part, any liability under or pursuant to any contract or agreement, whether oral, written, express or implied, including the liability of others assumed by an **Insured**, unless such **Insured** would have been liable in the absence of such contract or agreement; provided, this EXCLUSION shall not apply to **Defense Expenses** in connection with an **Employment Practices Claim**;

SECTION V. - CONDITIONS

A. Duty to Defend

It shall be the right and duty of the **Insurer** to defend any **Claim** against the **Insured** for which coverage applies under this policy, and the **Insurer** shall have the right to appoint counsel of its choosing. No **Insured** may incur any **Defense Expenses**, admit liability for or settle any **Claim** or negotiate any settlement without the **Insurer's** prior written consent; such consent not to be unreasonably withheld. Any **Defense Expenses** incurred or settlements made without the prior written consent of the **Insurer** will not be covered under this policy. The **Insurer** shall have the right to appoint counsel, investigate and conduct negotiations and, with the consent of the **Insured**, to enter into the settlement of any **Claim** that the **Insurer** deems appropriate. If the

Insured refuses to consent to a settlement acceptable to the claimant in accordance with the **Insurer's** recommendations;

1. The **Insured** will thereafter be solely responsible for negotiating and defending such **Claim** at their own expense; and
2. Subject to the **Insurer's** aggregate Limit of Liability stated in Item 3. of the Declarations Page, the **Insurer's** liability with respect of any such **Claim** will not exceed the amount for which such **Claim** could have been settled by the **Insurer**, including **Defense Expenses** incurred up to and until the time that the **Insured** refuses to consent to settlement.

B. Limit of Liability; Retention; Payment of Loss

1. The Limit of Liability stated in Item 3. of the Declarations Page is the maximum aggregate limit that the **Insurer** will pay for all **Loss** under all INSURING AGREEMENTS combined, arising out of any and all **Claims** first made against the **Insured** during the **Policy Period** and the Discovery Period (if purchased) and reported in accordance with the terms and conditions of this policy.

   The **Insurer** will have no obligation to pay **Loss** or to defend or continue to defend any **Claim** after the aggregate Limit of Liability, stated in Item 3. of the Declarations Page, has been exhausted by payment of **Loss**. **Defense Expenses** shall be part of and not in addition to the Limit of Liability and payment of **Defense Expenses** by the **Insurer** will reduce the Limit of Liability.
2. As a condition precedent to coverage under this policy, the **Insured** shall pay with respect to each **Claim** the applicable Retention amount, as identified in Item 4. of the Declarations Page. The Retention amount shall be reduced solely by covered **Loss** and shall be applied to all **Loss**, including **Defense Expenses**, and the **Insurer** shall only be liable for the amount of **Loss** that is excess of the stated Retention amount.
3. All **Claims** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events, or the same or related series of facts, circumstances, situations, transactions or events, shall be deemed to be a single **Claim** for all purposes under this policy, shall be subject to the Retention stated in Item 4. of the Declarations Page, and shall be deemed first made when the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period**.
4. In the event that a **Claim** implicates more than one of the Retention amounts stated in Item 4. of the Declarations Page, then the largest of the applicable Retention amounts shall be applied, but in no event shall more than one Retention amount be applied to a **Claim**.
5. The Retention amount applicable to SECTION I. - INSURING AGREEMENT A. of this policy, as stated in Item 4. of the Declarations Page, shall not be applicable under any circumstances where indemnification by the **Insured Organization** is permitted or required, regardless of whether the **Insured Organization** has agreed to indemnify an **Insured Person**, provided it shall apply when indemnification cannot be made by the **Insured Organization** by reason of the **Insured Organization's** financial insolvency.
6. The **Insurer's** duty to defend the **Insured** and pay **Defense Expenses** ends upon exhaustion of the Limit of Liability, which includes paying or tendering the Limit of Liability into court.
7. Except for payment of **Defense Expenses**, the **Insurer** shall pay for **Loss** only upon final disposition of any **Claim**.

C. Notice of Claim or Circumstance

1. If, during the **Policy Period** or Discovery Period (if applicable), any **Claim** is first made, it shall be a condition precedent to the **Insurer's** obligation to pay, that the **Insured** give written notice of such **Claim** to the **Insurer** as soon as practicable after such **Claim** is first made, but in no event shall such notice be given later than sixty (60) days after either the expiration date or any earlier cancellation date of this policy.
2. If, during the **Policy Period** or Discovery Period (if applicable), any **Insured** first becomes aware of any facts or circumstances which may reasonably be expected to give rise to a **Claim** against any **Insured** and, as soon as practicable thereafter, but before the expiration date or any earlier cancellation date of this policy, gives to the **Insurer** written notice, of such facts or circumstances along with the full particulars described below, then any **Claim** subsequently made against any **Insured** arising out of such facts or circumstances will be deemed first made during the **Policy Period**. The written notice shall include, at a minimum:

a. The names or identity of the potential claimants and a detailed description of the specific alleged **Wrongful Act**; and

b. The circumstances by which the **Insured** first became aware of the specific alleged **Wrongful Act**.

D. Cooperation

In the event of a **Claim** or notice of circumstances under SECTION V. - CONDITIONS, C. Notice of Claim or Circumstance of this policy, the **Insured** will provide the **Insurer** with all information, assistance and cooperation that the **Insurer** reasonably requests, and will take no action, without the **Insurer's** prior written consent, that might prejudice the **Insured's** or the **Insurer's** position, potential or actual rights, or defense under this policy.

E. Other Insurance and Indemnification

Insurance provided by this policy shall apply only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this policy. This policy shall be specifically excess over any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this policy may be obligated to pay **Loss**.

F. Allocation

If both **Loss** covered under this policy and loss not covered under this policy are jointly incurred either because a **Claim** includes both covered and non-covered matters or covered and non-covered causes of action or because a **Claim** is made against both an **Insured** and any other parties not insured by this policy, then the **Insured** and the **Insurer** shall use their best efforts to fairly and reasonably allocate payment under this policy between covered **Loss** and non-covered loss based on the relative legal exposures of the parties with respect to covered and non-covered matters or covered and non-covered causes of action.

If the **Insurer** and the **Insured** agree on an allocation of **Defense Expenses**, based on covered and non-covered matters or persons, the **Insurer** shall advance **Defense Expenses** allocated to covered **Loss**. If there is no agreement on an allocation of **Defense Expenses**, the **Insurer** shall advance **Defense Expenses** that the **Insurer** believes to be covered under this policy until a different allocation is negotiated, arbitrated, or judicially determined.

Any negotiated, arbitrated or judicially determined allocation of **Defense Expenses** on account of a **Claim** shall be applied retroactively to all **Defense Expenses** on account of such **Claim**, notwithstanding any prior advancement to the contrary. Any advancement or allocation of **Defense Expenses** on account of a **Claim** shall not apply to or create any presumption with respect to the allocation of other loss on account of such **Claim**.

G. Cancellation; Renewal Provision

The **Insured Organization** may cancel this policy at any time by written notice or by surrender of this policy to the **Insurer** at the address shown on the Declarations Page.

This policy may only be cancelled by or on behalf of the **Insurer** in the event the **Insured Organization** fails to pay any premium when due. In the event of non-payment of premium by the **Insured Organization**, the **Insurer** may cancel this policy upon ten (10) days written notice. The **Insurer** will mail notice to the **Insured Organization's** address as shown in Item 1. of the Declarations Page. The mailing of such notice as aforesaid shall be sufficient proof of notice.

If the **Insured Organization** cancels this policy, the **Insurer** will retain the customary short rate proportion of the premium hereon.

The **Insurer** shall not be required to renew this policy upon its expiration. The offer by the **Insurer** of renewal terms, conditions, Limit of Liability and/or premiums varying from those of the expiring policy shall not constitute a refusal to renew.

If the **Insurer** decides not to renew this policy, the **Insurer** will mail or deliver to the **Insured Organization** written notice of non-renewal, stating the reasons for non-renewal, at least sixty (60) days prior to the expiration date of this policy.

Any notice of non-renewal will be mailed or delivered to the **Insured Organization's** last mailing address known to the **Insurer**. If notice is mailed, proof of mailing will be sufficient proof of notice.

H. Discovery Period

If the **Insurer** shall refuse to renew this policy or the **Insured Organization** shall cancel or refuse to renew this policy, the **Insured Organization** shall have the right, upon payment of seventy five percent (75%) of the Full Annual Premium, to a period of three hundred and sixty five (365) days following the effective date of such cancellation or nonrenewal (herein referred to as the "Discovery Period") in which to give written notice to the **Insurer** of any **Claim** first made against the **Insured** during said three hundred and sixty five (365) day period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. As used herein, "Full Annual Premium" means the premium stated in Item 5. of the Declarations Page and any additional premium(s) charged during the **Policy Period**. The rights contained in this clause shall terminate unless written notice of such election together with the additional premium due is received by the **Insurer** at the address shown on the Declarations Page within thirty (30) days of the effective date of cancellation or nonrenewal.

The Discovery Period is not cancelable and the additional premium charged shall be fully earned at the inception of the Discovery Period.

The Limit of Liability available under the Discovery Period is part of and not in addition to the Limit of Liability stated in Item 3. of the Declarations Page.

The rights contained in this clause shall not apply in the event of cancellation resulting from non-payment of premium.

I. Merger, Consolidation or Acquisition

1. If, after this policy's inception date, the **Insured Organization** creates or acquires a **Subsidiary** whose assets do not exceed twenty five percent (25%) of the total consolidated assets of the **Insured Organization**, not including the assets of the created or acquired **Subsidiary**, such **Subsidiary** shall be deemed to qualify as an **Insured Organization**, but solely for a **Wrongful Act** that takes place on or after the effective date of such creation or acquisition.

2. If, after this policy's inception date, the **Insured Organization** creates or acquires a **Subsidiary** whose assets exceed twenty five percent (25%) of the total consolidated assets of the **Insured Organization**, not including the assets of the created or acquired **Subsidiary**, such **Subsidiary** shall be deemed to qualify as an **Insured Organization**, but solely for a **Wrongful Act** that takes place within the first ninety (90) days after the date of such creation or acquisition. After this ninety (90) day period, the created or acquired **Subsidiary** shall no longer be deemed an **Insured Organization,** unless:

   a. Written notice of the **Subsidiary's** creation or acquisition has been provided to the **Insurer** by the **Insured Organization,** as soon as practicable, and in no event later than ninety (90) days after the date of the creation or acquisition;

   b. The **Insured Organization** has provided the **Insurer** with any additional information the **Insurer** may request;

   c. The **Insured Organization** has agreed to the terms, conditions, exclusions and additional premium charge as may be required by the **Insurer**; and

   d. The **Insurer**, at its sole discretion, has agreed in writing to extend the coverage of this policy to the created or acquired **Subsidiary**.

3. If during the **Policy Period**:

   a. The **Insured Organization** shall consolidate with or merge into, or sell all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or

   b. Any person or entity or group of persons or entities acting in concert shall acquire an amount of more than fifty percent (50%) of the voting power for the election of directors of the **Insured Organization**;

   (either of the above events in 3. a. or b. are hereunder referred to as the "Transaction"),

   then this policy shall continue in full force and effect for any **Wrongful Act** occurring prior to the effective time of the Transaction, but there shall be no coverage afforded by any provision of this policy for any actual or alleged **Wrongful Act** occurring after the effective time of the Transaction. This policy may not be cancelled after the effective time of the Transaction and the premium for this policy shall be deemed fully earned as of such time.

   The **Insured Organization** shall give the **Insurer** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

J. Representations

The **Insured** represents that as of the inception date of this policy, the information, particulars, documents, representations and statements contained in, attached or referred to in the **Application** are: complete, true and correct; are the basis of this policy; are deemed incorporated into and constituting part of this policy; and are material to the acceptance of the risk assumed by the **Insurer**. This policy is issued in reliance upon the truthfulness and completeness of such information, particulars, documents, representations and statements. Except for knowledge or information possessed by, or facts or circumstances pertaining to the person or persons who signed the **Application**, no statement or representation in the **Application** or knowledge or information possessed by an **Insured Person** will be imputed to any other **Insured Person** for the purpose of determining the existence or availability of coverage under this policy.

K. No Action Against Insurer

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there has been full compliance with all of the terms and conditions of this policy and until the amount of any **Insured's** obligation to pay **Loss** has been finally determined either by judgment against such **Insured** after adjudicatory proceedings, or by written agreement of the **Insured**, the claimant and the **Insurer**.

No **Insured** has any right under this policy to join the **Insurer** as a party to any **Claim** against an **Insured** to determine the liability of such **Insured**, nor shall the **Insurer** be impleaded by an **Insured** or his, her or its legal representative in any such **Claim**.

L. Subrogation

In the event the **Insurer** makes any payment under this Policy, the **Insurer** shall be subrogated to all of the rights of recovery of the **Insured**, who shall execute all papers and take all necessary actions to secure such rights, including the execution of any documents necessary to enable the **Insurer** to effectively bring suit in the name of an **Insured**.

M. Authorization and Notices

The **Insured Persons** agree that the **Insured Organization** acts on their behalf with respect to giving and receiving all notices and return of premium from the **Insurer**.

N. Changes

Notice to any agent or knowledge possessed by any agent or representations by persons acting on behalf of the **Insurer** do not effect a waiver or change in any part of this policy or estop the **Insurer** from asserting any right under the terms, conditions and limitations of this policy. The terms, conditions and limitations of this policy can only be waived or changed by written endorsement.

O. Assignment

Assignment of interest under this policy does not bind the **Insurer** without its prior written consent.

P. Acceptance

The **Insureds** agree that this policy, including the **Application** and any endorsements, constitutes the entire agreement between them and the **Insurer** relating to this insurance policy.

Q. Headings

The description in the headings and sub-headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

R. Governing Law Clause

This policy shall, to the extent permitted by applicable law, be construed in accordance with the laws of the state or jurisdiction of incorporation or organization of the **Insured Organization** or, in the case of matters pertaining to a **Subsidiary**, the laws of the state or jurisdiction of incorporation or organization thereof.

S. Territory

This policy shall apply to **Claims** made against any **Insured** anywhere in the world.

T. Priority of Payments

With respect to the payment of the policy proceeds, it is agreed that covered **Loss** due under this policy shall be paid by the **Insurer** in the following order of priority:

1. First pay such **Loss** for which coverage is provided under INSURING AGREEMENT A. of this policy;
2. With respect to any remaining amount of the Limit of Liability still available after payment of such **Loss**, pay **Loss** for which coverage is provided under INSURING AGREEMENT B. of this policy; and
3. With respect to any remaining amount of the Limit of Liability still available after payment of such **Loss**, pay **Loss** for which coverage is provided under INSURING AGREEMENT C. of this policy.

The **Insured Organization** or its representatives and the **Insurer** shall use their best efforts to agree upon the priority of payment of all **Loss** under this policy. If no agreement is reached regarding the priority of payments, then the **Insurer** and **Insured Organization** will submit the issue of such priority, and only that issue, to binding arbitration.

In Witness Whereof, the **Insurer** has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized agent of the **Insurer**.

Secretary

President

THIS EXCLUSION CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

NUCLEAR ENERGY LIABILITY EXCLUSION

1. **Nuclear Exclusion**

It is agreed that this policy does not apply:

a. Under any Liability coverage, to injury, disease, death or destruction:

(1) With respect to which an **Insured** under this policy is also an **Insured** under a nuclear energy liability policy issued by 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 **Insured** is or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization.

b. Under any Medical Payments Coverage, or under any Supplementary Payments provision relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of a **nuclear facility** by any person or organization.

c. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of **nuclear material**, if:

(1) The **nuclear material**:

(a) Is at any **nuclear facility** owned by, or operated by or on behalf of an **Insured**; or

(b) Has been discharged or dispersed there from;

(2) 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 an **Insured**; or

(3) The injury, sickness, disease, death or destruction arises out of the furnishing by an **Insured** or services, materials, parts or equipment in connection with the planning, construction, maintenance, operation 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 applies only to injury to or destruction of property at such **nuclear facility**.

d. As used in this Exclusion:

(1) **Hazardous properties** include radioactive, toxic or explosive properties;

(2) **Nuclear material** means **source material**, special material or **byproduct material**;

(3) **Source material**, special **nuclear material** and **byproduct material** have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

(4) **Spent Fuel** means any 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 **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;

i. Separating the isotopes of uranium or plutonium;

ii. Processing or utilizing **spent fuel**; or

iii. 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 **Insured** 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 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;

e. **Nuclear reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or destruction of property, the word *injury* or *destruction* includes all forms of radioactive contamination of property.

THIS ENDORSEMENT IS ATTACHED TO AND MADE A PART OF THIS POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

SCHEDULE*

Terrorism Premium (Certified Acts)	**$**	**Waived**
Additional information, if any, concerning the terrorism premium:		

*Information required to complete this Schedule, if not shown above, will be shown in the Declarations Page.

A. **Disclosure of Premium**

In accordance with the federal Terrorism Risk Insurance Act, the **Insurer** is required to provide the **Insured** with a notice disclosing the portion of the **Insured's** premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of the **Insured's** premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations Page.

B. **Disclosure of Federal Participation in Payment of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals eighty-five percent (85%) of that portion of the amount of such insured losses that exceeds the applicable **Insurer's** retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

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This Endorsement Changes The Policy. Please Read It Carefully.

ADDITIONAL DEFENSE EXPENSE LIMIT

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY

ITEM 3. LIMIT OF LIABILITY of the Declarations Page is amended to include the following:

ITEM 3. LIMIT OF LIABILITY:

$ _____ Additional Limit of Liability available solely for **Defense Expenses**, after which the Policy's general Limit of Liability shall apply.

Provided that the additional **Defense Expenses** coverage provided in this endorsement shall: (1) not apply where **Loss** is, in whole or in part, specifically subject to a sublimit of liability; and (2) all **Defense Expenses** shall remain subject to and shall be applied against any applicable Retention amount stated anywhere in the Policy.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

AMENDED SETTLEMENT CLAUSE

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY

SECTION V. – CONDITIONS, A. Duty to Defend is deleted and replaced by the following:

A. **Duty to Defend**

It shall be the right and the duty of the **Insurer** to defend any **Claim** against the **Insured** for which coverage applies under this policy, and the **Insurer** shall have the right to appoint counsel of its choosing. No **Insured** may incur any **Defense Expenses**, admit liability for or settle any **Claim** or negotiate any settlement without the **Insurer's** prior written consent; such consent not to be unreasonably withheld. Any **Defense Expenses** incurred or settlements made without the prior written consent of the **Insurer** will not be covered under this policy. The **Insurer** shall have the right to appoint counsel, investigate and conduct negotiations and, with the consent of the **Insured**, to enter into a settlement of any **Claim** that the **Insurer** deems appropriate. If the **Insured** refuses to consent to a settlement acceptable to the claimant in accordance with the **Insurer's** recommendations, the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed:

1. The amount for which the **Insurer** could have settled such **Claim** plus **Defense Expenses** incurred as of the date such settlement was proposed in writing by the **Insurer** ("Settlement Opportunity Amount"); plus
2. Fifty percent (50%) of covered **Loss** in excess of such Settlement Opportunity Amount subject to the policy's Limit of Liability.

In no event shall the **Insurer** be liable under this policy for more than the Limit of Liability shown in Item 3. of the Declarations Page.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY – NOT FOR PROFIT ORGANIZATIONS
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY
EXCESS LIABILITY POLICY

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and the **Insurer** has met our insurer deductible under the Terrorism Risk Insurance Act, the **Insurer** 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.

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. The criteria contained in the Terrorism Risk Insurance Act for a **Certified Act of Terrorism** include the following:

1. 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; and
2. 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.

All other terms and conditions of this policy remain unchanged.

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This Endorsement Changes The Policy. Please Read It Carefully.

COVERAGE EXTENSION - PUBLIC OFFICIALS

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY – NOT FOR PROFIT ORGANIZATION

This policy is amended as follows:

A. SECTION III. – DEFINITIONS, H., I. and O. are deleted and replaced by the following:

H. **Insured Organization** means the municipality, governmental body, department or unit which is named in Item 1. of the Declarations Page.

I. **Insured Person** means:

1. All persons who were, now are or shall be lawfully elected or appointed officials or **Employees** while acting solely in his or her capacity as such or on behalf of the **Insured Organization**;
2. Commissions, boards, or other units, and members and **Employees** thereof, operated by and under the jurisdiction of such **Insured Organization** and within an apportionment of the total operating budget submitted to the **Insurer**;
3. Volunteers acting solely in his or her capacity as such or on behalf of, at the request of and under the direction of, the **Insured Organization**; and
4. Officials and **Employees** of the **Insured Organization** appointed at the request of the **Insured Organization** to serve with an outside tax exempt entity.

O. **Wrongful Act** means:

1. With respect to an **Insured Person**, any **Employment Practices Wrongful Act** or any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty while acting solely in his or her capacity as such and on behalf of the **Insured Organization**; or
2. With respect to the **Insured Organization**, any **Employment Practices Wrongful Act** or any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by or on behalf of the **Insured Organization.**

B. SECTION III. – DEFINITIONS, L. **Personal Injury Wrongful Act** shall be deleted in its entirety.

C. SECTION IV. – EXCLUSIONS, 7. is deleted and replaced by the following:

7. Brought by or on behalf of one **Insured** against another **Insured**, however, with respect to any allegations of an **Employment Practices Claim**, this EXCLUSION shall only apply to cross-claims or counter-claims brought by one **Insured** against another **Insured**;

D. SECTION IV. – EXCLUSIONS, 9. is deleted and replaced by the following:

9. Alleging, arising out of, based upon or attributable to, in whole or in part, the performance or rendering of or failure to perform professional services to anyone other than the **Insured Organization** by any member of the medical profession, or by any lawyer, architect, engineer or accountant;

E. SECTION IV. – EXCLUSIONS shall be amended by adding the following:

12. Alleging, arising out of, based upon or attributable to inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use;
13. Alleging, arising out of, based upon or attributable to strikes, riots or civil commotion;

14. Alleging, arising out of, based upon or attributable to the operation of or activities of any schools, airports, transit authorities, hospitals, clinics, nursing homes or other health care operations, utilities, housing authorities, jails or detention facilities, law enforcement agencies or fire fighting authorities unless such entity is the **Insured** named in Item 1. of the Declarations Page or by an endorsement attached. Regardless of the named **Insured**, this EXCLUSION shall apply to any **Claim** alleging **Employment Practices Wrongful Acts** that arise out of the **Insured Organization's** operation of or activities in conjunction with any jails or detention facilities, law enforcement agencies or fire fighting authorities, unless such coverage is specifically added by an endorsement attached;

15. Alleging, arising out of, based upon or attributable to the issuance of bonds or the improper collection of taxes;

16. Alleging, arising out of, based upon or attributable to any construction, architectural or engineering contracts and/or agreements or the liability of others assumed by any **Insured** under the terms of any such contract or agreement unless such liability would have attached to any **Insured** in the absence of the contract or agreement; or

17. For any actual or alleged libel, slander or defamation in any form; provided this EXCLUSION shall not apply to allegations of libel, slander, or defamation in any form made solely in connection with an **Employment Practices Claim**.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

DELETE BOND EXCLUSION

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION

SECTION IV. – EXCLUSIONS, 15. contained in the Coverage Extension – Public Officials endorsement, RSG 214038, is deleted in its entirety.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION – PRIOR AND/OR PENDING LITIGATION BACKDATED (HIGHER LIMITS)

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY

SECTION IV. - EXCLUSIONS, 10. is deleted and replaced with the following:

10. Alleging, arising out of, based upon or attributable to, in whole or in part, any litigation involving any **Insured** that was commenced or initiated prior to, or pending as of December 23, 1996 for $5,000,000, or arising out of or based upon, in whole or in part, any facts or circumstances underlying or alleged in any such prior or pending litigation.

    With respect to the portion of the Limit of Liability that is $2,000,000 excess $5,000,000, the **Insurer** shall not be liable to make any payment for **Loss** arising out of or in connection with any **Claim** made against any **Insured** arising out of, based upon or attributable to, in whole or in part, litigation prior to or pending as of July 01, 2000.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

FULL SEVERABILITY

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY – NOT FOR PROFIT ORGANIZATION

SECTION V. – CONDITIONS, J. Representations is deleted and replaced by the following:

J. **Representations**

The **Insured** represents that the information, particulars, documents, representations and statements contained in the **Application** are complete, true and accurate; are deemed incorporated into and constituting part of this policy; are material to the acceptance of the risk assumed by the **Insurer** under this policy. This policy is issued in reliance upon the truth of such representations. No knowledge or information possessed by any **Insured** will be imputed to any other **Insured**. If any of the information, particulars, documents, representations and statements contained in the **Application** are untrue, this policy will be void with respect to any **Insured** who knew of such untruth.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

MODIFIED NOTICE OF CLAIM OR CIRCUMSTANCE – SPECIFIC POSITION TRIGGER

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY

SECTION V. – CONDITIONS, C. Notice of Claim or Circumstance, is deleted and replaced by the following:

C. Notice of Claim or Circumstance

1. If, during the **Policy Period** or Discovery Period (if applicable), any **Claim** is first made, it shall be a condition precedent to the **Insurer's** obligation to pay, that the **Insured** give written notice of such **Claim** to the **Insurer** as soon as practicable after such **Claim** is first made, but in no event shall such notice be given later than sixty (60) days after either the expiration date or any earlier cancellation date of this policy.

   A **Claim** shall be deemed to have been made on the date of service upon or receipt of actual notice of such **Claim** by Chief Executive Officer, General Counsel or Risk Manager of the **Insured Organization**.

2. If, during the **Policy Period** or Discovery Period (if applicable), any **Insured** first becomes aware of any facts or circumstances which may reasonably be expected to give rise to a **Claim** against any **Insured** and, as soon as practicable thereafter, but before the expiration date or any earlier cancellation date of this policy, gives to the **Insurer** written notice, of such facts or circumstances along with the full particulars described below, then any **Claim** subsequently made against any **Insured** arising out of such facts or circumstances will be deemed first made during the **Policy Period**. The written notice shall include, at a minimum:

   a. The names or identity of the potential claimants and a detailed description of the specific alleged **Wrongful Act**; and

   b. The circumstances by which the **Insured** first became aware of the specific alleged **Wrongful Act**.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

NEW JERSEY CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY

SECTION V. – CONDITIONS, G. Cancellation; Renewal Provision is deleted in its entirety and replaced with the following:

G. Cancellation; Renewal Provision

The **Insured Organization** may cancel this policy at any time by written notice or by surrender of this policy to the **Insurer** at the address shown on the Declarations Page.

This policy may only be cancelled by or on behalf of the **Insurer** in the event the **Insured Organization** fails to pay any premium when due. In the event of non-payment of premium by the **Insured Organization**, the **Insurer** may cancel this policy upon ten (10) days written notice. The **Insurer** will mail notice to the **Insured Organization's** address as shown in Item 1. of the Declarations Page. The mailing of such notice as aforesaid shall be sufficient proof of notice.

If the **Insured Organization** cancels this policy, the **Insurer** will retain the customary short rate proportion of the premium hereon.

The **Insurer** shall not be required to renew this policy upon its expiration. The offer by the **Insurer** of renewal terms, conditions, Limit of Liability and/or premiums varying from those of the expiring policy shall not constitute a refusal to renew.

Nonrenewal

1. The **Insurer** may elect not to renew this policy for any reason permitted to cancel it. If the **Insurer** elects not to renew this policy, the **Insurer** will mail a notice of nonrenewal, stating the reasons for nonrenewal, to the **Insured Organization** at least thirty (30) days, but not more than one hundred twenty (120) days, before the expiration date of this policy. If the policy does not have a fixed expiration date, it shall be deemed to expire annually on the anniversary of its inception.
2. This notice will be sent to the **Insured Organization** at the last mailing address know to the **Insurer** by:
   a. Certified mail; or
   b. First class mail, if the **Insurer** has obtained from the post office a date stamped proof of mailing showing the **Insured Organization's** name and address.
3. The **Insurer** need not mail or deliver this notice if the **Insured Organization** has:
   a. Replaced coverage elsewhere; or
   b. Specifically requested termination.

All other terms and conditions of this policy remain unchanged.

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This Endorsement Changes The Policy. Please Read It Carefully.

SIDE A NON-RESCINDABLE COVERAGE

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY

Notwithstanding anything contained in this policy to the contrary, the coverage provided under SECTION I., INSURING AGREEMENT A. shall be non-rescindable by the **Insurer**.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

STATE AMENDATORY DISCREPANCY

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY - PUBLIC COMPANY
EXCESS DIRECTORS AND OFFICERS LIABILITY POLICY

In the event that there is a discrepancy between a state amendatory attached to this policy and any term or condition of this policy, then it is understood and agreed that, where permitted by law, the **Insurer** shall apply the most favorable terms in the contract to the **Insured**, whether those terms and conditions are in either the amendatory or the policy.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

SUBLIMIT-DEFENSE EXPENSES – WAGE AND HOUR CLAIMS

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY

The amount set forth in Item 3. of the Declarations Page shall be the maximum aggregate Limit of Liability for all **Loss** under this policy. Subject to the foregoing, this Policy shall allow up to $100,000 solely for **Defense Expenses** in connection with **Claims** made against any **Insured** for violation of the Fair Labor Standards Act or any similar state or local law or regulation specifically governing the payment of wages or hours worked ("**Wage and Hour Claim**"). This sublimit shall be part of and not in addition to the amount set forth in Item 3. of the Declarations Page, and shall not act to create coverage for any form of relief sought or available in any **Wage and Hour Claim**.

A Retention in the amount of $50,000 shall apply to any **Wage and Hour Claim**. Such Retention shall be borne by the **Insured**, and the **Insurer** shall only be liable for the amount of **Defense Expenses** in excess of the above stated Retention amount.

Notwithstanding anything contained in this endorsement to the contrary, however, solely where coverage for any **Claim** is triggered pursuant to Insuring Agreement A of this Policy, the Retention normally applicable to Insuring Agreement A shall apply to such **Claim**, and the Retention stated here shall not apply.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

SUBLIMIT - DEFENSE OF NON-MONETARY DAMAGES

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY

With respect to a **Claim**, solely seeking relief or redress in any form other than monetary damages, this policy shall pay **Defense Expenses** up to a maximum amount of $50,000 per **Claim** and $250,000 in the aggregate for the **Policy Period**. A Retention amount of $50,000 shall be borne by the **Insured**, and the **Insurer** shall only be liable for the amount of **Defense Expenses** which are in excess of the above stated Retention amount.

Notwithstanding anything contained in this endorsement to the contrary, however, solely where coverage for any **Claim** is triggered pursuant to Insuring Agreement A of this Policy, the Retention normally applicable to Insuring Agreement A shall apply to such **Claim**, and the Retention stated here shall not apply.

Other than as set forth above, there shall be no coverage afforded under this policy for **Loss** in connection with any **Claim** seeking relief or redress in any form other than monetary damages. This sublimit for **Defense Expenses** shall be part of and not in addition to the amount set forth in Item 3. of the Declarations Page.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

THIRD PARTY LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY – NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY – PRIVATE COMPANY

A. The **Insurer** shall pay for **Loss** arising out of or in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to any **Third Party Discrimination** and/or **Third Party Harassment**.

B. SECTION III. – DEFINITIONS is amended by adding the following with respect to coverage provided by this endorsement:

1. **Third Party** means any person(s) with whom an **Insured** interacts.
2. **Third Party Discrimination** means any discrimination by an **Insured** in his or her capacity as such against a **Third Party** based on such **Third Party's** race, color, creed, religion, age, gender, national origin, sexual orientation or preference, disability, pregnancy or other protected status that is protected pursuant to any applicable federal, state or local statute or ordinance.
3. **Third Party Harassment** means any type of sexual or gender harassment as well as racial, religious, sexual orientation, pregnancy, disability, age, or national origin-based harassment that is by an **Insured** to a **Third Party**.

C. SECTION III. – DEFINITIONS, F. **Employment Practices Wrongful Act** is amended to include any actual or alleged **Third Party Discrimination** or **Third Party Harassment** as defined in paragraphs B.2. and B.3. above.

D. A Retention in the amount of $50,000 shall apply to **Loss** arising from any **Third Party Discrimination** or **Third Party Harassment**. Such Retention shall be borne by the **Insured**, and the **Insurer** shall only be liable for the amount of **Loss** which is in excess of the above stated Retention amount.

Notwithstanding anything contained in this endorsement to the contrary, however, solely where coverage for any **Claim** is triggered pursuant to Insuring Agreement A of this Policy, the Retention normally applicable to Insuring Agreement A shall apply to such **Claim**, and the Retention stated here shall not apply.

All other terms and conditions of this policy remain unchanged.

This Endorsement Changes The Policy. Please Read It Carefully.

THREE (3) YEAR BILATERAL DISCOVERY PERIOD

This endorsement modifies insurance provided under the following:

DIRECTORS AND OFFICERS LIABILITY POLICY - NOT FOR PROFIT ORGANIZATION
DIRECTORS AND OFFICERS LIABILITY POLICY - PRIVATE COMPANY
DIRECTORS AND OFFICERS LIABILITY POLICY – PUBLIC COMPANY

SECTION V. - CONDITIONS, H. Discovery Period is deleted and replaced with the following:

If the **Insurer** shall refuse to renew this policy or the **Insured Organization** shall cancel or refuse to renew this policy, the **Insured Organization** shall have the right, upon payment of seventy-five percent (75%) of the Full Annual Premium, to a period of three hundred and sixty five (365) days following the effective date of such cancellation or non-renewal (herein referred to as the "Discovery Period") in which to give written notice to the **Insurer** of any **Claim** first made against the **Insured** during said three hundred and sixty five (365) day period for any **Wrongful Act** occurring prior to the end of the **Policy Period** and otherwise covered by this policy. As used herein, "Full Annual Premium" means the premium stated in Item 5. of the Declarations Page and any additional premium(s) charged during the **Policy Period**.

Alternatively, the **Insured Organization** shall have the right to elect a Discovery Period greater than the three hundred and sixty five (365) Days referenced above. The following alternative Discovery Period options are as follows:

Discovery Period	Additional Premium
730 Days	125% of Full Annual Premium
1,095 Days	150% of Full Annual Premium

The rights contained in this clause shall terminate unless written notice of such election together with the additional premium due is received by the **Insurer** at the address shown on the Declarations Page within thirty (30) days of the effective date of cancellation or non-renewal.

The Discovery Period is not cancelable and the additional premium charged shall be fully earned at the inception of the Discovery Period. The Limit of Liability available under the Discovery Period is part of and not in addition to the Limit of Liability stated in Item 3. of the Declarations Page.

The rights contained in this clause shall not apply in the event of cancellation resulting from non-payment of premium.

All other terms and conditions of this policy remain unchanged.

www.RSUIextra.com

Online Human Resource Loss Prevention Services for Directors and Officers Liability Policyholders

Key Features

- Best Practice Help Line for call-in assistance
- Checklist database for lowering risk
- Links to important federal and state government sites
- Online library with up-to-date articles on productivity, leadership and loss prevention
- Sample Human Resource policies and forms
- Online reporting function allows the Site Administrator to monitor usage
- Online training modules designed for managers and supervisors with the ability to adapt programs to meet their own needs. Best Practice training modules include:
  - Preventing Sexual Harassment
  - Preventing Discrimination
  - Preventing Wrongful Termination
  - Promoting Ethical Behavior

How to get started

1. Designate a person to serve as the Site Administrator for your organization.
2. Go to ***www.RSUIextra.com***.
3. Click the *Register* link on the left-hand side of the home page.
4. Enter your RSUI policy number as the Passcode/Organization Code (i.e. NHP123456).
5. Complete the Registration Information and click *Submit*.
6. You are now registered as the Site Administrator.

Who is a Site Administrator?

A Site Administrator is often a person who works with personnel or legal matters and is the person who will oversee the use of ***www.RSUIextra.com***. A Site Administrator will have the ability to recruit and add other users as well as make training decisions.

Questions?

Please click *CONTACT US* at ***www.RSUIextra.com*** on the upper right hand side of the home page. You will be directed to The McCalmon Group for assistance.

This site is administered by The McCalmon Group.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
2014 BUDGET VARIANCE ANALYSIS
FOR FOUR MONTHS ENDED APRIL 30, 2014

Executive Summary

The NJEFA concluded April with net operating income in the amount of $571,787, based on revenues of $1,448,694 and expenses of $876,907. As a result, net operating income is higher than budgeted by $305,323. This difference is a result of greater than budgeted revenues in the amount of $115,084 and less than budgeted expenses in the amount of $190,239.

Revenues

Revenues were above the budgeted amount through April due to greater than anticipated Initial Fee income.

Expenses

Operating expenditures for the first four months of the year were favorable as compared to budget by $190,239. Most of the line items display positive deviations and are primarily the result of staff vacancies and timing.

NEW JERSEY EDUCATIONAL FACILITIES AUTHORITY
ACTUAL vs. BUDGET REPORT
APRIL 2014

	Month Ended April 30, 2014			Four Months Ended April 30, 2014		
	Actual	Budget	Variance	Actual	Budget	Variance
Operating Revenues						
Annual Administrative Fees	$249,288	$249,288	$ -	$ 997,154	$ 997,154	$ -
Initial Fees	100,000	11,818	88,182	450,000	335,456	114,544
Investment Income	397	250	147	1,540	1,000	540
	$ 349,685	$ 261,356	$ 88,329	$ 1,448,694	$ 1,333,610	$ 115,084
Operating Expenses						
Salaries	$87,658	$99,848	$ 12,190	$ 368,705	$ 449,074	$ 80,369
Employee Benefits	21,180	26,035	4,855	206,158	241,116	34,958
Provision for Post Ret. Health Benefits	6,366	20,833	14,467	68,869	83,336	14,467
Office of The Governor	2,167	2,292	125	8,668	9,164	496
Office of The Attorney General	416	4,667	4,251	1,735	18,664	16,929
Sponsored Programs	-	500	500	-	2,000	2,000
Telephone	1,359	1,667	308	3,694	6,664	2,970
Rent	20,895	21,682	787	90,117	79,528	(10,589)
Utilities	1,687	1,792	105	6,747	7,168	421
Postage	282	417	135	1,358	1,664	306
Office Supplies & Expenses	1,807	3,333	1,526	6,460	13,336	6,876
Travel & Official Receptions	504	1,250	746	1,223	5,000	3,777
Staff Training & Tuition Reimbursement	1,950	1,750	(200)	2,109	7,000	4,891
Insurance	2,271	2,271	-	9,084	9,084	-
Annual Report & Newsletters	375	2,500	2,125	2,225	10,000	7,775
Public Relations	-	583	583	-	2,336	2,336
Professional Services	23,398	433	(22,965)	54,766	58,336	3,570
Dues & Subscriptions	2,904	3,274	370	20,964	25,008	4,044
Data Processing	3,500	3,750	250	10,500	15,000	4,500
Maintenance of Equipment	416	3,333	2,917	4,495	13,336	8,841
Depreciation	2,257	2,583	326	9,030	10,332	1,302
Contingency	-	-	-	-	-	-
	181,392	204,793	23,401	876,907	1,067,146	190,239
Net Operating Income	$ 168,293	$ 56,563	$ 111,730	$ 571,787	$ 266,464	$ 305,323

New Jersey Educational Facilities Authority
Summary of Construction Funds
As of April 30, 2014

Institution	Issue	Description	Bond Proceeds	Net Disbursed	Balance	% Complete
Private						
* Rider University	2012 Series A	Capital Improv. for energy efficiency	$ 10,411,400.27	$ (10,374,249.95)	$ 37,150.32	100%
Caldwell College	2013 Series E	Residence Hall Renov & Student Ctr Improv	1,435,381.63	(821,697.36)	613,684.27	57%
Seton Hall University	2013 Series D	Aquinas, Stafford Halls, Garage, Improv.	36,990,339.71	(21,025,775.91)	15,964,563.80	57%
* Princeton University	2014 Series A	Renovations, Major Main., Cap Equip & Construction	219,034,543.55	(219,034,543.55)	0.00	100%
Sub Total			$ 267,871,665.16	$ (251,256,266.77)	$ 16,615,398.39	
Public						
Kean University	Series 2007 D	2 Residence Halls, Dining, Parking	$ 124,287,050.02	$ (114,813,648.85)	$ 9,473,401.17	92%
The College of New Jersey	Series 2010 A&B	Construct School of Education	44,293,116.12	(38,394,518.41)	5,898,597.71	87%
New Jersey City University	Series 2010 F	Various Capital Improvements	14,717,070.83	(12,125,989.16)	2,591,081.67	82%
New Jersey City University	Series 2010 G	Various Capital Improvements	18,201,075.23	(16,649,698.71)	1,551,376.52	91%
* Ramapo College of New Jersey	Series 2011 A	Renovation of Student Center	8,165,446.46	(7,747,044.42)	418,402.04	95%
Thomas Edison State College	Series 2011 D	Renovation of Kuser Mansion	8,000,000.00	(7,021,478.86)	978,521.14	88%
Ramapo College of New Jersey	Series 2012 B	Refunds & Renov to Coll. Park Apts	48,212,359.94	(23,751,883.98)	24,460,475.96	49%
William Paterson University of New Jersey	Series 2012 C	Var. Cap. Improv & Ref. 2002 E & 2004 A	22,296,561.18	(17,835,522.45)	4,461,038.73	80%
The College of New Jersey	Series 2013 A	Demo of Holman Hall, Construct and Renov of STEM	25,608,240.10	(915,145.35)	24,693,094.75	4%
Montclair State University	Series 2014 A	Various Refundings and Capital Projects	156,675,111.09	(406,696.10)	156,268,414.99	0%
Sub Total			$ 470,456,030.97	$ (239,661,626.29)	$ 230,794,404.68	
Other Programs						
Equipment Leasing Fund	Series 2014 A&B	Acquisition and Installation of Equipment	$ 101,266,893.00	$ (3,076,887.45)	$ 98,190,005.55	3%
Technology Infrastructure Fund	Series 2014	Development of Technology Infrastructure	41,313,667.00	(1,477,201.98)	39,836,465.02	4%
Sub Total			$ 142,580,560.00	$ (4,554,089.43)	$ 138,026,470.57	
Grand Total			$ 880,908,256.13	$ (495,471,982.49)	$ 385,436,273.64	

* This issue has reached a completion rate of 95% or higher and will not appear on future reports.

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Accrual Basis

NJEFA
Operating Account - Vendor Payments
March 2014

Type	Date	Num	Name	Memo	Account	Amount
Check	03/01/2014	10154	100 & RW CRA, LLC	Inv 086036 & 086038	Rent, Utilities	21,759.67
Check	03/07/2014	10155	Roger Jacobs	Expense Reimbursement 1/1/14-2/18/14	Travel & Official Receptions	164.26
Check	03/13/2014	EFT	NJSHBP	ID 150400 03/14	Post Retirement Benefits	5,184.21
Check	03/13/2014	EFT	NJSHBP	ID 150400 03/14	Employee Benefits	16,464.30
Check	03/14/2014	10156	UPS	Inv 2Y687X094, 2Y687X084 & 2Y687X104	Postage	288.63
Check	03/14/2014	10157	Polar Blue Bear	Inv 006490	Office Supplies and Expenses	89.85
Check	03/14/2014	10158	Line Systems, Inc.	Inv 66054140315	Telephone	1,024.06
Check	03/14/2014	10159	Bank of America - Acct Analysis	Inv 14010006105 & 14020006104	Office Supplies and Expenses	337.59
Check	03/14/2014	10160	CliftonLarsonAllen LLP	Inv 791525	Professional Services	20,000.00
Check	03/14/2014	10161	SS&C Technologies, Inc	INV383966	Data Processing	3,500.00
Check	03/14/2014	10162	Thomson Reuters (Markets) LLC	Inv 91911740	Dues & Subscriptions	647.00
Check	03/14/2014	10163	Lexis Nexis	Inv 1402226967	Dues & Subscriptions	292.00
Check	03/14/2014	10164	Government News Network	Inv 67092-G	Dues & Subscriptions	303.00
Check	03/14/2014	10165	DocuSafe	Inv 63488	Office Supplies and Expenses	101.08
Check	03/14/2014	10166	Northside News Service	Jan. - Feb./14	Dues & Subscriptions	54.00
Check	03/14/2014	10167	Drew and Rogers, Inc.	Inv 356906	Office Supplies and Expenses	65.50
Check	03/14/2014	10168	Staples Business Advantage	Inv 3225292711, 3223813265, 3225292710	Data Processing Equipment, Office Suppl & Exp	1,273.13
Check	03/14/2014	10169	Verizon Wireless	Inv 9721149809	Telephone	87.69
Check	03/14/2014	10170	Treasurer, State of New Jersey - DAG	FY 2014 2nd Quarter	Prepaid DAG Fees, Off of the Att General	171.00
Check	03/24/2014	10173	100 & RW CRA, LLC	2013 Reconciliation	Rent	11,375.00
Check	03/25/2014	10172	Gourmet Dining, LLC	Inv 37791 (Authority Mtg at Kean)	Travel & Official Receptions	165.24
Check	03/27/2014	10174	Mueller, Marie P	Employee Reimbursement	Travel & Official Receptions	26.35
Check	03/27/2014	10175	Newell, Katherine	Employee Reimbursement	Travel & Official Receptions	38.53
Check	03/27/2014	10176	Drew and Rogers, Inc.	Inv 357783	Office Supplies and Expenses	546.10
Check	03/27/2014	10177	NJ Economic Development Authority	March 2014 Coverage	Employee Benefits	1,165.52
Check	03/27/2014	10178	BLX Group, LLC.	Inv 41612-5688/031814 FDU 2002 Series D Final Rebate	Rebate	1,400.00
Check	03/27/2014	10179	Creative Source, Inc	Inv 9469	Annual Report & Newsletters	1,850.00
Check	03/27/2014	10180	The Star-Ledger	Inv I03706235-03142014 & I03701733-03032014	Office Supplies and Expenses	38.28
Check	03/27/2014	10181	The Times	Inv I03706759-03142014 & I03702334-03042014	Office Supplies and Expenses	11.60
Check	03/27/2014	10182	Staples Business Advantage	Inv 3225469115	Office Supplies and Expenses	384.25
Check	03/27/2014	10183	Bloomberg Finance LP	Inv 5602343688	Dues & Subscriptions	6,000.00
Check	03/27/2014	10184	Ricoh USA, Inc.	Inv 5029849586	Equipment Maintenance	130.21
Check	03/27/2014	10185	20/20 Business Solutions, Inc.	Inv 488033 & 488109	Equipment Maintenance	1,220.02
Check	03/27/2014	10186	Toles, Sheila R.	Employee Reimbursement	Travel & Official Receptions	27.65
Check	03/27/2014	10187	O'Donnell, Jamie	Employee Reimbursement	Travel & Official Receptions	33.47
Check	03/27/2014	10188	Stitt, Sheryl A.	Employee Reimbursement	Travel & Official Receptions	19.93
Check	03/27/2014	10189	UPS	Inv 2Y687X124	Postage	81.59
Check	03/27/2014	10190	100 & RW CRA, LLC	Inv 86940	Office Supplies and Expenses	55.00
						96,375.71

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Accrual Basis

NJEFA
Operating Account - Vendor Payments
April 2014

Type	Date	Num	Name	Memo	Account	Amount
Check	04/01/2014	10191	100 & RW CRA, LLC	Inv 086732 & 086734	Rent, Utilities	23,372.67
Check	04/07/2014	EFT	NJSHBP	ID 150400 04/14	Employee Benefits	16,464.30
Check	04/07/2014	EFT	NJSHBP	ID 150400 04/14	Post Retirement Benefits	5,184.21
Check	04/09/2014	10192	Rutgers, The State University of NJ	Inv 7124, 7120 MM, ST	Staff Training	1,050.00
Check	04/09/2014	10193	Princeton Healthcare System	Inv 3667	Employee Benefits	91.00
Check	04/09/2014	10194	AT Conference	Inv 666147-0314 & 656088-0214	Telephone	143.83
Check	04/09/2014	10195	CliftonLarsonAllen LLP	Inv 816723	Professional Services	16,100.00
Check	04/09/2014	10196	Lexis Nexis	Inv 1403226186	Dues & Subscriptions	292.00
Check	04/09/2014	10197	The Times	Inv I03707095-03172014	Office Supplies and Expenses	105.27
Check	04/09/2014	10198	The Star-Ledger	Inv I03707090-03172014	Office Supplies and Expenses	323.64
Check	04/09/2014	10199	Government News Network	Inv 67365-G	Dues & Subscriptions	303.00
Check	04/09/2014	10200	SS&C Technologies, Inc	INV386205	Data Processing	3,500.00
Check	04/09/2014	10201	NJ Economic Development Authority	April 2014 Coverage	Employee Benefits	1,165.52
Check	04/09/2014	10202	DocuSafe	Inv 64287	Office Supplies and Expenses	101.08
Check	04/09/2014	10203	UPS	Inv 2Y687X134	Postage	23.40
Check	04/09/2014	10204	Lynda.com, Inc.	Inv CS33014737	Staff Training	375.00
Check	04/09/2014	10205	Dell Marketing L.P.	Inv XJCPTXT93, XJCN72576, XJCMM6437 & XJD43K8C3	Data Processing Equipment	1,596.95
Check	04/25/2014	10206	Aon Hewitt	Inv M10-0063191	Professional Services	7,000.00
Check	04/25/2014	10207	UPS	Inv 2Y687X154, 2Y687X144'& 2Y687X164	Postage	258.31
Check	04/25/2014	10208	NACUBO	Inv 509959, 510032 - Membership June 1, 2014 - May 31, 2015	Dues & Subscriptions	1,608.00
Check	04/25/2014	10209	Mueller, Marie P	Employee Reimbursement - Data Plan 1/2014 - 3/2014	Telephone	90.00
Check	04/25/2014	10210	Drew and Rogers, Inc.	Inv 358280	Annual Report & Newsletters	375.30
Check	04/25/2014	10211	Staples Business Advantage	Inv 3228205324, 3228802657, 3228802658, 3228142375, 3227389680, 3227389681, 3227389682 & 3228092739	Office Supplies and Expenses	1,170.78
Check	04/25/2014	10212	Ricoh USA, Inc.	Inv 5030137317	Equipment Maintenance	416.29
Check	04/25/2014	10213	100 & RW CRA, LLC	Inv 87275	Office Supplies and Expenses	78.73
Check	04/25/2014	10214	Line Systems, Inc.	Inv 66054140415	Telephone	1,037.69
Check	04/25/2014	10215	Newell, Katherine	Employee Reimbursement	Employee Benefits	300.00
Check	04/25/2014	10216	Hansel, Derek S.	Employee Reimbursement - 1/23/14 - 4/7/14	Travel & Official Receptions	306.29
Check	04/25/2014	10217	Verizon Wireless	Inv 9722871967	Telephone	87.70
Check	04/25/2014	10218	Dell Marketing L.P.	Inv XJD37CTP4, XJD54KD17	Office Supplies and Expenses	27.99
Check	04/25/2014	10219	Northside News Service	Mar. - Apr./14	Dues & Subscriptions	54.00
Check	04/25/2014	10220	Thomson Reuters (Markets) LLC	Inv 92025748	Dues & Subscriptions	647.00
Check	04/25/2014	10221	Rutgers, The State University of NJ	Inv 7470 MM	Staff Training	525.00
Check	04/25/2014	10222	The Bank of New York Mellon	Inv 111-1595002	Post Retirement Benefits	500.00
Check	04/25/2014	10223	Raymond James and Associates	4/16/14 NJEFA Pricing Lunch	Travel & Official Receptions	12.00
Check	04/25/2014	10224	New Jersey Council of County Colleges	Phi Theta Kappa Day 5/1/2014	Travel & Official Receptions	30.00
Check	04/25/2014	10225	GluckWalrath LLP	MSU Pre-Closing Luch Inv 29712	Travel & Official Receptions	60.80
Check	04/25/2014	10227	Hansel, Derek S.	Employee Reimbursement 4/16/14-4/24/14	Travel & Official Receptions	94.50
						84,872.25