



SECTION V. LIABILITY COVERAGE

A. GENERAL LIABILITY

1. Coverage Agreement

The Trust will pay on behalf of the **Covered Party** those sums which the **Covered Party** becomes legally obligated to pay as damages, because of **personal injuries** or **property damage** to which this coverage applies, arising out of any **occurrence** which takes place during the **Coverage Term** and within the **Coverage Territory**.

The **Trust** will have the right and duty to defend the **Covered Party** against any **Suit** seeking covered damages. But:

- a. The amount **The Trust** will pay for damages is limited as described in 2. Limits of Liability;
- b. **The Trust** may investigate and settle any claim or **Suit** at our discretion;
- c. **The Trust's** right and duty to defend ends when **The Trust** has exhausted the applicable Limit of Liability in the payment of judgments or settlements; and
- d. **The Trust** has no duty to defend the **Covered Party** against any **Suit** seeking damages for **personal injuries** or **property damage** to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments**.

2. Limits of Liability

The Trust shall be obligated to pay damages on behalf of a **Covered Party** up to the limit of liability per **occurrence** specified in the Liability Coverage Declarations regardless of the number of:

- a. **Covered Parties**;
- b. Claims made or **suits** brought; or
- c. Persons or organizations making claims or bringing **suits**.

3. Supplementary Payments

In addition to the per occurrence limit of liability, **The Trust** will pay with respect to any claim or **suit** it defends:

- a. All expenses incurred by **The Trust** in defense of a **Covered Party**, including all legal fees and costs.
- b. Up to \$5,000.00 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which this coverage applies. However, **The Trust** does not have to furnish those bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of coverage. **The Trust** does not have to furnish these bonds.
- d. All reasonable expenses incurred by the **Covered Party** at the request of **The Trust** to assist **The Trust** in the investigation or defense of the claim or suit, including actual loss of earnings up to \$1,000.00 a day because of time off from work.
- e. All costs taxed against the **Covered Party** in the suit.

- f. Prejudgment interest awarded against the **Covered Party** on that part of the judgment **The Trust** pays. If **The Trust** makes an offer to pay the applicable limit of liability, **The Trust** 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 **The Trust** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of coverage.

4. Who is a Covered Party

Covered Party means a **Covered Entity** (including **The Participant**) and each of the following to the extent indicated:

- a. A Covered Entity's elected or appointed officials, employees and volunteers, while acting within the scope of their duties as such; and
- b. Members of a Covered Entity's boards, commissions and non-operating lease back authorities operating under a Covered Entity's direction and control and within an apportionment of a Covered Entity's total operating budget, while acting within the scope of their duties as such;

However, a Covered Entity's officials, employees and volunteers and members of a Covered Entity's boards, commissions and non-operating lease back authorities are not Covered Parties for personal injuries arising out of his or her providing or failing to provide professional health care services other than Medical Professional Activities.
- c. With respect to a Covered Entity's mobile equipment, any person is a Covered Party while operating mobile equipment with a Covered Entity's permission. Any other person or organization responsible for the conduct of such person is also a Covered Party, but only with respect to liability arising out of the operation of the mobile equipment, and only if no other insurance of any kind is available to that person or organization for this liability. However, no person or entity is a Covered Party with respect to:
 - (1) **Bodily injury** to a co-employee of the person driving the **mobile equipment**; or
 - (2) **Property damage** to property owned by, rented to, in the charge of or occupied by a **Covered Entity** or the employer of any person who is a **Covered Party** under this provision.
- d. Any organization a Covered Entity newly acquires or forms which operates under a Covered Entity's direction and control. However:
 - (1) Coverage under this provision is afforded only until the 90th day after a **Covered Entity** acquires or forms the organization or the end of the **Coverage Term**, whichever is earlier;
 - (2) Coverage under this provision does not apply to personal injuries or property damage arising from an occurrence that took place before a Covered Entity acquired or formed the organization.
- e. Any person (other than a Covered Entity's employee) or any organization while acting as a Covered Entity's real estate manager.
- f. Any person using, or legally responsible for the use of, golfmobiles which are loaned or rented to others by a Covered Entity or any of its concessionaires, but only for their liability arising out of the use of the golfmobiles.

- g. The lessor of leased equipment leased or rented by a Covered Entity without an operator, for whom a Covered Entity is obligated by the terms of the lease or rental agreement to provide general liability coverage, but only with respect to the ownership, maintenance or use of the leased equipment. Such lessor shall not be a Covered Party as respects:
 - (1) An occurrence which takes place before a Covered Entity takes possession of the leased or rented equipment or after the lease or rental agreement expires; or
 - (2) Personal injuries or property damage arising out of the sole negligence of the lessor of leased equipment, its agents or employees.
- h. The lessor of premises leased or rented by a Covered Entity for whom a Covered Entity is obligated by the terms of the lease or rental agreement to provide general liability coverage, but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to a Covered Entity. Such lessor shall not be a Covered Party as respects:
 - (1) An occurrence which takes place before a Covered Entity takes possession of such leased or rented premises or after a Covered Entity ceases to be a tenant in that lessor's premises; or
 - (2) Structural alterations, new construction or demolition operations performed by or on behalf of the lessor.
- i. Any other person or organization, for whom a Covered Entity is obligated to provide general liability coverage, but only if required by the terms of a written contract or agreement, or as otherwise confirmed in a coverage certificate issued by the Trust Administrator. However:
 - (1) Coverage under this provision is afforded only with respect to liability arising out of the relationship between the person or organization and the Covered Entity as specifically addressed in the written contract or agreement or as specifically stated in the coverage certificate; and
 - (2) Coverage under this provision does not apply to personal injuries or property damage arising from an occurrence that took place before or after a Covered Entity was obligated to provide general liability coverage for the person or organization.

Covered Party status afforded under paragraphs g., h. and i. above is limited to the lesser of:

- (1) The coverage provided by The Trust;
- (2) The minimum amount of coverage required in the contract or agreement;
- (3) \$1,000,000 each occurrence, if a minimum amount of coverage is not specified in the written contract or agreement; or
- (4) \$1,000,000 each occurrence, if no written contract or agreement exists.

The inclusion hereunder of more than one **Covered Party** shall not operate to increase **The Trust's** Limits of Liability.

Covered Parties who are also independent contractor public officials under Pennsylvania law are provided only excess coverage unless those **Covered Parties** lack any insurance of their own, as stated in Section 7.b. (3).

5. Exclusions

This coverage does not apply to:

- a. Bodily Injury or Property Damage expected or intended from the standpoint of the Covered Party. This exclusion does not apply to:
 - (1) **Bodily Injury or Property Damage** resulting from the use of reasonable force to protect persons or property; or
 - (2) **Bodily Injury or Property Damage** resulting from the operations of a **Covered Entity's Law Enforcement Activities, Medical Professional Activities, or Emergency Operations.**
- b. **Personal injuries or property damage** arising out of the ownership, maintenance, use or entrustment to others of any **auto** or watercraft owned or operated by or rented or loaned to any **Covered Party**. Use includes operation and **loading or unloading**. This exclusion does not apply to:
 - (1) A watercraft while ashore on premises a **Covered Entity** owns or rents;
 - (2) A watercraft not being used to carry persons or property for a charge or rented to others;
 - (3) Parking an **auto** on, or on the ways next to, premises a **Covered Entity** owns or rents provided the auto is not owned by or rented or loaned to a **Covered Entity** or other **Covered Party**;
 - (4) Liability assumed under any **covered contract** for the ownership, maintenance or use of watercraft; or
 - (5) **Bodily injury or property damage** arising out of the operation of any of the equipment listed in paragraph (6)(b) or (6)(c) of the definition of **mobile equipment**.
- c. **Personal injuries 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 **Covered Party**; or
 - (2) The use of **mobile equipment** in, or while in practice or preparation for, a prearranged racing, speed or demolition contest or in any stunting activity.
- d. **Property damage** to:
 - (1) Property owned, rented or occupied by the **Covered Party**;
 - (2) Property loaned to the **Covered Party** with the exception of property commandeered by the **Covered Party** within the course and scope of the **Covered Party's Law Enforcement Activities or Emergency Operations**;
 - (3) Personal property in the care, custody and control of the **Covered Party** with the exception of personal property commandeered by the **Covered Party** within the course and scope of the **Covered Party's Law Enforcement Activities or Emergency Operations**;
 - (4) That particular part of real property on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations, if the **property damage** arises out of those operations; or
 - (5) That particular part of any property that must be restored, repaired or replaced because a **Covered Entity's Work** was incorrectly performed on it.

Paragraphs (2), (3), (4) and (5) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Furthermore, Paragraph (5) of this exclusion does not apply to property damage included in the products completed operations hazard.

- e. Damages claimed for any loss, cost or expense incurred by a **Covered Entity** or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) A **Covered Entity's Product**;
- (2) A **Covered Entity's 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.

- f. **Personal injuries or property damage** directly or indirectly caused by asbestos including but not limited to:

- (1) Any liability arising out of the actual, alleged or threatened exposure to asbestos; or
- (2) Any loss, cost or expense arising out of any:
 - (a) Request, demand or order that anyone test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of asbestos; or
 - (b) Claim or **suit** by or on behalf of any person organization of governmental authority for damages because of testing for, monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of asbestos.

- g. Loss or losses resulting from or arising out of either (i) the **Covered Party's** failure to supply water, gas, oil, steam or electricity, or (ii) the **Covered Party's** failure to supply sufficient water, gas, oil, steam or electricity to meet demand. However, this exclusion does not apply if the failure to supply results from the sudden and accidental injury to tangible property owned or used by any **Covered Entity** to procure, produce, process or transmit the water, gas, oil, steam or electricity.

- h. Claims for loss or damage or any liability of any and all **Covered Parties** arising out of or in any way connected with the operation of the principles of eminent domain, adverse possession, dedication by adverse use, inverse condemnation or condemnation proceedings by whatever name used regardless of whether such claims are made directly against a **Covered Party** or by virtue of any agreement entered into by or on behalf of a **Covered Party**.

- i. **Personal injuries** or property damage arising directly or **indirectly** out of the ownership, operation or maintenance of any hospital.

- j. **Personal injuries or property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- (1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to any **Covered Party**;

- (2) At or from any premises, site or location which is or was at any time used by or for any **Covered Party** or others for the handling, storage, disposal, processing or treatment of waste;
- (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
- (4) At or from any premises, site or locations on which any **Covered Party** or any contractors or subcontractors working directly or indirectly on any Covered Party's behalf are performing operations:
 - (a) if the **pollutants** are brought on or to the site or location in connection with such operations; or
 - (b) if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of the **pollutants**.

Subparagraphs j.(1) and j.(4)(a) do not apply to **bodily injury** or **property damage** arising out of heat, smoke or fumes from a hostile fire. As used in this exclusion, a hostile fire means one which becomes uncontrollable or breaks out from where it was intended.

Subparagraphs j.(1) and J.(4)(a) do not apply to **bodily injury** or **property damage** caused by a **Covered Party's** storage or application of road salt, sand, anti-skid and other similar materials, provided the operations meet the standards of any applicable statute, ordinance, regulation or license requirement of any federal, state or local government.

Subparagraphs j.(1) and j.(4)(a) do not apply to **bodily injury** or **property damage** caused by the use of chemicals including but not limited to chlorine or sodium hypochlorite by a **Covered Party** in its sewage treatment, swimming pool maintenance, or water treatment operations, provided the operations meet all standards of any applicable statute, ordinance, regulation or license requirement of any federal, state or local government.

Subparagraphs j.(1) and j.(4)(a) do not apply to **personal injuries** or **property damage** arising out of chemicals used in **Law Enforcement Activities** including, but not limited to, mace, tear gas or pepper gas or spray.

Subparagraph j.(1) does not apply to **bodily injury** if sustained within a building and caused by smoke, fumes, vapor or soot from equipment used to heat that building.

Subparagraph j.(4)(a) does not apply to **bodily injury** or **property damage** arising out of the emergency service or training actions of a fire company or a hazardous materials unit, provided the fire company is a **Covered Entity**. As used in this exclusion, emergency service actions means a **Covered Entity's** work that is conducted away from any premises that a **Covered Entity** owns, rents, or occupies and that is in response to a request for emergency aid. Emergency training actions means a **Covered Entity's** training activities, including but not limited to controlled burns of vegetation and fires intentionally ignited for the purpose of fire suppression training and instruction, that are conducted away from any premises that a **Covered Entity** owns, rents, or occupies.

Subparagraph j.(4)(a) does not apply to **bodily injury** or **property damage** arising out of the accidental discharge, dispersal, release or escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of **mobile equipment** or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them.

Subparagraph j.(4)(a) does not apply to **bodily injury** or **property damage** sustained within a building and caused by the release of gases, fumes or vapors from materials brought into or onto that building in connection with active operations performed by a **Covered Entity** or on a **Covered Entity's** behalf by a contractor or subcontractor.

Subparagraph j.(4) does not apply to **bodily injury** or **property damage** arising out of a pesticide application performed by a **Covered Entity** or on a **Covered Entity's** behalf by a contractor or subcontractor if:

- (a) A **Covered Entity**, a **Covered Entity's** contractor or subcontractor or their employees performing operations are certified or registered by a federal or state agency to use pesticides; or
- (b) Noncertified or nonregistered employees of a **Covered Entity**, a **Covered Entity's** contractor or subcontractor are performing operations under the instruction and control of a certified applicator who is physically present at any premises, site or location at which such operations are being performed.

As used in this exception to exclusion j.(4)(a), "application" does not include storage, handling, processing, transporting or preparation of any pesticide or herbicide. Further, the term "pesticide", as defined in the Pennsylvania Pesticide Control Act of 1973, means any substance or mixture of substances intended for preventing, destroying, repelling, or mitigating any pest, and any substance or mixture of substances intended for use as a plant regulator, defoliant, or desiccant.

- k. Any damages, **loss**, cost or expense arising out of any:
 - (1) Request, demand, order or statutory or regulatory requirement that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (2) Claim or **suit** for damages consisting of, or arising from, the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants** or failure to perform any of the foregoing.

As used in exclusions j and k, "**pollutants**" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Exclusions j and k do not apply to **bodily injury** and **property damage** arising from the backup or release of sewage from any sewage facility or sanitary sewer that a **Covered Entity** owns, operates or maintains.

- l. Loss or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war,

hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority unless such acts of destruction by order of civil authority is at the time of and for the purpose of preventing spread of fire; or claims or liability arising directly or indirectly from nuclear fission, nuclear fusion or radioactive contamination.

- m. Liability assumed under any contract or agreement. This exclusion does not apply to liability for damages:
- (1) Assumed in a contract or agreement that is a covered contract; or
 - (2) That the Covered Party would have in the absence of any contract or agreement.

- n. Any obligation for which the Covered Party or the Covered Party's insurer or coverage provider may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

- o. **Personal injuries** to:

- (1) An employee of the **Covered Party** arising out of and in the course of employment by the **Covered Party**; or
- (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the **Covered Party** may be liable as an employer or in any other capacity; and
- (2) 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 Covered Party under a covered contract.

- p. **Personal injuries** to any volunteer firefighter or other volunteer worker if sustained while such person is using or maintaining a **Covered Auto** or is otherwise engaged in other volunteer firefighting, rescue squad or ambulance corps operations of a **Covered Entity**.

- q. **Personal injuries**:

- (1) Arising out of oral or written publication of material, if done by or at the direction of a **Covered Party** with knowledge of its falsities;
- (2) Arising out of oral or written publication of material whose first publication took place before the effective date of the **Coverage Term**; or
- (3) Arising out of the willful violation of a penal statute or ordinance committed by or with the consent of the **Covered Party**.

- r. **Property damage** to a **Covered Entity's Product** arising out of it or any part of it.

- s. **Property damage** to a **Covered Entity's 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 a **Covered Entity's** behalf by a subcontractor.

- t. **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 a **Covered Entity's Product** or a **Covered Entity's Work**; or
 - (2) A delay or failure by a **Covered Entity** or anyone acting on a **Covered Entity's** 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 a **Covered Entity's Product** or a **Covered Entity's Work** after it has been put to its intended use.

- u. Loss arising from **Administration of employee benefit programs** or the **Covered Party's** activities in a fiduciary capacity, including but not limited to, those with respect to:
- (1) Property, including related operations, in which the **Covered Party** is acting in a fiduciary or representative capacity;
 - (2) A pension, welfare, profit sharing, mutual or investment fund or trust, benefit plan or similar activity in a fiduciary capacity;
 - (3) The Employee Retirement Income Security Act of 1974 and any amendment thereof or any regulations or orders pursuant thereto;
 - (4) The issuance, management of proceeds or repayment of bonds, notes or other debt instruments by any **Covered Party** or any agent acting on behalf of such **Covered Party**; or
 - (5) The purchase, transfer or sale of any securities by any **Covered Party** or any agent acting on behalf of such **Covered Party**.
- v. **Personal injuries or property damage** arising out of the ownership, operation, maintenance, use, servicing, fueling, loading or unloading of any aircraft. However, this exclusion does not apply to:
- (1) Loading or unloading of any aircraft by emergency services personnel, including but not limited to paramedics and emergency medical technicians; or
 - (2) The following aircraft while being operated by or on behalf of a **Covered Entity** or at events sponsored by a **Covered Entity**:
 - (a) Model or hobby aircraft; or
 - (b) Drones or unmanned aerial vehicles that weigh less than fifty-five (55) pounds and are registered with and being operated in compliance with regulations issued by the United States Government or other governing authority.

- w. **Personal injuries or property damage** arising out of the ownership, maintenance, operation, use or entrustment to others of any airfield, runway, hangar, equipment associated with ground support or control of aircraft, buildings or other properties used in connection with "aviation activities" or airports.

"Aviation activities" shall mean any activity connected with the ownership, operation, take-off or landing control operations, maintenance, use, servicing, fueling, loading or unloading of any aircraft.

However, this exclusion does not apply to premises liability arising out of the ownership and maintenance of any owned airports by a **Covered Entity**.

Furthermore, this exclusion also does not apply to loading or unloading of any aircraft by emergency services personnel, including but not limited to paramedics and emergency medical technicians.

- x. Any and all damages, penalties, fines, or other awards against Covered Parties who have knowingly and willfully committed acts which constitute a crime, actual fraud, actual malice or willful misconduct.
- y. **Personal injuries or property damage** arising out of the operation and display of fireworks by a **Covered Entity**, unless:
 - (1) The fireworks display itself be conducted by an independent contractor engaged by a **Covered Entity** in accordance with a contract, which contract shall contain an indemnification/hold harmless clause protecting a **Covered Entity** from any liability arising from the fireworks display;
 - (2) The independent contractor will also be required to provide evidence of insurance coverage for any and all claims arising out of the fireworks display which coverage shall name a **Covered Entity** as an additional insured;
 - (3) Township or Borough fire department personnel shall be present throughout the fireworks display; and
 - (4) The fireworks display must be conducted in accordance with all applicable statutes, ordinances and regulations.
- z. **Employment Related Practices.** This exclusion applies:
 - (1) Whether the **Covered Party** may be liable as an employer or in any other capacity; and
 - (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
- aa. Claims seeking the imposition of penalties or the award of enhanced compensatory, punitive or exemplary damages, including the multiplied portion of multiple damages. However, if a **suit** shall have been brought against a **Covered Party** for a claim falling within the coverage provided by this Coverage Document seeking both compensatory and punitive or exemplary damages, **The Trust** will afford a defense to such action, but **The Trust** shall not have an obligation to pay for any costs, interest or damages attributed to any penalties or to enhanced compensatory, punitive or exemplary damages.
- bb. Any injury or damage which would not have occurred, 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; or to any loss, cost or expense 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 **Covered Party** or by any other person or entity.

This exclusion does not apply to any “**fungi**” or bacteria that are, are in, or are contained in, a good or product intended for consumption. “**Fungi**” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by “**fungi**.”

- cc. Any injury or damage arising, directly or indirectly, out of “**NCBRE Terrorism**” (defined as “**Terrorism**” involving, arising out of, related to or supported by nuclear, chemical, biological, radiological and epidemical attacks), or any action taken in hindering or defending against an actual or expected incident of “**NCBRE Terrorism**” regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.
- “**Terrorism**” means activities against persons, organizations or property of any nature:
- (1) That involve the following or preparation for the following:
 - (a) Use or threat of force or violence; or
 - (b) Commission or threat of a dangerous act; or
 - (c) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - (2) When one or both of the following applies:
 - (a) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (b) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- dd. **Personal injuries or property damage** arising out of the collapse, flooding, cracking, settling, seepage, underseepage, spillage, subsidence, landslide or other earth movement of any dam, levee or reservoir owned, operated, maintained, constructed or controlled by a **Covered Entity**, unless such dam, levee or reservoir is specifically scheduled by amendment to this Coverage Document or in the Declarations for a **Covered Entity**.
- ee. Claims or **Suits** seeking relief or redress in any form other than compensatory damages. Nor shall **The Trust** have any obligation to indemnify any **Covered Party** for any costs, fees, including attorneys' fees, or expenses which the **Covered Party** shall become obligated to pay as a result of an adverse judgment for injunctive or declaratory relief; however, **The Trust** will afford defense to the **Covered Party** for such claims or **Suits**, if not otherwise excluded, where compensatory damages are requested.
- ff. **Personal injuries or property damage** arising directly or indirectly out of, resulting from, caused by or contributed to by:
- (1) The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - (2) The actual or threatened abatement, mitigation, removal or disposal of lead, lead compounds or materials containing lead;
 - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (1) or (2) above; or
 - (4) Any obligation of the **Covered Party** to indemnify any party in connection with subparagraphs (1), (2) or (3) above.
- gg. **Personal injuries or property damage** arising directly or indirectly from **Sexual Abuse or Molestation**.

- hh. All actual or alleged **personal injuries, property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a Covered Party, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

6. Extensions of Coverage

- a. Fire Damage Liability:

Only the following exclusions shall apply to damage by fire, lightning, explosion or sprinkler leakage to or loss of premises while rented to a **Covered Entity** or temporarily occupied by you with permission of the owner.

- (1) Bodily Injury or Property Damage expected or intended from the standpoint of the Covered Party. This exclusion does not apply to:
 - (a) **Bodily Injury** or **Property Damage** resulting from the use of reasonable force to protect persons or property; or
 - (b) **Bodily Injury** or **Property Damage** resulting from a **Covered Entity's Law Enforcement Activities** and **Medical Professional Activities**.
- (2) Liability assumed under any contract or agreement. This exclusion does not apply to liability for damages:
 - (a) Assumed in a contract or agreement that is a **covered contract**; or
 - (b) That the **Covered Party** would have in the absence of any contract or agreement.

A separate limit of liability applies to this extension of coverage as described in 2, Limits of Liability, and in the Liability Coverage Declarations.

- b. Legal Liability For Independent Contractor Covered Party Public Officials

The Trust agrees to reimburse **The Participant** up to a \$50,000 annual aggregate limit per **Participant** all sums which **The Participant** is legally obligated to pay to an independent contractor **Covered Party** public official for any deductible amounts under that **Covered Party's** professional liability policy.

- c. **Communicable Disease** Coverage Extension for Coronavirus Disease 2019 (COVID-19)

- (1) Exclusion hh. above shall not apply to actual or alleged **personal injuries, property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with the Coronavirus Disease 2019 (COVID-19) or the fear or threat (whether actual or perceived) of the Coronavirus Disease 2019 (COVID-19).

- (2) The most that **The Trust** will pay under this Coverage Extension for all **personal injuries** and **property damage**, including all expenses incurred by **The Trust** in defense of a **Covered Party** and including all legal fees and costs, shall be \$50,000 each **Occurrence** and \$50,000 in the aggregate for the **Coverage Term** for each **Participant** and its **Covered Parties**. Further, the most that **The Trust** will pay under this Coverage Extension shall be \$1,000,000 in the aggregate for the **Coverage Term** for all **Participants** and **Covered Parties** combined.
- d. **Communicable Disease** Coverage Extension for **Communicable Disease** unrelated to a Pandemic or Epidemic
- (1) Exclusion hh. above shall not apply to actual or alleged **personal injuries**, **property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with **Communicable Disease** other than **Communicable Disease** considered to be the source of either an epidemic or pandemic as declared by the Centers for Disease Control, the World Health Organization or any other entity with the authority to declare an epidemic or pandemic or the fear or threat (whether actual or perceived) of such **Communicable Disease**.
- (2) The most that **The Trust** will pay under this Coverage Extension for all **personal injuries** and **property damage**, including all expenses incurred by **The Trust** in defense of a **Covered Party** and including all legal fees and costs, shall be \$100,000 each **Occurrence** and \$100,000 in the aggregate for the **Coverage Term** for each **Participant** and its **Covered Parties**. Further, the most that **The Trust** will pay under this Coverage Extension shall be \$1,000,000 in the aggregate for the **Coverage Term** for all **Participants** and **Covered Parties** combined.

7. Conditions

- a. Defense, Investigation and Settlement of Claims:
- (1) **The Trust** shall have the right and duty to defend any suit against a **Covered Party** seeking damages which are payable under the terms of this Coverage Document, even if any of the allegations of the suit are groundless, false or fraudulent. In exercising its right to control the defense of a **Covered Party**, **The Trust** reserves the right to assert any immunities under state or federal law which may apply to limit the liability of a **Covered Entity** or other **Covered Party** being defended.
- (2) A **Covered Party** shall have the right to associate in the defense of any claim being defended by **The Trust**, but shall do so solely at the **Covered Party's** own expense. To the extent allowed by the applicable reinsurance or excess insurance policies purchased by **The Trust**, reinsurers or excess insurers of **The Trust** shall also have the right to associate in the defense of claims likely to exceed the self insured retention ("S.I.R.") of **The Trust** as stated in the applicable reinsurance or excess insurance policies.

- (3) This Trust Coverage Document does not provide primary coverage for any claims which are otherwise covered under any commercial or personal primary insurance policies purchased by any **Covered Parties** subject to the **Other Coverage** provisions herein.
- (4) **The Trust** may also make such investigation and settlement of any claim or suit as it deems expedient; provided, however, that **The Trust** shall not be obligated to pay any claim or judgment or defend any **Suit** after any applicable limits of liability have been exhausted under the terms of this Coverage Document.
- (5) All settlements shall be approved by the Executive Committee or their designee. No **Covered Party** shall, except at its own cost and for its own account, make any payment, admit any liability, settle any claim, assume any obligation, or incur any expense without the written consent of **The Trust**.
- (6) A decision by the Executive Committee or its designee to settle a claim or claims against a **Covered Party** shall be binding upon that party, whose consent will not be required, except for amounts paid in excess of the limits provided to that **Covered Party** under this Coverage Document.
- (7) If the **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or refuses to authorize a settlement of any covered claims within the coverage limits, **The Trust's** liability shall not exceed the combined amount for which The Trust would have been liable for damages and claims expenses if the claim or **Suit** or proceeding had been settled or compromised as determined by the Executive Committee. **The Trust** will then have no liability for any additional damages or claims expenses accruing thereafter.
- (8) **The Trust** shall have the right to withdraw from the defense of any **Covered Party** if:
 - (a) The **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered claims within the limits provided to that **Covered Party** under the Coverage Document.
 - (b) The limits of liability for any claims made against a **Covered Party** have been exhausted by the payment of judgments and/or settlements;
 - (c) All covered claims against a **Covered Party** have been dismissed or otherwise disposed of, and the only remaining claims against the **Covered Party** are not covered under the terms of the Coverage Document; or
 - (d) The **Covered Party** fails to comply with all of the conditions and duties in this General Liability Coverage Part.
- (9) The decision to withdraw from the defense of a **Covered Party** shall be determined in the first instance by the Executive Committee, subject to the right of the **Covered Party** to appeal under Section II of this Coverage Document in accordance with the procedures adopted by the Board of Trustees. Upon receiving notice of withdrawal from the Trust Administrator, the **Covered Party** shall assume the obligation of defending itself.

- (10) **The Trust** shall be permitted to defend a **Covered Party** under a reservation of rights and/or a non-waiver agreement, whereby **The Trust** agrees to defend a **Covered Party** without waiver of, and subject to:
- (a) any exclusions which may otherwise apply under the terms of the Trust Coverage Document; and/or
 - (b) any defense, legal or equitable, which **The Trust** may have against the **Covered Party**, which may justify exclusion of any claim(s) against the **Covered Party** which is defended by **The Trust**, under a reservation of rights.
- b. Other Coverage or "Insurance":
- (1) If other valid and collectible "insurance" provides coverage to a Covered Party for a loss also covered by this Coverage Document, then the coverage afforded under this Coverage Document shall be in excess of and shall not contribute with such "insurance" except for:
 - (a) "insurance" written only as specific excess "insurance" over the limits of liability provided in this Coverage Document; or
 - (b) "insurance" maintained by a person or organization afforded **Covered Party** status under paragraphs e., g., h. and i. of 4. Who is a **Covered Party**, but only when a **Covered Entity** has agreed to provide such other person or organization primary and non-contributory coverage under the terms of a **covered contract**.
 - (2) **The Trust** shall have no duty to defend any **suit** under this Coverage Document against a **Covered Party** so long as the duty to defend such a **suit** exists under other valid and collectible "insurance." If no other insurer defends, **The Trust** will do so, but will be entitled to the **Covered Party's** rights against all other insurers. Nothing herein shall be construed to make the coverages provided under this Document subject to the terms, conditions or limitations of any memorandum of coverage, coverage document or policy of "insurance."
 - (3) When this coverage is excess, **The Trust** will have no duty to defend any **suit** that any other insurer has a duty to defend. If no other insurer defends, **The Trust** will undertake to do so, but **The Trust** will be entitled to the **Covered Party's** rights against all those other insurers. When this coverage is excess over other "insurance," **The Trust** will pay only **The Trust's** share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount of all such other "insurance" would pay for the loss in the absence of this coverage; and
 - (b) The total of all deductible and self-insured amounts under all that other "insurance."
 - (4) **The Trust** will share the remaining loss, if any, with any other "insurance" that is not described in this **Other Coverage or "Insurance"** condition and was not bought specifically to apply in excess of the limit of liability shown in the Liability Coverage Declarations.
 - (5) This coverage is excess of or contingent upon the absence of other "insurance" for **Covered Parties** who are also independent contractor public officials, including, but not limited to, those who are performing the following functions by whatever name known:

- (a) Tax Collector;
 - (b) Solicitor;
 - (c) Engineer; or
 - (d) Building Inspector.
- (6) When both this coverage and other "**insurance**" apply to the loss on the same basis, whether primary, excess or contingent, **The Trust** shall not be liable under this coverage for a greater proportion of the loss than that stated in the applicable Method of Sharing provision below.
- (7) Method of Sharing:
- (a) If all of the other "**insurance**" permits contribution by equal shares, **The Trust** will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable Limit of "**Insurance**" or none of the loss remains, whichever comes first.
 - (b) If any of the other "**insurance**" does not permit contribution by equal shares, **The Trust** will contribute by equal 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.
- (8) As used in this Other Coverage or "**Insurance**" section above, "**insurance**" means:
- (a) a commercial insurance policy or policies (with or without a deductible or self-insured retention);
 - (b) coverage provided by an insurance pool, trust, group self-insurance fund, risk retention group or similar entity by whatever name known (with or without a deductible or self-insured retention); or
 - (c) any structured self-insurance or indemnity programs maintained by one or more **Covered Parties**.
- c. Deductible:
- The deductible amounts stated in the Liability Coverage Declarations are applicable to each **occurrence** arising out of **Law Enforcement Activities** or each **occurrence** arising out of skateboarding, hockey or rollerblading or each claim arising out of sewer back-up. An annual aggregate deductible may apply to sewer back-up claims occurring during the **Coverage Term**. The applicable deductible shall be subtracted from the amounts paid for each **occurrence** or each sewer back-up claim, including:
- (1) Loss payments; and
 - (2) Investigation, adjustment, defense and/or appeal expenses;
- whether or not loss payment or settlement is made, resulting from each occurrence and **The Trust** shall be liable only for the difference between such deductible and the limit of liability otherwise applicable to each **occurrence** or each sewer back-up claim.
- d. The Duties of **Covered Parties** in the Event of a Loss, Claim or **Suit**:
- The following duties shall be imposed upon a **Covered Entity** (including **The Participant**) or other **Covered Parties** in the event of a loss, claim or **suit** as set forth below:

- (1) In the event of a loss, written notice containing particulars sufficient to identify the **Covered Party** and also reasonably obtainable information with respect to the time, place and circumstances thereof and the names and addresses of the injured and of available witnesses, shall be given by or for the **Covered Party** to **The Trust** or any of **The Trust's** authorized agents as soon as practicable.
 - (2) If claim is made or **suit** is brought against a **Covered Party**, **The Participant** or other **Covered Entity** shall immediately forward to **The Trust** every demand, notice, summons or other process received by **The Participant** or other **Covered Party**, or their representative.
 - (3) The **Covered Party** shall cooperate with **The Trust** and, at **The Trust's** request, consent to being examined and questioned by a representative of **The Trust**, under oath if necessary, attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits as well as in the giving of a written statement or statements to **The Trust's** representative and defense counsel. In the event of a claim occurring likely to involve **The Trust** hereunder, **The Covered Party** shall not make any payment, assume any liability or incur any expense without the consent of **The Trust** first being obtained. **The Trust** shall have full discretion in handling any claim, and **Covered Party** shall give full information and assistance as **The Trust** may reasonably require.
- e. Should a **Covered Party** fail to comply with the conditions in Section 7 and the duties contained therein, **The Trust** shall have the right to deny coverage for any claim made against the **Covered Party** to which the **Covered Party's** conduct related.
- f. **Representations** - By accepting this coverage, **The Participant** and other Covered Entities agree that:
- (1) The Application for coverage completed in solicitation of this coverage is made a part of this coverage as though set forth in full herein;
 - (2) The statements in the Application for coverage, including the warranty statement contained therein, are accurate and complete;
 - (3) Those statements constitute representations by **The Participant** and other **Covered Entities** to **The Trust**; and
 - (4) **The Trust** has issued this coverage in reliance upon those representations.
- g. **Separation of Covered Parties:**
Except with respect to the Limits of Liability, and any rights or duties specifically assigned to a **Covered Entity**, this coverage applies:
- (1) As if each **Covered Party** were the only **Covered Party**; and
 - (2) Separately to each **Covered Party** against whom claim is made or suit is brought.

8. Definitions

As used in this Coverage Part, the following definitions apply:

- a. **Administration** means:
- (1) Giving counsel to employees with respect to the **employee benefit programs**;

- (2) Interpreting the **employee benefit programs**;
 - (3) Handling of records in connection with the employee benefit programs;
 - (4) Effecting enrollment, termination or cancellation of employees under the **employee benefit programs**; provided all such acts are authorized by a **Covered Entity**.
- b. **Auto** means a land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment. But **auto** does not include **mobile equipment**.
- c. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these, and including resulting mental anguish.
- d. **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
- (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.
- e. **Covered contract** means any of the following **contracts** entered into by a **Covered Entity**:
- (1) A lease of premises;
 - (2) A sidetrack agreement;
 - (3) An easement or license agreement;
 - (4) An indemnification of a municipality required by ordinance;
 - (5) An elevator maintenance agreement; or
 - (6) That part of any other contract or agreement pertaining to a **Covered Entity's** business under which a **Covered Entity** assumes the tort liability of another to pay damages because of **personal injuries** or **property damage** to a third person or organization, if the contract or agreement is executed prior to the **personal injuries** or **property damage**. "Tort liability" means a liability that would be imposed by law in the absence of any contract or agreement.

A **covered contract** does not include that part of any contract or agreement:

- (1) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
 - (a) Preparing, approving or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications; or
 - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage;

- (2) Under which the **Covered Party**, if an architect, engineer or surveyor, assumes liability for injury or damage arising out of a **Covered Party's** rendering or failing to render professional services, including those listed in (a) above and supervisory, inspection or engineering services; or
 - (3) That indemnifies any person or organization for damage by fire to premises rented or loaned to the **Covered Party**.
- f. **Coverage territory** means:
- (1) United States of America (including its territories and possessions), Puerto Rico and Canada;
 - (2) International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation to or from any place not included in (1) above; or
 - (3) All parts of the world if:
 - (a) The injury or damage arises out of:
 - i. Goods or products made or sold by a **Covered Entity** in the territory described in (1) above; or
 - ii. The activities of a person or individual whose home is in the territory described in (1) above, but is away for a short time on a **Covered Entity's** business; and
 - (b) The **Covered Party's** responsibility to pay damages is determined in a suit on the merits, in the territory described in (1) above, or in a settlement approved by the Board of Trustees or its designee.
- g. **Emergency Operations** means actions:
- (1) Which are urgent responses for protection of property, human life, health or safety;
 - (2) Which result from or arise from the performing or attempting to perform firefighting, rescue, emergency hazardous materials response, emergency medical services, and/or the stabilizing or securing of an emergency scene, including run off from the cleaning of equipment as a result of such operations; and
 - (3) Which are sanctioned by a **Covered Entity**.
- h. **Employee benefit programs** means group life insurance, group health insurance, profit sharing plans, pension plans, employee stock subscription plan, workers' compensation, unemployment insurance, social security, disability benefits insurance and travel, savings or vacation plans.
- i. **Employment Related Practices** means **personal injuries** to a person arising out of any:
- (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or
 - (3) Employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - (4) The spouse, child, parent, brother or sister of that person as a consequence of personal injuries to that person at whom any of the

employment related practices described in paragraphs (1), (2), or (3) above is directed.

- j. **Impaired property** means tangible property, other than a **Covered Entity's Product** or a **Covered Entity's Work**, that cannot be used or is less useful because:
 - (1) It incorporates a **Covered Entity's Product** or a **Covered Entity's Work** that is known or thought to be defective, deficient, inadequate or dangerous; or
 - (2) A **Covered Entity** has failed to fulfill the terms of a contract or agreement;If such property can be restored to use by:
 - (1) The repair, replacement, adjustment or removal of a **Covered Entity's product** or a **Covered Entity's work**; or
 - (2) A **Covered Entity's** fulfilling the terms of the contract or agreement.
- k. **Law Enforcement Activities** means:
 - (1) Those activities conducted by a **Covered Entity's** law enforcement department or agency; and
 - (2) Departmentally approved moonlighting, except moonlighting for bars, taverns, nightclubs or for another law enforcement department, agency or commission.
- l. **Loading or unloading** means the handling of property:
 - (1) After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or auto;
 - (2) While it is in or on an, aircraft, watercraft or auto; or
 - (3) 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.
- m. **Medical Professional Activities** means the rendering of medical services by a nurse or emergency medical technician employed by or acting on behalf of a **Covered Entity**.
- n. **Mobile equipment** means any of the following types of land vehicles, including any attached machinery or equipment:
 - (1) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - (2) Vehicles maintained for use solely on or next to premises a **Covered Entity** owns or rents;
 - (3) Vehicles that travel on crawler treads;
 - (4) Vehicles whether self propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (a) Power cranes, shovels, loaders, diggers or drills; or
 - (b) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- (5) Vehicles not described in (1), (2), (3) or (4) above that are not self propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
 - (a) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (b) Cherry pickers and similar devices used to raise or lower workers;
- (6) Vehicles not described in (1), (2), (3) or (4) 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;
 - (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.
- o. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. As respects **Law Enforcement Activities** and **Medical Professional Activities** only, **Occurrence** means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
- p. **Personal injuries** means:
- (1) **Bodily injury**;
 - (2) Emotional distress, mental injury, mental anguish and shock;
 - (3) False arrest, detention or imprisonment;
 - (4) Malicious prosecution;
 - (5) 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 by or on behalf of its owner, landlord or lessor;
 - (6) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - (7) Oral or written publication of material that violates a person's right of privacy.

As respects **Law Enforcement Activities** only, **Personal Injuries** also means:

- (1) Discrimination;
- (2) Humiliation;
- (3) False or improper service of process;

- (4) Violation of civil rights protected under 42 USC 1981 et sequential or state law;
 - (5) Violation of property rights;
 - (6) Invasion of privacy; and
 - (7) The wrongful entry, eviction or other invasion of the right of public occupancy.
- q. **Products completed operations hazard:**
- (1) Includes all **bodily injury** and **property damage** occurring away from premises a **Covered Entity** owns or rents and arising out of a **Covered Entity's Product** or a **Covered Entity's Work** except:
 - (a) Products that are still in a **Covered Entity's** physical possession; or
 - (b) Work that has not yet been completed or abandoned. However, a **Covered Entity's Work** will be deemed completed at the earliest of the following times:
 - i. When all of the work called for in a **Covered Entity's** contract has been completed.
 - ii. When all of the work to be done at the site has been completed if a **Covered Entity's** contract calls for work at more than one site.
 - iii. 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.
 - (2) Does not include bodily injury or property damage arising out of:
 - (a) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle created by the loading or unloading of it; or
 - (b) The existence of tools, uninstalled equipment or abandoned or unused materials.
- r. **Property damage means:**
- (1) 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
 - (2) Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the **occurrence** that caused it.
- s. **Sexual Abuse or Molestation** means any actual or alleged wrongful sexual conduct with an individual under 18 years of age including but not limited to commission of one or more of the following acts or offenses or a conspiracy or solicitation to commit one or more of the following acts or offenses if the victim was under 18 years of age at the time of the act or offense:
- (1) Trafficking in individuals (pursuant to 18 Pa. C.S. § 3011(b)).
 - (2) Involuntary servitude as it relates to sexual servitude (pursuant to 18 Pa. C.S. § 3012).

- (3) Rape (pursuant to 18 Pa. C.S. § 3121).
- (4) Statutory sexual assault (pursuant to 18 Pa. C.S. § 3122.1).
- (5) Involuntary deviate sexual intercourse (pursuant to 18 Pa. C.S. § 3123).
- (6) Sexual assault (pursuant to 18 Pa. C.S. § 3124.1).
- (7) Institutional sexual assault (pursuant to 18 Pa. C.S. § 3124.2).
- (8) Aggravated indecent assault (pursuant to 18 Pa. C.S. § 3125).
- (9) Incest (pursuant to 18 Pa. C.S. § 4302).

t. **Suit** means a civil proceeding in which damages because of **personal injuries** or **property damage** to which this coverage applies are alleged. **Suit** includes:

- (1) An arbitration proceeding in which such damages are claimed and to which a **Covered Entity** must submit or submits with **The Trust's** consent; or
- (2) Any other alternative dispute resolutions proceeding in which such damages are claimed and to which a **Covered Entity** submits with **The Trust's** consent.

u. **Covered Entity's Product** means:

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - (a) A **Covered Entity**;
 - (b) Others trading under a **Covered Entity's** name; or
 - (c) A person or organization whose business or assets a **Covered Entity** has acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

A **Covered Entity's Product** includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of a **Covered Entity's Product**; and
- (2) The providing of or failure to provide, warnings or instructions.

A **Covered Entity's Product** does not include vending machines or other property rented to or located for the use of others but not sold.

v. **Covered Entity's Work** means:

- (1) Work or operations performed by a **Covered Entity** or on its behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

Furthermore, a **Covered Entity's Work** includes:

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of a **Covered Entity's Work**; and
- (2) The providing of or failure to provide warnings or instructions.

B. BUSINESS AUTO LIABILITY

1. Coverage Agreement

The Trust will pay on behalf of a **Covered Party** all sums which the **Covered Party** must pay as damages because of **bodily injury** or **property damage** to which this coverage applies, caused by an accident and resulting from the ownership, maintenance or use of a **Covered Auto** during the **Coverage Term** set forth in the Declarations.

The Trust will also pay all sums a **Covered Party** legally must pay as a **covered pollution cost or expense** to which this coverage applies, caused by an accident and resulting from the ownership, maintenance or use of **covered autos**. However, **The Trust** will only pay for the **covered pollution cost or expense** if there is either **bodily injury** or **property damage** to which this coverage applies that is caused by the same **accident**.

The Trust will have the right and duty to defend a **Covered Party** in any suit asking for such damages or **covered pollution cost or expense** and settle such **Suits** subject to General Liability Coverage Part, Section 7. and:

- a. The amount **The Trust** will pay for damages is limited as described in 2. Limits of Liability;
- b. **The Trust** may investigate and settle any claim or **Suit** at our discretion;
- c. **The Trust's** right and duty to defend ends when **The Trust** has exhausted the applicable Limit of Liability in the payment of judgments or settlements; and
- d. **The Trust** has no duty to defend the **Covered Party** against any **Suit** seeking damages for **bodily injury** or **property damage** to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments**.

2. Limits of Liability

Regardless of the number of **Covered Autos**, **Covered Parties**, claims made or vehicles involved in an accident, the most **The Trust** will pay for all damages and **covered pollution cost or expense** resulting from any one **accident** is the limit specified in the Liability Coverage Declarations.

3. Supplementary Payments

In addition to **The Trust's** limit of coverage **The Trust** will pay for the **Covered Party**:

- a. All expenses incurred by The Trust in defense of a Covered Party;
- b. Up to \$5,000 a day for cost of bail bonds (including bonds for related traffic law violations) required for a covered accident. **The Trust** does not have to provide such bail bonds;
- c. Premiums on appeal bonds in any **Suit The Trust** defends;
- d. Premiums on bonds to release attachments in a **Suit The Trust** defends, but only for bonds up to the limits of coverage;
- e. All costs taxed to the **Covered Party** in a **Suit The Trust** defends;
- f. All interest accruing after the entry of a judgment in a **Suit The Trust** defends. **The Trust's** duty to pay interest ends when it pays or tenders its limit of coverage;

- g. Other reasonable expenses incurred by the **Covered Party** at the request of **The Trust**; and
- h. Up to \$1,000 a day for loss of earnings (but not other income) because of attendance at hearings or trial at **The Trust's** request.

4. Out of State Extensions of Coverage

While a **Covered Auto** is away from the state where it is licensed, **The Trust** will provide the minimum amounts and types of other coverages required of out of state vehicles by the jurisdiction where the **Covered Auto** is being used. This extension does not apply to the limit or limits specified by any law governing motor carriers of passengers or property.

The Trust will not pay anyone more than once for the same elements of loss because of these extensions.

5. Who is a Covered Party

Covered Party means a **Covered Entity** and each of the following to the extent indicated:

- a. **Covered Entity's** elected or appointed officials, employees and volunteers, while acting within the scope of their duties as such;
- b. Members of a **Covered Entity's** (including **The Participant's**) boards, commissions and non operating lease back authorities operating under a **Covered Entity's** direction and control, while acting within the scope of their duties as such;
- c. The owner of an **auto** which has been commandeered or borrowed by a **Covered Party** in connection with a **Covered Entity's Law Enforcement Activities** or **Emergency Operations**.
- d. Any person while using with a **Covered Entity's** permission a **Covered Auto** a **Covered Entity** owns, hires or borrows except:
 - (1) The owner or anyone else from whom a **Covered Entity** hires or borrows a **Covered Auto**. This exception does not apply if the **Covered Auto** is a trailer connected to a **Covered Auto** owned by a **Covered Entity**;
 - (2) Any person or organization, any agent or employee thereof, operating an automobile sales agency, repair shop, service station, storage garage or public parking place, with respect to any accident arising out of the operation thereof;
- e. The lessor of a **Covered Auto**, leased or rented by a **Covered Entity** without an operator, including any substitute, replacement or extra **Covered Auto** needed to meet seasonal or other needs, under a leasing or rental agreement that requires a **Covered Entity** to provide direct primary Auto liability insurance to the lessor. The lessor shall not be a **Covered Party** after the lessor or the lessor's agent takes possession of the leased or rented **auto**; and
- f. Any other person or organization for whom a **Covered Entity** is obligated by the terms of a covered contract to provide auto liability coverage, but only as respects the ownership, maintenance, use or entrustment to others of any **Covered Auto** by a **Covered Entity** or on a **Covered Entity's** behalf.

Persons or organizations afforded **Covered Party** status under f. are only provided coverage to the extent of:

- (1) The coverage provided by **The Trust**;

- (2) The minimum amount of coverage required in the contract or agreement;
or
- (3) \$1,000,000 each occurrence, if a minimum amount of coverage is not specified in the written contract or agreement; or
- (4) \$1,000,000 each occurrence, if no written contract or agreement exists, whichever is less.

The inclusion hereunder of more than one **Covered Party** shall not operate to increase **The Trust's** Limits of Liability.

6. Covered Autos

- a. Any **auto** owned by a **Covered Entity** or leased by a **Covered Entity** for a period of six months or more, including autos acquired during the **Coverage Term**.
- b. **Mobile equipment** and **trailers** while being carried or towed by a **Covered Auto**.
- c. **Hired Autos**.
- d. **Non-owned autos**.

Coverage for **non-owned autos** provided by **The Trust** is excess of any commercial or personal private passenger auto policy which provides coverage for the official, employee, volunteer or any member of their family.

7. Exclusions

This Business Auto Liability coverage does not apply to:

- a. **Bodily injury** or **property damage** expected or intended from the standpoint of the **Covered Party**. This exclusion does not apply to:
 - (1) **Bodily injury** or **property damage** resulting from the use of reasonable force to protect persons or property; or
 - (2) **Bodily injury** or **property damage** resulting from the operations of the **Covered Entity's Law Enforcement Activities** or **Emergency Operations**.
- b. Liability assumed under any contract or agreement. This exclusion does not apply to liability for damages:
 - (1) Assumed in a contract or agreement that is a **covered contract**; or
 - (2) That the **Covered Party** would have in the absence of any contract or agreement.
- c. Any obligation for which the **Covered Party** or **Covered Party's** insurer or coverage provider may be held liable under any workers' compensation, disability benefits, or unemployment compensation law or under any similar law.
- d. **Bodily injury** to:
 - (1) An employee of the **Covered Party** arising out of and in the course of employment by the **Covered Party**; or
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies:

- (1) Whether the **Covered Party** may be liable as an employer or in any other capacity; and

- (2) 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 **Covered Party** under a **covered contract**.

- e. **Bodily injury** to any volunteer firefighter or other volunteer worker of the **Covered Party** if sustained while such person is using or maintaining a **Covered Auto** or is otherwise engaged in other volunteer firefighting, rescue squad or ambulance corps operations of the **Covered Party**.
- f. **Property damage** to property owned or transported by the **Covered Party** or in the **Covered Party's** care, custody, or control. This exclusion does not apply to liability assumed by a **Covered Party** under a **covered contract**. This exclusion also does not apply to any **auto** borrowed or commandeered by a **Covered Entity** in connection with **Emergency Operations** of a **Covered Entity's** volunteer fire company, rescue squad or ambulance corps or in connection with a **Covered Entity's Law Enforcement Activities**.
- g. **Bodily injury** or **property damage** resulting from the handling of property:
 - (1) Before it is moved from the place where it is accepted by the **Covered Party** for movement into or onto the **Covered Auto**, or
 - (2) After it is moved from the **Covered Auto** at the place where it is finally delivered to the **Covered Party**.
- h. **Bodily injury** or **property damage** resulting from the movement of property by a mechanical device (other than a hand truck) not attached to the **Covered Auto**.
- i. **Bodily injury** or **property damage** resulting from:
 - (1) The explosion of any weapon employing atomic fission or fusion or;
 - (2) Nuclear reaction or radiation or radioactive contamination, however caused.
- j. **Bodily injury** or **property damage** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:
 - (1) That are or that are contained in any property that is:
 - (a) Being transported or towed by, handled or handled for movement into, onto or from, the **Covered Auto**;
 - (b) Otherwise in the course of transit by or on behalf of the **Covered Party**; or
 - (c) Being stored, disposed of, treated or processed in or upon the **Covered Auto**.
 - (2) Before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **Covered Party** for movement into or onto the **Covered Auto**; or
 - (3) After the **pollutants** or any property in which the **pollutants** are contained are moved from the **Covered Auto** to the place where they are finally delivered, disposed of or abandoned by the **Covered Party**.

Paragraph (1)(c) does not apply to fuels, lubricants, fluids, exhaust gases or other similar **pollutants** that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the **Covered Auto** or its parts, if:

- (a) The **pollutants** escape, seep, migrate or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**; and
- (b) The **bodily injury** or **property damage** or **covered pollution cost or expense** does not arise out of the operation of any equipment listed in paragraph (6)(b) and (6)(c) of the definition of **mobile equipment**.

In addition, paragraphs (2) and (3) do not apply to accidents that occur away from premises owned by or rented to a **Covered Party** with respect to **pollutants** not in or upon a **covered auto** if:

- (a) 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
- (b) The discharge, dispersal; seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.

Subparagraph j.(1) does not apply to **bodily injury** or **property damage** arising out of the “**emergency service actions**” or “**emergency training actions**” of a fire company or a hazardous materials unit, provided the fire company is a **Covered Entity**. As used in this exclusion, “**emergency service actions**” means a **Covered Entity's** operations that are conducted away from any premises that a **Covered Entity** owns, rents, or occupies and that is in response to a request for emergency aid. “**Emergency training actions**” means a **Covered Entity's** training activities, including but not limited to controlled burns of vegetation and fires intentionally ignited for the purpose of fire suppression training and instruction, that are conducted away from any premises that a **Covered Entity** owns, rents, or occupies.

Subparagraph j.(1) does not apply to **bodily injury** or **property damage** caused by a **Covered Entity's** hauling or transporting of sewage sludge, road treatment materials (salt, sand, etc.), water treatment chemicals and other similar materials. This exception does not apply to the storage, disposal or the loading and unloading of such materials.

- k. **Bodily injury** or **property damage** caused by declared or undeclared war or insurrection or any of their consequences. This exclusion applies only to liability assumed under a contract or agreement.
- l. **Bodily injury** or **property damage** arising out of the operation of any equipment listed in paragraphs (6)(b) and (6)(c) of the definition of **mobile equipment** as used in the Definitions section of this Coverage Part.
- m. **Bodily injury** or **property damage** arising out of a **Covered Entity's Work** after that work has been completed or abandoned. In this exclusion, a **Covered Entity's** work means:
 - (1) Work or operations performed by a **Covered Entity** or on a **Covered Entity's** behalf; and
 - (2) Materials, parts or equipment furnished in connection with such work or operations.

A **Covered Entity's Work** includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in paragraphs (1) or (2) above.

A **Covered Entity's Work** will be deemed completed at the earliest of the following times:

- (1) When all of the work called for in a **Covered Entity's** contract has been completed.
- (2) When all of the work to be done at the site has been completed if a **Covered Entity's** contract calls for work at more than one site.
- (3) 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.

- n. Any injury or damage which would not have occurred, 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; or to any loss, cost or expense 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 **Covered Party** or any other person or entity.

This exclusion does not apply to any "**fungi**" or bacteria that are, are in, or are contained in, a good or product intended for consumption. "**Fungi**" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "**fungi**."

- o. Any injury or damage directly or indirectly caused by asbestos including but not limited to:
- (1) Any liability arising out of the actual, alleged or threatened exposure to asbestos; or
 - (2) Any loss, cost or expense arising of any:
 - (a) Request, demand or order that anyone test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of asbestos; or
 - (b) Claim or **suit** by or on behalf of any person or organization of governmental authority for damages because of testing for, monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of asbestos.
- p. Any injury or damage arising, directly or indirectly, out of "**NCBRE Terrorism**" (defined as "**Terrorism**" involving, arising out of, related to or supported by nuclear, chemical, biological, radiological and epidemical attacks), or any action taken in hindering or defending against an actual or expected incident of "**NCBRE Terrorism**" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

"**Terrorism**" means activities against persons, organizations or property of any nature:

- (1) That involve the following or preparation for the following:

- (a) Use or threat of force or violence; or
 - (b) Commission or threat of a dangerous act; or
 - (c) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - (2) When one or both of the following applies:
 - (a) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (b) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
 - q. Any injury or damage arising directly or indirectly out of, resulting from, caused by or contributed to by:
 - (1) The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - (2) The actual or threatened abatement, mitigation, removal or disposal of lead, lead compounds or materials containing lead;
 - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (1) or (2) above; or
 - (4) Any obligation of the **Covered Party** to indemnify any party in connection with subparagraphs (1), (2) or (3) above.
 - r. **Bodily injury** or **property damage** arising directly or indirectly from **Sexual Abuse or Molestation**.
 - s. All actual or alleged **bodily injury, property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.
8. As used herein, a **Extensions of Coverage**
- a. **Communicable Disease** Coverage Extension for Coronavirus Disease 2019 (COVID-19)
 - (1) Exclusion s. above shall not apply to actual or alleged **bodily injury, property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with the Coronavirus Disease 2019 (COVID-19) or the fear or threat (whether actual or perceived) of the Coronavirus Disease 2019 (COVID-19).
 - (2) The most that **The Trust** will pay under this Coverage Extension for all **bodily injury and property damage**, including all expenses incurred by **The Trust**

in defense of a **Covered Party** and including all legal fees and costs, shall be \$50,000 each **Accident** and \$50,000 in the aggregate for the **Coverage Term** for each **Participant** and its **Covered Parties**. Further, the most that **The Trust** will pay under this Coverage Extension shall be \$1,000,000 in the aggregate for the **Coverage Term** for all **Participants** and **Covered Parties** combined.

b. **Communicable Disease Coverage Extension for Communicable Disease** unrelated to a Pandemic or Epidemic

(1) Exclusion s. above shall not apply to actual or alleged **bodily injury, property damage**, loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with **Communicable Disease** other than **Communicable Disease** considered to be the source of either an epidemic or pandemic as declared by the Centers for Disease Control, the World Health Organization or any other entity with the authority to declare an epidemic or pandemic or the fear or threat (whether actual or perceived) of such **Communicable Disease**.

(2) The most that **The Trust** will pay under this Coverage Extension for all **bodily injury** and **property damage**, including all expenses incurred by **The Trust** in defense of a **Covered Party** and including all legal fees and costs, shall be \$100,000 each **Accident** and \$100,000 in the aggregate for the **Coverage Term** for each **Participant** and its **Covered Parties**. Further, the most that **The Trust** will pay under this Coverage Extension shall be \$1,000,000 in the aggregate for the **Coverage Term** for all **Participants** and **Covered Parties** combined.

9. Conditions

In addition to the Defense, Investigation and Settlement of Claims Conditions in the General Liability Conditions, the following conditions shall apply to the Business Auto Liability Coverage:

a. Loss Conditions:

(1) Duties in the Event of **Accident**, Claim, **Suit** or **Loss**

In the event of **accident**, claim, **suit** or **loss**, a **Covered Entity** must give **The Trust** or its authorized representative prompt notice of the **accident** or **loss**. A **Covered Entity** shall include with such notice:

- (a) How, when and where the **accident** or **loss** occurred;
- (b) The **Covered Party's** name and address; and
- (c) To the extent possible, the names and addresses of any injured persons and witnesses.

(2) Additionally, a **Covered Entity** must:

- (a) Assume no obligation, make no payment or incur no expense without **The Trust's** consent, except at the **Covered Party's** own cost.

- (b) Immediately send **The Trust** copies of any request, demand, order, notice, summons or legal paper received concerning the claim or suit.
 - (c) Cooperate with **The Trust** in the investigation, settlement or defense of the claim or suit.
 - (d) Authorize **The Trust** to obtain medical reports or other pertinent information.
- (3) If there is **loss** to a **Covered Auto** or its equipment, a **Covered Entity** must also do the following:
- (a) Promptly notify the police if the **Covered Auto** or any of its equipment is stolen.
 - (b) Take all reasonable steps to protect the **Covered Auto** from further damage. Also, keep a record of a **Covered Entity's** expenses for consideration in the settlement of the claim.
 - (c) Permit us to inspect the **Covered Auto** and records proving the loss before its repair or disposition.
- b. Other Coverage or "**Insurance**":
- (1) For any **Covered Auto** a **Covered Entity** owns, this Coverage Document provides primary coverage. For any **Covered Auto** a **Covered Entity** does not own, the coverage provided by this Coverage Document is excess over any other valid and collectible "**insurance**." However, while a **Covered Auto** which is a **trailer** is connected to another vehicle, the Business Auto Liability Coverage provided for the **trailer** is:
 - (a) Excess while it is connected to a motor vehicle a **Covered Entity** does not own.
 - (b) Primary while it is connected to a **Covered Entity** owns.
 - (2) Regardless of the provisions of paragraph (1) above, this Coverage Document's Liability Coverage is primary and non-contributory only when a Covered Entity has agreed to provide another person or organization primary and non-contributory coverage under the terms of a **covered contract**.
 - (3) When this Coverage Document and any other Coverage Document or policy covers on the same basis, either excess or primary, **The Trust** will pay only **The Trust's** share. **The Trust's** share is the proportion that the Limit of Coverage of **The Trust's** Coverage Document bears to the total of the limits of all the Coverage Documents and policies covering on the same basis.
 - (4) As used in this Other Coverage or "**Insurance**" section above, "**insurance**" means:
 - (a) A commercial insurance policy or policies (with or without a deductible or self-insured retention);
 - (b) Coverage provided by an insurance pool, trust, group self-insurance fund, risk retention group or similar entity by whatever name known (with or without a deductible or self-insured retention); or
 - (c) Any structured self-insurance or indemnity programs maintained by one or more Covered Parties.

c. Coverage Term:

The Trust covers **accidents** and **losses** occurring during the **Coverage Term** shown in the Declarations.

d. Coverage Territory:

The Trust covers **accidents** and **losses** occurring within the coverage territory. The coverage territory is:

- (1) The United States of America;
- (2) The territories and possessions of the United States of America;
- (3) Puerto Rico; and
- (4) Canada.

The Trust also covers loss to, or accidents involving a **Covered Auto** while being transported between any of these places.

10. Definitions

The following definitions shall apply to the words and phrases listed below with respect to the Business Auto Liability Coverage provided under this Coverage Document:

- a. **Accident** includes continuous or repeated exposure to the same conditions resulting in **bodily injury** or **property damage**.
- b. **Auto** means a land motor vehicle, **Trailer** or semi-trailer designed for travel on public roads but does not include **mobile equipment**.
- c. **Bodily injury** means bodily injury, sickness or disease, including death resulting from any of these, and including resulting mental anguish.
- d. **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.
- e. **Covered contract** means:
 - (1) A lease of premises;
 - (2) A sidetrack agreement;
 - (3) An easement or license agreement;
 - (4) An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality; or
 - (5) That part of any other contract or agreement pertaining to a **Covered Entity's** activities (including an indemnification of a municipality in connection with work performed for a municipality) under which a **Covered Entity** assumes the tort liability of another to pay damages because of **bodily injury** or **property damage** to a third person or organization, if the contract or agreement is made prior to the **bodily injury** or **property**

damage. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

A **covered contract** does not include that part of any contract or agreement:

- (1) That pertains to the loan, lease or rental of an **Auto** to a **Covered Entity** or any of a **Covered Entity's** employees, elected or appointed officials or volunteers, if the **Auto** is loaned, leased or rented with a driver; or
- (2) That holds a person or organization engaged in the business of transporting property by **Auto** for hire harmless for a **Covered Entity's** use of a **Covered Auto** over a route or territory that person or organization is authorized to serve by public authority.

f. **Covered pollution cost or expense** means any cost or expense arising out of:

- (1) Any request, demand or order; or
- (2) Any **claim** or **suit** by or on behalf of a governmental authority demanding the **Covered Party** or others test for, monitor, clean up, remove, contain treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**.

Covered pollution cost or expense does not include any cost or expense arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants**:

- (1) That are or that are contained in any property that is:
 - (a) Being transported or towed by, handled or handled for movement into, onto or from, the **Covered Auto**;
 - (b) Otherwise in the course of transit by or on behalf of the **Covered Party**; or
 - (c) Being stored, disposed of, treated or processed in or upon the **Covered Auto**;
- (2) Before the **pollutants** or any property in which the **pollutants** are contained are moved from the place where they are accepted by the **Covered Party** for movement into or onto the **Covered Auto**; or
- (3) After the **pollutants** or any property in which the **pollutants** are contained are moved from the **Covered Auto** to the place where they are finally delivered, disposed of or abandoned by the **Covered Party**.

Paragraph (1)(c) does not apply to fuels, lubricants, fluids, exhaust gases or other similar pollutants that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the **Covered Auto** or its parts, if:

- (a) The **pollutants** escape, seep, migrate or are discharged, dispersed or released directly from an **auto** part designed by its manufacturer to hold, store, receive or dispose of such **pollutants**; and
- (b) The **bodily injury** or **property damage** or **covered pollution cost or expense** does not arise out of the operation of any equipment listed in paragraph (6)(b) and (6)(c) of the definition of **mobile equipment**.

In addition, paragraphs (2) and (3) do not apply to accidents that occur away from premises owned by or rented to a **Covered Party** with respect to **pollutants** not in or upon a **covered auto** if:

- (a) 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
 - (b) The discharge, dispersal, seepage, migration, release or escape of the **pollutants** is caused directly by such upset, overturn or damage.
- g. **Emergency Operations** means actions:
 - (1) Which are urgent responses for protection of property, human life, health or safety;
 - (2) Which result from or arise from the performing or attempting to perform firefighting, rescue, emergency hazardous materials response, emergency medical services, and/or the stabilizing or securing of an emergency scene, including run off from the cleaning of equipment as a result of such operations; and
 - (3) Which are sanctioned by a **Covered Entity**.
- h. **Hired auto** means only those **autos** a **Covered Entity** leases for less than six months, hires, rents or borrows, including **autos** hired and rented by a **Covered Entity's** employees, officers, directors and elected and appointed officials while in the course of their duties on behalf of a **Covered Entity**, and any such **autos** hired, rented, borrowed or leased by a **Covered Party** under the **Covered Party's** name with a **Covered Entity's** permission. **Hired auto** also means an **auto** commandeered or borrowed by a **Covered Party** in connection with **Law Enforcement Activities or Emergency Operations**.

Hired auto does not include any **auto** leased for a period of less than six months or hire, rent or borrow from any of a **Covered Entity's** employees, officers, directors, elected and appointed officials, volunteers or members of their households.
- i. **Loss** means direct and accidental loss or damage;
- j. **Non-owned auto** means only those **autos** a **Covered Entity** does not own, lease, hire, rent or borrow. This includes **autos** owned by a **Covered Entity's** employees, volunteers and elected and appointed officials.
- k. **Mobile equipment** means any of the following type of land vehicles, including any attached machinery or equipment:
 - (1) Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
 - (2) Vehicles maintained for use solely on or next to premises a **Covered Entity** owns or rents;
 - (3) Vehicles that travel on crawler treads;
 - (4) Vehicles whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
 - (a) Power cranes, shovels, loaders, diggers or drills; or
 - (b) Road construction or resurfacing equipment such as graders, scrapers or rollers;
 - (5) Vehicles not described in (1), (2), (3) or (4) above that are not self propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

- (a) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
 - (b) Cherry pickers and similar devices used to raise or lower workers;
- (6) Vehicles not described in (1), (2), (3) or (4) above maintained primarily for purpose 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**:
 - (a) equipment designed primarily for:
 - i. Snow removal;
 - ii. Road maintenance, but not construction or resurfacing;
 - iii. Street cleaning;
 - (b) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
 - (c) Air compressors, pumps and generators, including spraying, welding, building, cleaning, geophysical exploration, lighting and well servicing equipment.
- I. **Pollutants** mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
- m. **Property damage** means damage to or loss of use of tangible property.
- n. **Sexual Abuse or Molestation** means any actual or alleged wrongful sexual conduct with an individual under 18 years of age including but not limited to commission of one or more of the following acts or offenses or a conspiracy or solicitation to commit one or more of the following acts or offenses if the victim was under 18 years of age at the time of the act or offense:
 - (1) Trafficking in individuals (pursuant to 18 Pa. C.S. § 3011(b)).
 - (2) Involuntary servitude as it relates to sexual servitude (pursuant to 18 Pa. C.S. § 3012).
 - (3) Rape (pursuant to 18 Pa. C.S. § 3121).
 - (4) Statutory sexual assault (pursuant to 18 Pa. C.S. § 3122.1).
 - (5) Involuntary deviate sexual intercourse (pursuant to 18 Pa. C.S. § 3123).
 - (6) Sexual assault (pursuant to 18 Pa. C.S. § 3124.1).
 - (7) Institutional sexual assault (pursuant to 18 Pa. C.S. § 3124.2).
 - (8) Aggravated indecent assault (pursuant to 18 Pa. C.S. § 3125).
 - (9) Incest (pursuant to 18 Pa. C.S. § 4302).
- o. **Suit** means a civil proceeding in which damages because of **bodily injury** or **property damage** to which this coverage applies are alleged. **Suit** includes:
 - (1) An arbitration proceeding in which such damages are claimed and to which a **Covered Entity** must submit or submits with **The Trust's** consent; or

(2) Any other alternative dispute resolutions proceeding in which such damages are claimed and to which a **Covered Entity** submits with **The Trust's** consent.

p. **Trailer** includes semi-trailer.

C. UNINSURED MOTORISTS COVERAGE

1. Additional Coverage Agreement

- a. **The Trust** will pay all sums the **Covered Party** is legally entitled to recover as damages from the owner or driver of an **uninsured motor vehicle**. The damages must result from **bodily injury** sustained by the **Covered Party** caused by an **accident**. The owner's or driver's liability for these damages must result from the ownership, maintenance or use of an **uninsured motor vehicle**.
- b. No judgment or damages arising out of a **suit** brought against the owner or operator of an **uninsured motor vehicle** is binding on **The Trust** unless **The Trust**:
 - (1) Receives reasonable notice of the pendency of the **suit** resulting in the judgment; and
 - (2) Had a reasonable opportunity to protect **The Trust's** interests in the **suit**.
- c. **The Trust** will not make a duplicate payment under this coverage for any element of loss for which payment has been made by or for anyone who is legally responsible.
- d. **The Trust** will not pay for any element of loss if a person is entitled to receive payment for the same element of loss under any workers' compensation, disability benefits or similar law. Specifically, in conformance with the Workers' Compensation Amendatory Act of 1993, repealing 75 Pa. S. §1735 and §1737, no uninsured motorist coverage benefits otherwise recoverable by a **Covered Party** for injuries sustained in the course and scope of his or her employment shall be paid to that **Covered Party** for lost wages, loss of function, decreased earning capacity, medical expenses or any other losses arising from those injuries for which the **Covered Party** also receives workers' compensation benefits under the Pennsylvania Workers' Compensation Act.

2. Limits of Liability

- a. The most **The Trust** will pay for all damages resulting from any one **accident** is the limit of coverage for Uninsured Motorists Coverage shown in the Liability Coverage Declarations, regardless of the number of **Covered Autos, Covered Parties**, claims made or vehicles involved in the **accident**.
- b. Any amount payable for damages under this coverage shall be reduced by all sums paid by or for anyone who is legally responsible, including all sums paid for the same damages under the Business Auto coverage section of the Liability Trust Coverage Document. This also includes all sums paid for an attorney or attorneys representing a **Covered Party** either directly or as part of the amount paid to the **Covered Party**.
- c. Any amount paid under this coverage will reduce any amount a **Covered Party** may be paid for the same damages under the Business Auto Liability coverage of this Trust Coverage Document.

3. Who is a Covered Party

- a. A **Covered Entity** and all persons specified in **Who is a Covered Party** in the Business Auto Liability coverage.
- b. Anyone else occupying a **Covered Auto** or a temporary substitute for a **Covered Auto**. The **Covered Auto** must be out of service because of its breakdown, repair, servicing, loss or destruction.

- c. Anyone for damages he or she is entitled to recover because of bodily injury sustained by another **Covered Party**.

4. Exclusions

This coverage does not apply to:

- a. Any claim settled without **The Trust's** consent. However, this exclusion does not apply if such settlement does not adversely affect **The Trust's** rights of recovery under this coverage;
- b. The direct or indirect benefit of any insurer or self-insurer under any workers' compensation, disability benefits or similar law;
- c. Anyone using a vehicle without a reasonable belief that the person is entitled to do so; and
- d. Punitive or exemplary damages.

5. Conditions

- a. Business Auto Liability Conditions 8.a., Loss Conditions, is changed by adding the following:

- (1) Promptly notify the police if a hit and run driver is involved.
- (2) Promptly send us copies of the legal papers if a suit is brought.

- b. Subrogation, Section II, F., is changed by adding the following:

If **The Trust** makes any payment due to an accident involving an uninsured motor vehicle and the **Covered Party** recovers from another party in a separate claim or **suit**, the **Covered Party** shall hold the proceeds in trust for **The Trust** and pay **The Trust** back the amount we paid less reasonable attorneys' fees, costs, and expenses incurred by the **Covered Party** to the extent such payment duplicates any amount **The Trust** has paid under this coverage.

- c. Other Coverage

- (1) If there is other applicable similar coverage available under more than one policy, the following priorities of recovery apply:

First: The uninsured motorist's coverage applicable to the vehicle the **Covered Party** was occupying at the time of the accident;

Second: The policy affording uninsured motorist's coverage to the **Covered Party** as a named insured or **family member**.

- (2) **The Trust** will pay only its share of the loss. **The Trust's** share is the proportion that its limit of liability bears to the total of all limits applicable on the same level of priority.

- (3) If two or more Coverage Documents or policies have equal priority:

- (a) The insurer against whom the claim is first made shall process and pay the claim as if wholly responsible for all insurers with equal priority;

- (b) The insurer thereafter is entitled to recover pro rata contribution from any other insurer on the same level of priority for the benefits paid and the costs of processing the claim; and

- (c) If **The Trust** is the insurer against whom the claim is first made, **The Trust** will pay, subject to the limits of liability for Uninsured Motorists

Coverage specified in the Liability Coverage Declarations, after all contributing insurers agree as to:

- i. Whether the **Covered Party** is legally entitled to recover damages from the owner or driver of an **uninsured motor vehicle**; and
- ii. The amount of damages.

6. Definitions

Except as otherwise indicated below, all terms used in this coverage agreement are defined in Business Auto Liability Coverage.

- a. **Family Member** means a person related to a **Covered Party** by blood, marriage or adoption who is a resident of the **Covered Party's** household, including a ward or a foster child.
- b. **Occupying** means in, upon, getting in, on, out or off.
- c. **Uninsured motor vehicle** means a land motor vehicle or trailer:
 - (1) For which no liability bond or policy applies at the time of an accident;
 - (2) For which an insuring or bond company:
 - (a) Denies coverage; or
 - (b) Is or becomes insolvent; or
 - (c) Is or becomes involved in insolvency proceedings; or
 - (3) That is a hit and run vehicle and neither the driver nor owner can be identified. The vehicle must:
 - (a) Hit a **Covered Party**, a **Covered Auto** or a vehicle a **Covered Party** is occupying; or
 - (b) Cause an accident resulting in bodily injury to a **Covered Party** without hitting a **Covered Party**, a **Covered Auto** or a vehicle a **Covered Party** is occupying.

If there is no physical contact with the hit and run vehicle, the facts of the **accident** must be proved.

However, uninsured motor vehicle does not include any vehicle which is:

- (1) An **underinsured** motor vehicle;
 - (2) Owned or operated by a self-insurer under any applicable motor vehicle law;
 - (3) Owned by a governmental unit or agency; or
 - (4) Designed for use mainly off public roads while not on public roads.
- d. **Underinsured motor vehicle** means a land motor vehicle or trailer for which the sum of all liability bonds or policies which apply at the time of an accident do not provide at least the amount a **Covered Party** is legally entitled to recover as damages.

However, **underinsured motor vehicle** does not include any vehicle which is:

- (1) An **uninsured motor vehicle**;
- (2) Owned by a governmental unit or agency; or
- (3) Designed for use mainly off public roads while not on public roads.

D. BASIC FIRST PARTY BENEFITS

1. Additional Coverage Agreement

The Trust will pay Basic First Party Benefits described below in accordance with the Act to or for a **Covered Party** who sustains bodily injury caused by an **accident** arising out of the maintenance or use of an **auto**.

2. Limits of Liability

- a. Regardless of the number of **Covered Autos**, claims made, autos involved in the **accident** or insurers providing First Party Benefits, the most **The Trust** will pay to or for a **Covered Party** as the result of any one **accident** are the limits specified in the Liability Coverage Declarations.
- b. Any amount payable under First Party Benefits shall be excess over any sums paid, payable or required to be provided under any workers' compensation law or similar law.

3. Who is a Covered Party

- a. A **Covered Entity's** officials and employees;
- b. Any person while **occupying** a **Covered Auto**;
- c. Any person while not **occupying** an **auto** if injured as a result of an **accident** in Pennsylvania involving a **Covered Auto**.

4. Benefits

Subject to the limits shown in the Liability Coverage Declarations, the Basic First Party Benefits consist of:

- a. Medical Expense Benefits:

Reasonable and necessary medical expenses incurred for a **Covered Party's**:

- (1) Care;
- (2) Recovery; or
- (3) Medical expenses

will be paid if incurred within 18 months from the date of the **accident** causing **bodily injury**. If within 18 months from the date of the **accident** causing **bodily injury**, it is ascertainable with reasonable medical probability that further expenses may be incurred as a result of the **bodily injury**; medical expenses will be paid without limitation as to the time such further expenses are incurred.

- b. Work Loss Benefits consisting of:

- (1) Loss of income up to 80% of the gross income actually lost by a **Covered Party**.
- (2) Reasonable expenses actually incurred to reduce loss of income by hiring:
 - (a) Special help, thereby enabling the **Covered Party** to work; or
 - (b) A substitute to perform the work a self-employed **Covered Party** would have performed.

However, Work Loss Benefits do not include:

- (1) Loss of expected income for any period following the death of a **Covered Party**; or

- (2) Expenses incurred for services performed following the death of a **Covered Party**; or
- (3) Any loss of income, or expenses incurred for services performed, during the first 5 working days the **Covered Party** did not work after the **accident** because of the **bodily injury**.

When the Liability Coverage Declarations indicate that Work Loss Benefits do not apply, **The Trust** will not pay Work Loss Benefits to or for any **Covered Party**.

c. Funeral Expense Benefits.

Actual expenses incurred for a **Covered Party's** funeral or burial if **bodily injury** resulting from the **accident** causes his or her death within 24 months from the date of the **accident**.

5. Exclusions

The Trust will not pay First Party Benefits for **bodily injury**:

- a. Sustained by any person injured while intentionally causing or attempting to cause injury to himself or herself or any other person.
- b. Sustained by any person while committing a felony.
- c. Sustained by any person while seeking to elude lawful apprehension or arrest by a law enforcement official.
- d. Sustained by any person while maintaining or using an auto knowingly converted by that person. However, this exclusion does not apply to:
 - (1) Any **Covered Party**; or
 - (2) Any family member.
- e. Sustained by any person who, at the time of the **accident**:
 - (1) Is the owner of one or more currently registered **autos** and none of those **autos** is covered by the financial responsibility required by the **Act**; or
 - (2) Is occupying an **auto** owned by that person for whom the financial responsibility required by the **Act** is not in effect.
- f. Sustained by any person maintaining or using an **auto** while located for use as a residence or premises.
- g. Sustained by any person injured as a result of conduct within the course of the business of repairing, servicing or otherwise maintaining **autos**. This exclusion does not apply if the conduct is off the business premises.
- h. Sustained by a pedestrian if the accident occurs outside of Pennsylvania. This exclusion does not apply to a **Covered Entity** or any **Covered Party**.
- i. Sustained by any person while **occupying**:
 - (1) A recreational vehicle designed for use off public roads; or
 - (2) A motorcycle, moped or similar type vehicle.
- j. Caused by or as a consequence of:
 - (1) Discharge of a nuclear weapon (even if accidental);
 - (2) War (declared or undeclared);
 - (3) Civil war;

- (4) Insurrection; or
- (5) Rebellion or revolution.
- k. From or as a consequence of the following whether controlled or uncontrolled or however caused:
 - (1) Nuclear reaction;
 - (2) Radiation; or
 - (3) Radioactive contamination.
- l. Sustained by any person as a direct result of loading or unloading any auto.

6. Conditions

- a. Non-Duplication of Benefits:

No person may recover duplicate benefits for the same expenses or loss under this or any other similar auto insurance, including self-insurance.

- b. Priorities of Coverage:

The Trust will pay First Party Benefits in accordance with the order of priority set forth by the **Act**. **The Trust** will not pay if there is an insurer at a higher level of priority. The "First" category listed below is the highest level of priority and the "Fourth" category listed below is the lowest level of priority. The priority order is:

First: The insurer providing benefits to a **Covered Party** as a named insured.

Second: The insurer providing benefits to the **Covered Party** as a family member who is not a named insured under another policy providing coverage under the **Act**.

Third: The insurer of the auto which the **Covered Party** is occupying at the time of the **accident**.

Fourth: The insurer providing benefits on any **auto** involved in the accident if the **Covered Party** is:

- (1) Not **occupying** an **auto**; and
- (2) Not provided First Party Benefits under any other policy.

If two or more policies have equal priority within the highest applicable numbers in the priority order:

- (1) The insurer against which the claim is first made shall process and pay the claims as if wholly responsible, and
- (2) The maximum recovery under all policies shall not exceed the amount payable under the policy with the highest dollar limits of benefits.

7. Definitions

Except as otherwise indicated below, all terms used in this additional coverage agreement are defined in Business Auto Liability Coverage.

- a. **The Act** means the Pennsylvania Motor Vehicle Financial Responsibility Law of 1984, as amended.
- b. **Auto** means a self-propelled motor vehicle operated or designed for use on public roads. However, **auto** does not include a vehicle operated:
 - (1) By muscular power;

- (2) On rails or tracks; or
 - (3) By electric power obtained from overhead trolley wires.
- c. **Occupying** means in, upon, getting in, on, out or off.

E. GARAGEKEEPERS LEGAL LIABILITY COVERAGE

1. Additional Coverage Agreement.

The Trust hereby agrees, subject to the limitations, exclusions, terms, definitions and conditions set forth herein, to pay all sums the **Covered Party** legally must pay as damages for **Loss** to a **Covered Auto** or **Auto** equipment left in the **Covered Party's** care while the **Covered Party** is attending, servicing, repairing, parking or storing it in your **Garage Operations** when such **Loss** is caused by:

- a. Collision with another object;
- b. A **Covered Auto's** overturn; and
- c. Any other cause.

The Trust will have the right and duty to defend a **Covered Party** in any **Suit** asking for such damages and settle such **Suits** subject to General Liability Coverage Section 7.a. "Defense, Investigation and Settlement of Claims". But:

- a. The amount **The Trust** will pay for damages is limited as described in 2. Limits of Liability;
- b. **The Trust** may investigate and settle any claim or **Suit** at our discretion;
- c. **The Trust's** right and duty to defend ends when **The Trust** has exhausted the applicable Limit of Liability in the payment of judgments or settlements; and
- d. **The Trust** has no duty to defend the **Covered Party** against any **Suit** seeking damages for **Loss** to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **3. Supplementary Payments**.

2. Limits of Liability

Regardless of the number of **Covered Autos**, **Covered Parties**, claims made or vehicles involved in a **Loss**, the most **The Trust** will pay for all damages resulting from any one **Loss** is the limit of coverage for Garagekeepers Legal Liability as specified in the Liability Coverage Declarations.

3. Supplementary Payments

In addition to **The Trust's** limit of coverage, **The Trust** will pay for the **Covered Party**:

- a. All expenses incurred by **The Trust** in defense of a **Covered Party**;
- b. Premiums on bonds to release attachments in a **Suit The Trust** defends, but only for bonds up to the limits of coverage;
- c. All costs taxed to the **Covered Party** in a **Suit The Trust** defends;
- d. All interest accruing after the entry of a judgment in a **Suit The Trust** defends. **The Trust's** duty to pay interest ends when it pays or tenders its limits of coverage;
- e. Other reasonable expenses incurred by the **Covered Party** at the request of **The Trust**; and
- f. Up to \$500 a day for loss of earnings (but not other income) because of attendance at hearings or trial at **The Trust's** request.

4. Who is a Covered Party

Covered Party means a **Covered Entity** and each of the following to the extent indicated:

- a. A **Covered Entity's** elected or appointed officials, while acting within the scope of their duties as such;
- b. Members of a **Covered Entity's** boards, commissions and non-operating lease back authorities operating under a **Covered Entity's** direction and control, while acting within the scope of their duties as such; and
- c. Any other person or organization for whom a **Covered Entity** is obligated by the terms of a written contract to provide Garagekeepers Legal Liability Coverage, but only as respects **Loss** to a **Covered Auto** or **Auto** equipment left in the **Covered Party's** care.

Persons or organizations afforded **Covered Party** status under c. are only provided coverage to the extent of:

- (1) The coverage provided by **The Trust**; or
- (2) The amount of coverage required in the contract or agreement, whichever is less.

The inclusion hereunder of more than one **Covered Party** shall not operate to increase **The Trust's** Limits of Liability.

5. Covered Autos

As respects the Garagekeepers Legal Liability Coverage Part only, **Covered Auto** means any customer's **Auto** while left with a **Covered Entity's Garage Operations** for service, repair, storage or safekeeping. Customers include a **Covered Entity's** elected or appointed officials, employees, volunteers or members of their households who pay for the services performed.

6. Exclusions

This Garagekeepers Legal Liability Coverage does not apply to any of the following:

- a. Liability resulting from any agreement by which the **Covered Party** accepts responsibility for **Loss** arising from other than a **Covered Entity's Garage Operations**;
- b. Loss due to theft or conversion caused in any way by a **Covered Entity** or a **Covered Entity's** employees;
- c. Defective parts or materials; or
- d. Faulty work you performed.

The Trust will not pay for **Loss** to any of the following:

- a. Tape decks or other sound reproducing equipment unless permanently installed in a **Covered Auto**.
- b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- c. Sound receiving equipment designed for use as a citizens' band radio, two way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the **Covered Auto's** manufacturer for the installation of a radio.

- d. Equipment designed or used for the detection or location of radar.

7. Additional Conditions

- a. Other Coverage or "Insurance":

This Garagekeepers Legal Liability Coverage is excess over any of the other coverage or insurance, whether primary, excess, contingent or on any other basis. When this coverage is excess, **The Trust** will have no duty to defend any claim or **Suit** than any other insurer or coverage provider has a duty to defend. If no other insurer or coverage provider defends, **The Trust** will undertake to do so, but **The Trust** will be entitled to the **Covered Party's** rights against all those other insurers or coverage providers.

The Trust will pay only our share of the **Loss**, if any, that exceeds the sum of:

- (1) The total amount that all such "**insurance**" or other coverage would pay for the **Loss** in the absence of this coverage; and
- (2) The total of all deductible and self-insured amounts under all that other "**insurance**" or coverage.

As used in this Other Coverage or "**Insurance**" section above, "**insurance**" means:

- (1) A commercial insurance policy or policies (with or without a deductible or self-insured retention);
- (2) Coverage provided by an insurance pool, trust, group self-insurance fund, risk retention group or similar entity by whatever name known (with or without a deductible or self-insured retention); or
- (3) Any structured self-insurance or indemnity programs maintained by one or more Covered Parties.

- b. Deductible:

For each covered **Loss**, **The Trust's** obligation to pay damages for **Loss** to a **Covered Auto** will be reduced by the applicable deductible shown in the Liability Coverage Declarations.

Sometimes to settle a claim or **Suit**, **The Trust** may pay all or any part of the deductible. If this happens a **Covered Entity** must reimburse **The Trust** for the deductible or that portion of the deductible that **The Trust** paid.

8. Additional Definitions

- a. **Garage Operations** means the ownership, maintenance or use of locations for the purpose of selling, servicing, repairing, parking or storing **Covered Autos** and that portion of the roads or other accesses that adjoin these locations. **Garage Operations** includes the maintenance or use of the **Covered Autos**. **Garage Operations** also include operations necessary or incidental to a garage business.
- b. **Loss** means direct and accidental loss or damage and includes any resulting loss of use.

F. AUTO PHYSICAL DAMAGE COVERAGE

1. Additional Coverage Agreement

The Trust hereby agrees, subject to the limitations, exclusions, terms, definitions and conditions set forth herein, to pay on behalf of a **Covered Party**, any **loss** to a **Covered Auto** or its equipment when such loss is caused by:

- a. Collision with another object;
- b. A **Covered Auto's** overturn; and
- c. Any other cause.

2. Limit of Coverage.

- a. The most **The Trust** will pay for loss in any one **accident** for:
 - (1) fire, rescue and ambulance **autos**;
 - (2) **autos** with a reported replacement cost value in excess of \$75,000; and
 - (3) speed camera and signage trailers that are titled and registered as an **auto**; and
 - (4) **Autos** subject to a written lease or loan agreement requiring that replacement cost coverage be arranged by the Covered Entity;

Shall be the lesser of:

- (1) The cost to repair the damaged property to the physical condition that existed immediately prior to the **loss**;
 - (2) The replacement cost of the damaged or stolen property as of the time of the **loss**; and
 - (3) The declared replacement cost value, as reported to and scheduled with **The Trust**.
- b. The most **The Trust** will pay for **loss** in any one accident, for all other autos, is the lesser of:
 - (1) The actual cash value of the damaged or stolen property as of the time of the **loss**; and
 - (2) The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality.

The cost to repair damaged property or the replacement cost of damaged or stolen property shall include the additional costs to customize emergency service vehicles with custom painting, gold leaf lettering, light bars and sirens if such customized features existed immediately prior to the **loss**.

3. Who is a Covered Party

- a. A **Covered Entity** is a **Covered Party** for any **auto** owned by a **Covered Entity** or leased for a period of more than six months by a **Covered Entity**;
- b. The lessor of a **Covered Auto**, until the lessor or his or her agent takes possession of the **Covered Auto**.
- c. The owner of a **hired auto**, but only for liability arising out of a **Covered Entity's** maintenance or use of the **hired auto**;

The inclusion hereunder of more than one **Covered Party** shall not operate to increase **The Trust's** Limits of Liability.

4. Covered Autos

- a. Any **auto** owned by a **Covered Entity** or leased by a **Covered Entity** for a period of more than six months, including **autos** acquired during the **Coverage Term**.
- b. **Hired autos** except autos hired, rented or borrowed with a driver. For **Hired Auto Physical Damage Coverage**, the following are deemed to be **Covered Autos** you own:
 - (1) Any **auto** the **Covered Entity** leases, hires or borrows for a period of six months or less; and
 - (2) Any **auto** hired or rented by the **Covered Entity's** employee or elected or appointed officials under a contract in those individuals' name, with the **Covered Entity's** permission, while performing duties related to the conduct of the **Covered Entity's** operations.

However, any **auto** that is leased, hired, rented or borrowed with a driver is not a **Covered Auto**.

Coverage for **hired autos** is excess of any insurance available to the owner of the **hired auto** unless primary coverage is required of the lessee in a written contract.

5. Exclusions

- a. **The Trust** will not pay for any **loss** caused by, or resulting from, any of the following. Such **loss** is excluded regardless of any other cause or event that contributes concurrently or in any sequence for the **loss**.
 - (1) Nuclear Hazard
 - (a) The explosion of any weapon employing atomic fission or fusion or;
 - (b) Nuclear reaction or radiation or radioactive contamination, however caused.
 - (2) War or Military Action
 - (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.
 - (3) **Loss** directly or indirectly caused by asbestos including but not limited to:
 - (a) Any liability arising out of the actual, alleged or threatened exposure to asbestos; or
 - (b) Any **loss**, cost or expense arising out of any:
 - i. Request, demand or order that anyone test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of asbestos; or
 - ii. Claim or **suit** by or on behalf of any person, organization or governmental authority for damages because of testing for,

monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of asbestos.

- (4) Any injury or damage arising, directly or indirectly, out of “**NCBRE Terrorism**” (defined as “**Terrorism**” involving, arising out of, related to or supported by nuclear, chemical, biological, radiological and epidemical attacks), or any action taken in hindering or defending against an actual or expected incident of “**NCBRE Terrorism**” regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

“**Terrorism**” means activities against persons, organizations or property of any nature:

- (a) That involve the following or preparation for the following:

- i. Use or threat of force or violence; or
- ii. Commission or threat of a dangerous act; or
- iii. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

- (b) When one or both of the following applies:

- i. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
- ii. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

- (5) All actual or alleged **Loss**, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

- b. **The Trust** will not pay for any **loss** to any of the following:

- (1) Tapes, records or discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment;
- (2) Any device designed or used to detect speed measuring equipment such as radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment;
- (3) Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound; and
- (4) Any accessories used with the electronic equipment described in paragraph (3) above.

Exclusions b.(3) and b.(4) do not apply to:

- (1) Equipment designed solely for the reproduction of sound and accessories used with such equipment, provided such equipment is permanently installed in the **Covered Auto** at the time of the **Loss** or such equipment is removable from a housing unit which is permanently installed in the **Covered Auto** at the time of the **Loss**, and such equipment is designed to be solely operated by use of the power from the **Auto's** electrical system, in or upon the **Covered Auto**; or
 - (2) Any other electronic equipment that is:
 - (a) Necessary for the normal operation of the **Covered Auto** or the monitoring of the **Covered Auto's** operating system; or
 - (b) An integral part of the same unit housing any sound reproducing equipment described in paragraph (1) above and permanently installed in the opening of the dash or console of the **Covered Auto** normally used by the manufacturer for installation of a radio.
- c. **The Trust** will not pay for any **loss** caused by, or resulting from, any of the following, unless caused by another **loss** that is covered:
- (1) Wear and tear, mechanical or electrical breakdown;
 - (2) Blowouts, punctures, or other road damage to tires; and
 - (3) Freezing.

However, this exclusion does not apply to any **loss** caused by freezing of water storage and delivery equipment permanently installed in or on a **Covered Auto** designed for firefighting operations, unless the loss is caused by a **Covered Entity's** failure to properly maintain such equipment. Such equipment includes water pumps, gauges and tanks. In no event will loss to an **auto's** engine or its related fuel or cooling systems, caused by freezing, be covered.

6. Coverage Extensions

a. Auto Lease or Loan "GAP" Coverage

In the event of a total **loss** to a **Covered Auto**, **The Trust** will pay any unpaid amount due on the lease or loan for that **Covered Auto**, less the following:

- (1) The amount paid under this Auto Physical Damage Coverage Section;
- (2) Any overdue lease or loan payments at the time of the loss;
- (3) Any financial penalties imposed under a lease for excessive use, abnormal wear and tear or high mileage;
- (4) Any security deposits not returned by the lessor;
- (5) Costs for extended warranties, credit life insurance, health insurance, accident insurance or disability insurance purchased with the loan or lease; and
- (6) Carry-over balances from previous loans or leases.

The most that **The Trust** will pay under this Coverage Extension shall be \$50,000 each accident and \$100,000 in the aggregate for the **Coverage Term**.

b. Loss of Use Expense

In the event of a covered **loss** to a **Covered Auto** that is a hired auto, **The Trust** will pay expenses for which a **Covered Party** becomes legally responsible to

pay for loss of use of that vehicle when it is rented or hired without a driver under a written rental contract or agreement.

The most that **The Trust** will pay under this Coverage Extension shall be \$500 each day and \$2,500 each accident.

7. Conditions

a. Appraisal:

If **The Trust** and a **Covered Party** disagree on the amount of the value either may demand an appraisal of the **loss**. In this event, each party will select a competent appraiser. The two appraisers will select a competent and impartial umpire. The appraisal will state separately the actual amount of the **loss**. If they fail to agree they will submit their difference to the umpire. A decision agreed to by any two of them will be binding. Each party will:

- (1) Pay its chosen appraiser; and
- (2) Bear the other expenses of the appraiser and umpire equally.

b. Duties in the Event of An **Accident**, Claim or **Loss**:

If there is a **loss** to a **Covered Auto** or its equipment, the **Covered Party** must also do the following:

- (1) Promptly notify the police if the **Covered Auto** or any of its equipment is stolen;
- (2) Take all reasonable steps to protect the **Covered Auto** from further damage. Also keep a record of a **Covered Entity's** expenses for consideration in the settlement of the claim;
- (3) Permit **The Trust** or its agents to inspect the **Covered Auto** and records proving the **loss** before its repair or disposition; and
- (4) Agree to examination under oath at **The Trust's** request and give **The Trust** or its agents a signed statement of a **Covered Entity's** answers.

c. Loss Payment - Physical Damage Coverage:

At its option **The Trust** may:

- (1) Pay for, repair or replace damaged or stolen property;
- (2) Return the stolen property, at **The Trust's** expense. **The Trust** will pay for any damage that results to the **auto** from the theft; or
- (3) Take all or any part of the damaged or stolen property at an agreed or appraised value.

d. Deductible:

For each covered **loss**, **The Trust's** obligation to pay for, repair, return or replace damaged or stolen property will be reduced by the applicable deductible shown in the Liability Coverage Declarations. This deductible does not apply to **loss** caused by fire or lightning. If a **loss** covered under this Auto Physical Damage Coverage also involves **loss** or damage covered by **The Trust** under Section III, Property Coverage, of this Coverage Document, only the larger of the deductibles will be applied. The other deductible will be waived.

e. No Benefits to Bailee - Physical Damage Coverage:

The Trust will not recognize any assignment or grant any coverage for the benefit of any person or organization holding, storing or transporting property for a fee, regardless of any other provisions herein.

8. Definitions

Except as otherwise indicated below, all terms used in this Coverage Part are defined in the Business Auto Liability Coverage Part:

Loss means direct or accidental loss or damage, and does not include any consequential losses or damages such as lost revenue, legal fees and expenses unrelated to the repair or replacement of a **Covered Auto**.

G. PUBLIC OFFICIALS AND EMPLOYEES LIABILITY COVERAGE

This is **CLAIMS MADE Coverage**.

1. Coverage Agreement

- a. **The Trust** will pay **Loss** that a **Covered Party** becomes legally obligated to pay resulting from **Claims**, to which this coverage applies, against the **Covered Party** by reason of **wrongful act(s)** rendered in discharging duties on behalf of a **Covered Entity**. This coverage does not apply to **wrongful act(s)** which occurred before the Retroactive Date, if any, shown in the Liability Coverage Declarations or which occur after the **Coverage Term**.

The Trust will have the right and duty to defend a **Covered Party** against any **Suit** asking for such damages and settle such **Suits** subject to the conditions in Section 7 of this Coverage Part. But:

- (1) The amount **The Trust** will pay for **Loss** is limited as described in **2. Limits of Liability**.
- (2) **The Trust** may, at **The Trust's** discretion, investigate and settle any **Claim** or **Suit**.
- (3) **The Trust's** right and duty to defend end when **The Trust** has exhausted the applicable limit of liability in the payment of **Loss**.
- (4) **The Trust** has no duty to defend the **Covered Party** against any **Suit** seeking damages or other relief or remedy to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under or under **5. Coverage Extensions**.

- b. With the exception of the Defense of Actions for Non-Monetary Relief in 5. Coverage Extensions, this coverage applies only if a **Claim** for damages because of the **wrongful act** is first made against any **Covered Party** during the **Coverage Term**.
 - (1) A **Claim** by a person or organization seeking damages will be deemed to have been made when notice of such **Claim** is received and recorded by any **Covered Party** or by **The Trust**, whichever comes first.
 - (2) All claims for damages causing loss to the same person or organization as a result of a **wrongful act** will be deemed to have been made at the time the first of those **Claims** is made against any **Covered Party**.

2. Limits of Liability

- a. The **Limits of Liability** shown in the Liability Coverage Declarations and the rules below fix the most **The Trust** will pay regardless of the number of:
 - (1) **Covered Parties**;
 - (2) **Claims** made or **Suits** brought; or
 - (3) Persons or organizations making **Claims** or bringing **Suits**.
- b. The Annual Aggregate Limit is the most **The Trust** will pay for all covered **Loss**, including **Defense Costs**, under this Public Officials Liability Coverage.
- c. Subject to b. above, the Each Claim Limit is the most **The Trust** will pay for all covered **Loss** arising out of any one **Claim** covered by this coverage document. **Claims** based on and arising out of the same act or interrelated acts of one or more **Covered Parties** shall be considered to be a single **Claim**.

- d. The Limits afforded under section **G.5., Coverage Extensions**, shall be part of and not in addition to the Each Claim Limit and the Annual Aggregate Limit as stated in the Liability Coverage Declarations.

The limits of liability apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **Coverage Term** shown in the Declarations, unless the **Coverage Term** 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 Liability**.

3. Who Is A Covered Party

Covered Party means a **Covered Entity** (including **The Participant**) and each of the following to the extent indicated:

- a. A **Covered Entity's** lawfully elected, appointed or employed officials, employees and volunteers, (past, present and future), while acting within the scope of their duties as such;
- b. Members of a **Covered Entity's** boards, commissions and non operating lease back authorities operating under a **Covered Entity's** direction and control and within an apportionment of a **Covered Entity's** total operating budget, while acting within the scope of their duties as such;
- c. Any person providing services for a **Covered Entity** under mutual aid or similar agreements;
- d. The estates, heirs, legal representatives or assigns of deceased persons who were **Covered Parties** at the time of the **wrongful act(s)** upon which a **Claim** is based; and
- e. The legal representatives or assigns of the **Covered Parties** in the event of their incompetency, insolvency or bankruptcy.

Covered Parties who are also independent contractor public officials under Pennsylvania law are provided only excess coverage unless those **Covered Parties** lack any insurance of their own, as stated in Section 6.d.(2).

4. Exclusions

This coverage does not apply to any **Claim** or **Suit** made against a **Covered Party**:

- a. Arising out of any matter, fact or circumstance that, prior to the effective date of **The Participant's** membership in **The Trust**, was the subject of prior litigation, court order, settlement agreement, or which was the subject of a notice by **The Participant** or other **Covered Entity** to a prior insurer;
- b. Arising out of any **Claim** or **Suit** of which **The Participant** or other **Covered Entity** had notice prior to the effective date upon which **The Participant** became a member of **The Trust** or prior to the effective date of coverage for any other **Covered Entity**.
- c. Arising out of any matter, fact or circumstance of which **The Participant** or other **Covered Entity** had notice prior to the effective date upon which **The Participant** became a member of **The Trust** and:
 - (1) The matter, fact or circumstance was reported by **The Participant** or other **Covered Entity** to any insurer before the effective date of **The Participant's** membership in **The Trust** or before the effective date of coverage for any other **Covered Entity**; or

- (2) **The Participant** or other **Covered Entity** was required to disclose the matter, fact or circumstance as a condition for obtaining coverage from **The Trust**; or
 - (3) The matter, fact or circumstance was disclosed by **The Participant** on the warranty statement included as part of **The Participant's** application for membership in **The Trust**.
- d. Arising as a consequence of the failure, refusal, or inability of the **Covered Party** to enter into, renew, or perform any contract or agreement. This exclusion does not apply to **Wrongful Employment Related Practices**.
 - e. For which the **Covered Party** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **Covered Party** would have in the absence of the contract or agreement.
 - f. Arising out of any violation or breach of a settlement agreement, consent decree or court order.
 - g. Based upon or attributable to the **Covered Party** gaining any profit, advantage or remuneration to which the **Covered Party** is not entitled.
 - h. Brought about or contributed to by fraud, dishonesty or criminal act of any **Covered Party**.
 - i. Arising out of the willful violation of a penal statute, ordinance, rule or regulation committed by or with the consent of any **Covered Party**.
 - j. For any and all damages, penalties, fines, or other awards against any **Covered Party** who has knowingly and willfully committed a **wrongful act** which constitutes a crime, actual fraud, actual malice or willful misconduct.
 - k. Arising from **bodily injury, personal injuries and property damage**. This exclusion does not apply to **Wrongful Employment Related Practices**.
 - l. Arising out of **Law Enforcement Activities**, including the operation of adult and juvenile detention facilities. This exclusion does not apply to **Wrongful Employment Related Practices**.
 - m. As a result of strikes, riots or civil commotion.
 - n. Arising out of the **Administration of employee benefits programs** or the **Covered Party's** activities in a fiduciary capacity, including but not limited to, those with respect to:
 - (1) Property, including related operations, in which the **Covered Party** is acting in a fiduciary or representative capacity;
 - (2) A pension, welfare, profit sharing, mutual or investment fund or trust, benefit plan or similar activity in a fiduciary capacity;
 - (3) The Employee Retirement Income Security Act of 1974 and any amendment thereof or any regulations or orders pursuant thereto;
 - (4) The issuance, management of proceeds or repayment of bonds, notes or other debt instruments by any **Covered Party** or any agent acting on behalf of such **Covered Party**; or
 - (5) The purchase, transfer or sale of any securities by any **Covered Party** or any agent acting on behalf of such Covered Party.
 - o. Seeking relief or redress in any form other than compensatory damages. Nor shall **The Trust** have any obligation to indemnify any **Covered Party** for any

costs, fees, including attorneys fees, or expenses which the **Covered Party** shall become obligated to pay as a result of an adverse judgment for injunctive or declaratory relief; however, **The Trust** will afford defense to the **Covered Party** for such **Claims** or **Suits**, if not otherwise excluded, under the coverage afforded by the Coverage Extension entitled “**Defense of Actions For Non-Monetary Relief**”.

- p. For any **loss** or damage or any liability of any and all **Covered Parties** arising out of or in any way connected with the operation of the principles of eminent domain, adverse possession, dedication by adverse use, inverse condemnation or condemnation proceedings, by whatever name used, regardless of whether such **Claims** are made directly against a **Covered Party** or by virtue of any agreement entered into by or on behalf of a **Covered Party**.
- q. For any **loss**, cost, civil fine, penalty or expense against a **Covered Party** arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency.
- r. For back or future wages, overtime or similar **Claims**, even if designated as liquidated damages, including **Claims** arising under the Fair Labor Standards Act, under any federal, state or local statutes, rules, ordinances or regulations, except to the extent coverage is afforded under the Coverage Extensions entitled “**Reimbursement Wages**” and for the “**Defense of Claims or Suits for FLSA Violations**”.
- s. Arising from collective bargaining agreements.
- t. Based upon or attributable to any failure or omission of a **Covered Party** to effect, maintain or administer any insurance coverage, bond or self-insurance fund.
- u. Arising from a publication or utterance in the course of or related to advertising, broadcasting or telecasting activities conducted by or on behalf of a **Covered Entity**.
- v. Seeking the imposition of civil penalties or the award of enhanced compensatory, punitive or exemplary damages, including the multiplied portion of multiple damages. However, if a **Suit** shall have been brought against a **Covered Party** for a **Claim** falling within the coverage provided by this Coverage Document seeking both compensatory and punitive or exemplary damages, **The Trust** will afford a defense to such action, but **The Trust** shall not have an obligation to pay for any costs, interest, or damages attributed to enhanced compensatory, punitive or exemplary damages.
- w. For any damages, **loss**, cost, or expense arising, in whole or part, out of any of the following:
 - (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** at any time; or
 - (2) Any request, demand or order that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **pollutants**; or
 - (3) Any **Claim** or **Suit** for damages arising from testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of **pollutants** or failure to do the aforementioned.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, electromagnetic radiation, and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

- x. For any **loss** or damages arising out of or in any way connected with the ownership, operation, control or direction of schools, airports, transit authorities, hospitals, nursing homes, housing authorities, port authorities or gas utility companies, unless specifically endorsed onto this Coverage Document.
- y. For any **loss**, damages, cost or expense directly or indirectly caused by asbestos, including but not limited to:
 - (1) Any liability arising out of the actual, alleged or threatened exposure to asbestos; or
 - (2) Any **loss**, cost or expense arising out of any:
 - (a) Request, demand or order that anyone test for, monitor, clean up, remove or contain, or in any way respond to, or assess the effects of asbestos; or
 - (b) **Claim** or **Suit** by or on behalf of any person organization of governmental authority for damages because of testing for, monitoring, cleaning up or removing, containing, or in any way responding to, or assessing the effects of asbestos.
- z. For any **loss**, injury or damage which would not have occurred, 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; or to any loss, cost or expense 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 **Covered Party** or by any other person or entity.

This exclusion does not apply to any "**fungi**" or bacteria that are, are in, or are contained in, a good or product intended for consumption. "**Fungi**" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by "**fungi**."

- aa. For any **loss**, injury or damage arising, directly or indirectly, out of "**NCBRE Terrorism**" (defined as "**Terrorism**" involving, arising out of, related to or supported by nuclear, chemical, biological, radiological and epidemical attacks), or any action taken in hindering or defending against an actual or expected incident of "**NCBRE Terrorism**" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

"**Terrorism**" means activities against, persons, organizations or property of any nature:

- (1) That involve the following or preparation for the following:
 - (a) Use or threat of force or violence; or
 - (b) Commission or threat of a dangerous act; or
 - (c) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

- (2) When one or both of the following applies:
 - (a) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (b) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
- bb. For any **loss**, injury or damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, any weapon of war employing atomic fission or radioactive force whether in time of peace or war, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power, confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority unless such acts of destruction by order of civil authority is at the time of and for the purpose of preventing spread of fire; or claims or liability arising directly or indirectly from nuclear fission, nuclear fusion or radioactive contamination.
- cc. For any **loss**, injury or damage arising directly or indirectly out of, resulting from, caused by or contributed to by:
 - (1) The toxic or pathological properties of lead, lead compounds or lead contained in any materials;
 - (2) The actual or threatened abatement, mitigation, removal or disposal of lead, lead compounds or materials containing lead;
 - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts (1) or (2) above; or
 - (4) Any obligation of the **Covered Party** to indemnify any party in connection with subparagraphs (1), (2) or (3) above.
- dd. For any **loss**, injury or damage arising directly or indirectly from **Sexual Abuse or Molestation**. This exclusion does not apply to **Wrongful Employment Related Practices**.
- ee. All actual or alleged **loss**, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

5. Coverage Extensions

- a. Administrative Proceedings - Wrongful Employment Related Practices

The Trust agrees to defend a **Covered Party** against any complaint filed before the United States Equal Employment Opportunity Commission or the Commonwealth of Pennsylvania Human Relations Commission arising from any **wrongful act(s)** involving **Wrongful Employment Related Practices** up to a limit of \$20,000 for each complaint, (or in the case where a dual filing is made by the complainant(s), this limit shall apply to both complaints before the United States Equal Employment Opportunity Commission and the Commonwealth of

Pennsylvania Human Relations Commission), subject to a \$50,000 annual aggregate limit per **Participant** for the reasonable costs of defending **Wrongful Employment Related Practices** administrative complaints made against a **Covered Entity** during the **Coverage Term**.

b. Reimbursement of Wages – Wrongful Employment Related Practices

The Trust agrees to reimburse a **Covered Entity** up to a limit of \$100,000 per **Claim** or **Suit**, subject to a \$100,000 annual aggregate limit per **Participant** for sums which a **Covered Entity** shall become legally obligated to pay in the form of wages as a result of **Claims** or **Suits** against a **Covered Entity** involving **Wrongful Employment Related Practices** during the **Coverage Term**. “Wages” as used in this coverage extension shall mean the amount of wages awarded to a claimant, or in settlement of a **Claim** or **Suit**, filed with a court of competent jurisdiction, an agency or department of the Commonwealth of Pennsylvania or with the United States Equal Employment Opportunity Commission (EEOC) whether such wages are awarded by the Commonwealth of Pennsylvania, the EEOC or a court of competent jurisdiction. This extension does not apply to any **Claim** or **Suit** made against a Covered Party based on or arising from any violations of the Fair Labor Standards Act.

c. Defense of **Claims** or **Suits** for FLSA Violations

The Trust agrees to defend a **Covered Party** against any **Claim** or **Suit** alleging a violation of the Fair Labor Standards Act filed in any court of competent jurisdiction or any federal or state regulatory agency, up to a limit to \$50,000 per **Claim** or **Suit** and \$100,000 annual aggregate per **Participant**. **The Trust’s** liability shall be limited solely to the costs of defense and does not include any coverage for any wages, overtime or benefits, or any fines, penalties or legal fees imposed upon a **Covered Party** in any such proceeding.

d. Defense of Actions for Non-Monetary Relief

The Trust agrees to defend a **Covered Party** against any **Suit** seeking injunctive or declaratory relief in any court of competent jurisdiction up to a \$100,000 annual aggregate limit per **Participant**. **The Trust’s** defense obligation under this coverage extension shall be limited to \$50,000 per **Suit** for all actions that do not arise from **Wrongful Employment Related Practices**. **The Trust’s** liability shall be limited solely to the costs of defense and does not include any costs incurred by a **Covered Party** arising from any **Suit** for such non-monetary relief. This extension applies only if the **Suit** is filed against a **Covered Party** during the **Coverage Term**.

e. Legal Liability For Independent Contractor **Covered Party** Public Officials

The Trust agrees to reimburse **The Participant** up to a \$50,000 annual aggregate limit per **Participant** all sums which **The Participant** is legally obligated to pay to an independent contractor **Covered Party** public official for any deductible amounts under that **Covered Party’s** professional liability policy.

f. Outside Directorship Liability

This coverage extension applies to any **Covered Party** who, as an elected or appointed official or as a supervisory or managerial employee of a **Covered Entity**, serves on the board of any non-profit corporation or association as a requirement for the performance of their official duties. Under this coverage extension, **The Trust** agrees to defend and pay damages on behalf of those

Covered Parties for **Claims** or **Suits**, not otherwise excluded, arising from actual or alleged **wrongful acts** committed by them as members of the board of any such non-profit corporation or association. This coverage extension shall be subject to a \$100,000 annual aggregate limit for each Participant and a \$2,500 deductible each **Claim** or **Suit**. Further, the coverage afforded under this coverage extension shall be specifically excess of any indemnity, coverage or insurance available from or provided by the outside non-profit entity of which the **Covered Party** is a board member.

This Coverage Extension does not apply to:

- (1) Any Independent Contractor Public Officials such as Solicitors, Auditors, Engineers, and Tax Collectors;
- (2) The non-profit corporation or association for which the **Covered Party** serves as a member of the board; and
- (3) Any trustee, director, officer or equivalent executive of the non-profit corporation or association for which the **Covered Party** serves as a member of the board other than the **Covered Party**.

6. Conditions

a. Bankruptcy:

Bankruptcy or insolvency of the **Covered Party** or of the **Covered Party's** successor will not relieve **The Trust** of **The Trust's** obligations under this coverage.

b. Duties of **Covered Parties** In The Event Of Potential or Actual **Claim** or **Suit**:

- (1) **The Participant** and any other **Covered Entity** must see to it that **The Trust** is notified as soon as practicable after **The Participant** or other **Covered Entity** becomes aware of any situation or circumstances which may result in a **Claim** being made against any **Covered Party** alleging a **wrongful act**. To the extent possible, notice should include:
 - (a) A description of the situation or circumstances, including how, when and where it occurred;
 - (b) The names and addresses of any involved persons and witnesses; and
 - (c) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.
- (2) If during the **Coverage Term** or during an **Extended Reporting Period** (if applicable) a **Covered Party** becomes aware of any situation or circumstances which may reasonably be expected to give rise to a **Claim** against the **Covered Party**, and the **Covered Party** gives **The Trust** written notice of the specifics of the such situation or circumstances, any **Claim** which is made against the **Covered Party** arising out of such situation or circumstances, shall be treated as a **Claim** made during the **Coverage Term**. If a **Claim** is received by any **Covered Party**, **The Participant** or other **Covered Entity** must:
 - (a) Immediately record the specifics of the Claim and the date received; and
 - (b) Notify **The Trust**, in writing, as soon as practicable.

- (3) **The Participant** or other **Covered Entity** and any other involved **Covered Party** must:
 - (a) Immediately send **The Trust** copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or **Suit**;
 - (b) Authorize **The Trust** to obtain records and other information;
 - (c) Cooperate with **The Trust** in the investigation, settlement or defense of the **Claim** or **Suit**, and
 - (d) Assist **The Trust**, upon **The Trust's** request, in the enforcement of any right against any person or organization which may be liable to the **Covered Party** because of injury or damage to which this coverage may also apply.
 - (4) No **Covered Parties** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without **The Trust's** consent.
- c. Defense, Investigation and Settlement of Claims:
- (1) **The Trust** shall have the right and duty to defend any **Suit** against a **Covered Party** seeking damages which are payable under the terms of this Coverage Document, even if any of the allegations of the **Suit** are groundless, false or fraudulent. In exercising its right to control the defense of a **Covered Entity** or other **Covered Parties**, **The Trust** reserves the right to assert any immunities under state or federal law which may apply to limit the liability of the **Covered Party** being defended.
 - (2) A **Covered Party** shall have the right to associate in the defense of any **Claim** being defended by **The Trust**, but shall do so solely at a **Covered Party's** own expense. To the extent allowed by the applicable reinsurance or excess insurance policies purchased by **The Trust**, reinsurers or excess insurers of **The Trust** shall also have the right to associate in the defense of claims likely to exceed the self-insured retention ("S.I.R.") of **The Trust** as stated in the applicable reinsurance or excess insurance policies.
 - (3) This Trust Coverage Document does not provide primary coverage for any **Claims** which are otherwise covered under any commercial or personal primary insurance policies purchased by **Covered Entities** or other **Covered Parties** subject to the Other Coverage provisions herein.
 - (4) **The Trust** may also make such investigation and settlement of any **Claim** or **Suit** as it deems expedient; provided, however, that **The Trust** shall not be obligated to pay any **Claim** or judgment or defend any **Suit** after any applicable limits of liability have been exhausted under the terms of this Coverage Document.
 - (5) All settlements shall be approved by the Executive Committee or their designee in accordance with the guidelines adopted by a majority vote of the Board. No **Covered Party** shall, except at its own cost and for its own account, make any payment, admit any liability, settle any **Claim**, assume any obligation, or incur any expense without the written consent of **The Trust**.
 - (6) A decision by the Executive Committee or its designee to settle a **Claim** or **Claims** against a **Covered Party** shall be binding upon that party, whose

consent will not be required, except for amounts paid in excess of the limits provided to that **Covered Party** under this Coverage Document.

- (7) If the **Covered Party** refuses to execute a settlement agreement or any related documents, previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claims** within the limits provided to that **Covered Party** under the Coverage Document, then **The Trust's** liability shall not exceed the combined amount for which **The Trust** would have been liable for damages and claims expenses if the **Claim** or **Suit** or proceeding had been settled or compromised as determined by the Executive Committee. **The Trust** will then have no liability for any additional damages or claims expenses accruing thereafter.
 - (8) **The Trust** shall have the right to withdraw from the defense of any **Covered Party** if:
 - (a) The **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claims** within the limits provided to that **Covered Party** under the Coverage Document;
 - (b) The limits of liability for any **Claims** made against a **Covered Party** have been exhausted by the payment of judgments and/or settlements;
 - (c) All covered **Claims** against a **Covered Party** have been dismissed or otherwise disposed of, and the only remaining claims against the **Covered Party** are not covered under the terms of the Coverage Document; or
 - (d) The **Covered Party** fails to comply with all of the conditions and duties in this Public Officials Liability Coverage Part.
 - (9) The decision to withdraw from the defense of a **Covered Party** shall be determined in the first instance by the Executive Committee, subject to the right of the **Covered Party** to appeal under Section II of this Coverage Document in accordance with procedures adopted by the Board of Trustees. Upon receiving the notice of withdrawal from the Trust Administrator, the **Covered Party** shall assume the obligation of defending itself.
 - (10) **The Trust** shall be permitted to defend a **Covered Party** under a reservation of rights and/or a non-waiver agreement, whereby **The Trust** agrees to defend a **Covered Party** without waiver of, and subject to:
 - (a) Any exclusions which may otherwise apply under the terms of the Trust Coverage Document and/or;
 - (b) Any defense, legal or equitable, which **The Trust** may have against the **Covered Party**, which may justify exclusion of any **Claim(s)** against the **Covered Party** which is defended by **The Trust**, under a reservation of rights.
- d. Other Coverage or "**Insurance**":
- (1) This coverage is primary, except when stated to apply in excess of or contingent upon the absence of other "**insurance**". When this coverage is primary and the **Covered Party** has other "**insurance**" which is stated to

be applicable to the loss on an excess or contingent basis, the amount of **The Trust's** liability under this coverage shall not be reduced by the existence of such other "insurance."

When this coverage is excess, **The Trust** will have no duty to defend any **Claim** or suit that any other insurer has a duty to defend. If no other insurer defends, **The Trust** will undertake to do so, but **The Trust** will be entitled to the **Covered Party's** rights against all those other insurers.

When this coverage is excess over other "insurance," **The Trust** will pay only **The Trust's** share of the amount of the loss, if any, that exceeds the sum of:

- (a) The total amount that all such other "insurance" would pay for the loss in the absence of this coverage; and
 - (b) The total of all deductible and self insured amounts under all such other "insurance".
- (2) This coverage is excess of or contingent upon the absence of other insurance for **Covered Parties** who are also independent contractor public officials, including, but not limited to, those who are performing the following functions by whatever name known:
- (a) Tax Collector;
 - (b) Solicitor;
 - (c) Engineer; or
 - (d) Building Inspector.
- (3) When both this coverage and other "insurance" apply to the loss on the same basis, whether primary, excess or contingent, **The Trust** shall not be liable under this coverage for a greater proportion of the loss than that stated in the applicable Method of Sharing provision below.
- (4) Method of Sharing:
- (a) If all of the other "insurance" permits contribution by equal shares, **The Trust** will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable Limit of "Insurance" or none of the loss remains, whichever comes first.
 - (b) If any of the other "insurance" does not permit contribution by equal shares, **The Trust** will contribute by equal 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) As used in this Other Coverage or "Insurance" section above, "insurance" means:
- (a) A commercial insurance policy or policies (with or without a deductible or self-insured retention);
 - (b) Coverage provided by an insurance pool, trust, group self-insurance fund, risk retention group or similar entity by whatever name known (with or without a deductible or self-insured retention); or
 - (c) Any structured self-insurance or indemnity programs maintained by one or more Covered Parties.

- e. Representations - By accepting this coverage, **The Participant** or other **Covered Entity** agrees that:
 - (1) The Application for coverage completed in solicitation of this coverage is made a part of this coverage as though set forth in full herein;
 - (2) The statements in Application for coverage, including the warranty statement contained therein, are accurate and complete;
 - (3) Those statements constitute representations made to **The Trust** on behalf of **The Participant** or other **Covered Entity** named in **The Participant's** Declarations; and
 - (4) **The Trust** has issued this coverage in reliance upon those representations.
- f. Separation of **Covered Parties**:

Except with respect to the Limits of Liability, and any rights or duties specifically assigned to **The Participant** or other **Covered Entity**, this coverage applies:

 - (1) As if each **Covered Party** were the only **Covered Party**; and
 - (2) Separately to each **Covered Party** against whom **Claim** is made or suit is brought.
- g. Deductible
 - (1) **The Trust's** obligation to pay **Loss** on behalf of a **Covered Party** applies only to the amount of **Loss** in excess of any deductible amount stated in the Liability Coverage Declarations.
 - (2) The deductible amount stated in the Liability Coverage Declarations, if any, applies to all **Loss**, including **Defense Costs**, sustained by any person or organization as the result of any one **Claim**. **Claims** based on or arising out of the same act or inter-related acts of one or more **Covered Parties** shall be considered a single **Claim**.
 - (3) The deductible amount stated in the Liability Coverage Declarations applies separately to each **Claim** and the deductible shall be applied regardless of whether or not actual payment of judgments and settlements is involved. **Claims** based on, or arising out of, the same act or inter-related acts of one or more **Covered Parties** shall be considered a single **Claim**.
 - (4) The terms of this coverage, including those with respect to **The Trust's** right and duty to defend any **Claims** or **Suits** seeking damages, and **The Trust's** duties in the event of potential or actual **Claim** or **Suit**, apply irrespective of the application of the deductible amount.
 - (5) **The Trust** 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; a **Covered Entity** shall promptly reimburse **The Trust** for such part of the deductible amount as has been paid by **The Trust**.
- h. Should a **Covered Party** fail to comply with the conditions in Section 6 and the duties contained therein, **The Trust** shall have the right to deny coverage for any **Claim** made against the **Covered Party** to which the **Covered Party's** conduct related.

7. Extended Reporting Periods

- a. **The Trust** will provide one or more Extended Reporting Periods, as described below, if:

- (1) This coverage is canceled or not renewed; or
 - (2) **The Trust** renews or replaces this coverage with coverage that:
 - (a) Has a Retroactive Date later than the date shown in the Liability Coverage Declarations; or
 - (b) Does not apply on a claims made basis.
- b. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **Coverage Term** and lasts for:
- (1) Three years for **Claims** arising out of a situation or circumstances reported to **The Trust**, not later than 60 days after the end of the **Coverage Term**, in accordance with paragraph b.(1) of 7. Conditions; or
 - (2) Sixty days for all other **Claims**. The Basic Extended Reporting Period does not apply to **Claims** that are covered under any subsequent coverage a **Covered Entity** purchases, or that would be covered but for exhaustion of the amount of coverage applicable to such **Claims**.
- c. A Supplemental Extended Reporting Period of up to three years is available, but only by an endorsement and for an extra charge. This supplemental period starts sixty days after the end of the **Coverage Term**. A **Covered Entity** must give **The Trust** a written request for the endorsement within 60 days after the end of the **Coverage Term**. The Supplemental Extended Reporting Period will not go into effect unless a **Covered Entity** pays the additional contribution promptly when due. **The Trust** will determine the additional contribution in accordance with **The Trust's** rules and rates. In doing so, **The Trust** may take into account the following:
- (1) The exposures covered;
 - (2) Previous types and amounts of coverage;
 - (3) Limits of Coverage available under this coverage for future payment of damages; and
 - (4) Other related factors.

The additional contribution for a one, two or three year Supplemental Extended Reporting Period will not exceed 100%, 125% or 150%, respectively, of the annual contribution for this coverage.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the coverage afforded for **Claims** first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

- d. Extended Reporting Periods do not extend the **Coverage Term** or change the scope of coverage provided. They apply only to Claims for wrongful acts that occur before the end of the **Coverage Term** (but not before the Retroactive Date, if any, shown in the Liability Coverage Declarations).

Claims for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the **Coverage Term**.

Once in effect, Extended Reporting Periods may not be canceled.

- e. Extended Reporting Periods do not reinstate or increase the Limits of Liability applicable to any **Claim** to which this Coverage Document applies.

8. Definitions

As used in this Coverage Part, the following definitions apply:

- a. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- b. **Claim** means a written notice to a **Covered Party** of the intent to hold that **Covered Party** liable for a **wrongful act**. A **Claim** includes any administrative proceeding referenced in **Section 5– Coverage Extensions**, of this Coverage Part, but does not include any other legal proceedings of any kind where the claimant is not seeking to receive an award of compensatory damages.
- c. **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage
- d. **Defense Costs** means all the expenses incurred by **The Trust** in defense of a **Covered Party** and includes:
 - (1) Any attorney's fees paid by **The Trust** to defend a **Covered Party**.
 - (2) The cost of bonds to release attachments and appeal bonds required in any **Suit The Trust** defends, but only for bond amounts within the applicable Limit of Liability, **The Trust** does not have to furnish these bonds.
 - (3) All reasonable expenses incurred by the **Covered Party** at **The Trust's** request to assist **The Trust** 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. Such expenses do not include salaries of officials or employees of a **Covered Entity**; and
 - (4) All costs and taxes awarded against the **Covered Party** in a **Suit** that is defended by **The Trust**.

Defense Costs are not payable in addition to the limit of liability. The limit of liability available to pay judgments or settlements shall be reduced by **Defense Costs**.

- e. **Wrongful Employment Related Practices** means **Wrongful Acts** arising out of a current or past employment relationship or potential employment relationship with a prospective, current or former employee, including but not limited to:
 - (1) Refusal to employ that person;
 - (2) Termination of that person's employment; or

(3) Other employment related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, retaliation, defamation, libel, slander, sexual or other harassment, humiliation or discrimination directed at that person.

f. **Law Enforcement Activities** means:

- (1) Those activities conducted by a **Covered Entity's** law enforcement department or agency; and
- (2) Departmentally approved moonlighting, except moonlighting for bars, taverns, nightclubs or for another law enforcement department, agency or commission.

g. **Loss** means **Defense Costs** and any money that any **Covered Party** is legally obligated to pay on account of a covered **Claim**, including but not limited to, compensatory damages, judgments, awards of a claimant's legal fees and costs, settlements, prejudgment and post-judgment interest. However, **Loss** does not include enhanced compensatory, punitive or exemplary damages, the multiplied portion of damages, taxes, fines or penalties nor does **Loss** include any costs incurred to comply with any order for or agreement to provide injunctive relief or other non-monetary relief.

h. **Personal injuries** means:

- (1) Emotional distress, mental injury, mental anguish and shock;
- (2) False arrest, detention or imprisonment;
- (3) Malicious prosecution;
- (4) 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 by or on behalf of its owner, landlord or lessor;
- (5) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
- (6) Oral or written publication of material that violates a person's right of privacy.

As respects this Public Officials and Employees Liability Coverage, the term **personal injuries** does not include **Bodily Injury**.

i. **Prejudgment Interest** means that particular amount of interest awarded against the **Covered Party** on that part of the judgment **The Trust** pays. If **The Trust** makes an offer to pay the applicable **Limit of Liability**, **The Trust** will not pay any prejudgment interest based on that period of time after the offer.

j. **Post-judgment interest** means all interest on the full amount of any judgment that accrues after entry of the judgment and before **The Trust** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable **Limit of Liability**.

k. **Property damage** means:

- (1) 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
- (2) Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the **occurrence** that caused it.

- i. **Sexual Abuse or Molestation** means any actual or alleged wrongful sexual conduct with an individual under 18 years of age including but not limited to commission of one or more of the following acts or offenses or a conspiracy or solicitation to commit one or more of the following acts or offenses if the victim was under 18 years of age at the time of the act or offense:

 - (1) Trafficking in individuals (pursuant to 18 Pa. C.S. § 3011(b)).
 - (2) Involuntary servitude as it relates to sexual servitude (pursuant to 18 Pa. C.S. § 3012).
 - (3) Rape (pursuant to 18 Pa. C.S. § 3121).
 - (4) Statutory sexual assault (pursuant to 18 Pa. C.S. § 3122.1).
 - (5) Involuntary deviate sexual intercourse (pursuant to 18 Pa. C.S. § 3123).
 - (6) Sexual assault (pursuant to 18 Pa. C.S. § 3124.1).
 - (7) Institutional sexual assault (pursuant to 18 Pa. C.S. § 3124.2).
 - (8) Aggravated indecent assault (pursuant to 18 Pa. C.S. § 3125).
 - (9) Incest (pursuant to 18 Pa. C.S. § 4302).
- m. **Suit** means a civil proceeding in which compensatory damages because of **wrongful act(s)** to which this coverage applies are alleged. **Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding alleging such damages to which a **Covered Entity** must submit or submit with **The Trust's** consent. For purposes of the Coverage Extension for the "Defense of Actions for Non-Monetary Relief" only, **Suit** shall include actions for injunctive or declaratory relief where no damages are sought.
- n. **Wrongful act(s)** means any alleged or actual error, omission, neglect or breach of duty or violation of any federal, state or local civil rights law, by a **Covered Party** while acting within the scope of his/her duties for a **Covered Entity** named in the Declarations.

H. EMPLOYEE BENEFIT PLAN FIDUCIARY LIABILITY COVERAGE

This is **CLAIMS-MADE COVERAGE**.

1. Coverage Agreement

The Trust will pay on behalf of the **Covered Party** all **Loss** which the **Covered Party** shall become legally obligated to pay on account of any **Claim** made against the **Covered Party** for a **Wrongful Act**.

The Trust shall have the right and duty to defend any **Claim** or **Suit** against the **Covered Party** seeking damages for a **Wrongful Act**, even if any of the allegations of the **Claim** or **Suit** are groundless, false or fraudulent, and may make such investigation and settlement of any **Claim** or **Suit** as it deems expedient, but **The Trust** shall not be obligated to pay any **Claim** or judgment or to defend any **Suit** after the **Limit of Liability** has been exhausted by **Loss** payments.

This coverage applies only to a **Claim** for damages first made against a **Covered Party** during the **Coverage Term** described in the Declarations within the United States of America, its territories or possessions or Canada.

2. Limit of Liability

Regardless of the number of persons or organization bringing **Claims** or **Suits** against a **Covered Party** and regardless of the number of **Covered Parties**, the total limit of **The Trust's** liability for **Loss** because of all **Claims** first made against the **Covered Parties** during the **Coverage Term** shall not exceed \$1,000,000.

3. Who is a Covered Party

Covered Party means a **Covered Entity** and the following to the extent set forth below:

- a. **Covered Plans**;
- b. Any natural person who at any time holds or shall have held the position of:
 - (1) Trustee, director, officer or employee of a **Covered Plan** acting in a fiduciary capacity, but excluding any independent contractor; or
 - (2) Elected or appointed official, officer or employee of a **Covered Entity**.

The coverage applies separately to each **Covered Party** against whom **Claim** is made or **Suit** is brought except with respect to the application of the Limits of Liability, and it shall also apply to the estates, heirs and personal representatives of persons covered hereunder.

4. Exclusions

This coverage does not apply to any **Claim**:

- a. Arising out of any matter, fact or circumstance that, prior to the effective date of **The Participant's** membership in **The Trust**, was the subject of prior litigation, court order, settlement agreement, or which was the subject of a notice by a **Covered Party** to a prior insurer.
- b. Arising out of any **Claim** or **Suit** of which **The Participant** or other **Covered Entity** a **Covered Plan** or a **Covered Plan's** fiduciary or trustee had notice prior to the effective date upon which **The Participant** became a member of **The Trust**.

- c. Arising out of any matter, fact or circumstance of which **The Participant** , a **Covered Plan** or a **Covered Plan's** fiduciary or trustee had notice prior to the effective date upon which **The Participant** became a member of **The Trust**; and:
 - (1) The matter, fact or circumstance was reported by a **Covered Party** to any insurer before **The Participant's** effective date of membership in **The Trust**; or
 - (2) **The Participant** or other **Covered Entity** was required to disclose the matter, fact or circumstance as a condition for obtaining coverage from **The Trust**; or
 - (3) The matter, fact or circumstance was disclosed by **The Participant** on the warranty statement included as part of **The Participant's** application for membership in **The Trust**.
- d. Arising out of, based upon or attributable to the committing in fact of any criminal or deliberate fraudulent act, or any knowing or willful violation of any statute.
- e. Arising out of libel or slander.
- f. Arising out of bodily injury, sickness, disease or death, or loss of, injury to, destruction of, or loss of use of, any tangible property, including loss of currency, coins, bank notes, bullion, travelers checks, register checks, money orders, and all negotiable and nonnegotiable instruments or contracts representing money.
- g. Arising out of the **Covered Party's** failure to comply with any law concerning Workers Compensation, Unemployment Coverage, Social Security or Disability Benefits, or any similar law.
- h. Arising out of the failure to procure or maintain adequate insurance, coverage or bonds on assets or property of **Covered Plans**.
- i. Arising out of liability of others assumed by the **Covered Party** under any contract or agreement, either oral or written, except in accordance with the Agreement and Declaration of Trust for **Covered Plans**.
- j. Arising out of the **Covered Party** gaining in fact any profit or advantage to which a **Covered Party** was not legally entitled or for the return by the **Covered Party** of any remuneration paid in fact to such **Covered Party** if payment of such remuneration shall be held by the courts to have been in violation of law;
- k. For the failure to collect or to pay contributions owed to **Covered Plans** from employers or for the return of any contributions to an employer if such amounts are or could be chargeable to **Covered Plans**, but this exclusion shall not apply to **Defense Costs**;
- l. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, investments in debt obligations of the Commonwealth of Pennsylvania or of any political or governmental agency in the Commonwealth of Pennsylvania;
- m. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving inadequate funding of any **Covered Plans** or a failure to fund a **Covered Plan** in accordance with employee benefits law, but this exclusion shall not apply to **Defense Costs**;
- n. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving failure of a **Covered Plan's** investments to perform, but this exclusion shall not apply to **Defense Costs**;

- o. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the return or reversion to an employer of any contribution or asset of a **Covered Plan**, but this exclusion shall not apply to **Defense Costs**;
- p. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving **Loss** constituting benefits due or to become due under a **Covered Plan** except to the extent that:
 - (1) A **Covered Party** is a natural person and the benefits are payable by such **Covered Party** as a personal obligation; and
 - (2) Recovery for the benefits is based upon a covered **Wrongful Act**,
 But this exclusion shall not apply to **Defense Costs**.
- q. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, actual or alleged seepage, pollution or contamination of any kind; and
- r. For which coverage is afforded under the terms of another Section of this Coverage Document, but only to the extent of such coverage.
- s. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged **loss**, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

5. Conditions

- a. Duties In The Event Of **Occurrence, Claim or Suit**.

It is a condition precedent to the application of all coverage afforded herein that:

- (1) In the event the **Covered Party** shall first become aware of any **Claim** or allegation of a **Wrongful Act**, or any occurrence which might reasonably give rise to such **Claim** or allegation of a **Wrongful Act**, written notice containing particulars sufficient to identify the **Covered Party** and any claimant and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured parties and of available witnesses, shall be given by or for the **Covered Party** to **The Trust** as soon as practicable;
- (2) If a **Claim** is made or suit is brought against a **Covered Party**, the **Covered Party** shall immediately forward to **The Trust** every demand, notice, summons or other process received; and
- (3) The **Covered Party** shall cooperate with **The Trust** and, upon **The Trust's** request, assist in making settlements, in the conduct of **Suits** and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Covered Party** because of an act with respect to which coverage is afforded under this Coverage Document; and the **Covered Party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Covered Party** shall not voluntarily assume or admit any liability, nor, except at said **Covered Party's** own cost, voluntarily make any payment,

assume any obligations or incur any expense without **The Trust's** prior written consent.

b. Notice of Wrongful Act.

If, during the **Coverage Term**, the **Covered Party** shall first become aware of any **Wrongful Act** which may subsequently give rise to a **Claim** against any **Covered Party** and during the **Coverage Term** gives written notice to **The Trust** of such **Wrongful Act**, then any such **Claim** which is subsequently made against the **Covered Party** arising out of such **Wrongful Act** shall be deemed to have been first made against the **Covered Party** during the **Coverage Term**.

c. Consent to Settle.

The Trust may, with the written consent of the **Covered Party**, make such settlement or such compromise of any **Claim** or **Suit** as **The Trust** deems expedient, and if the **Covered Party** shall refuse to consent to the settlement of any **Claim** or **Suit** recommended by **The Trust**, based upon a judgment or a *bonafide* offer of settlement, the **Covered Party** shall thereafter negotiate or defend such **Claim** or **Suit** independently of **The Trust** and on said **Covered Party's** own behalf, and in such event the **damages** and expenses accruing or determined through litigation or otherwise in excess of the amount for which settlement could have been made as so recommended by **The Trust** shall not be recoverable under this Coverage Document.

d. Other Insurance, Coverage or Indemnity.

This coverage shall apply excess of any other valid and collectible insurance, coverage or indemnity available to the **Covered Party** not provided by **The Trust**.

e. No Right of Recourse.

In the event that a **Covered Party** breaches any fiduciary obligation and this Coverage Document affords coverage for such a breach, it is agreed that **The Trust** shall not have the right of recourse against any such **Covered Party** for any amount paid by **The Trust** on account of such a breach of fiduciary obligation.

f. Deductible

A deductible amount of \$2,500 shall apply to each **Loss** covered hereunder, and **The Trust** shall be liable only in excess of such deductible. **Claims** based on or arising out of the same **Wrongful Act** or interrelated **Wrongful Acts** of one or more of the **Covered Parties** shall be considered a single **Claim** and only one deductible amount shall be applied to each single Claim.

Subject to 5.c. Consent to Settle of this Coverage Part, **The Trust** 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, the **Covered Party** shall promptly reimburse **The Trust** for any deductible amount paid by **The Trust**.

6. Extended Reporting Periods

It is agreed that at any time prior to termination or cancellation of this Coverage Section, whether by a **Covered Entity** or by **The Trust**, a **Covered Entity** may give to **The Trust** notice that it desires to be covered for an additional period of twelve (12) months after the effective date of termination or cancellation. Upon **The Trust's** receipt of such notice and a **Covered Entity's** payment of an additional contribution of up to 50% of the annual Employee Benefit Plan Fiduciary Liability contribution, claims made

against a **Covered Party** during the said twelve (12) month period by reason of a **Wrongful Act** committed or alleged to have been committed prior to the effective date of termination or cancellation and which would be otherwise covered by this Coverage Document would be considered made during the **Coverage Term**, subject to the following provisions.

- a. Such additional period shall be deemed part of the **Coverage Term** and not an addition thereto:
- b. Such additional period of time shall terminate on the effective date of any other insurance, coverage or indemnity obtained by the **Covered Party**, replacing in whole or in part the coverage afforded by this Coverage Part. Where such other insurance coverage or indemnity provides no coverage for loss sustained prior to its effective date, it shall not be deemed to be a replacement of this Coverage Document.

7. Definitions

- a. **Administration** means:
 - (1) Advising, counseling or giving notice to a **Covered Entity's** employees or a **Covered Plan's** individual participants or beneficiaries with respect to **Employee Benefits**;
 - (2) Providing interpretations with respect to **Employee Benefits**;
 - (3) Handling records in connection with **Employee Benefits**;
 - (4) Effecting enrollment, termination or cancellation of employees under an **Employee Benefits** program.
- b. **Claim** means a written notice to a **Covered Party** of the intent to hold that **Covered Party** liable for a **Wrongful Act**. A **Claim** also includes:
 - (1) A formal civil administrative or regulatory proceeding commenced by service of a complaint, filing of a notice of charges or the entry of a formal investigative order; or
 - (2) A written notice of commencement of a fact-finding investigation by the United States Department of Labor, Pension Benefit Guaranty Corporation and any similar governmental authority.
- c. **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:
 - (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
 - (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
 - (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.
- d. **Covered Plans** mean any employee benefit, welfare or benefit plan solely sponsored and approved by a **Covered Entity**.
- e. **Defense Costs** means all the expenses incurred by **The Trust** in defense of a **Covered Party** and includes:

- (1) Any attorneys' fees paid by **The Trust** to defend a **Covered Party**;
 - (2) The cost of bonds to release attachments and appeal bonds required in any **Suit The Trust** defends, but only for bond amounts within the applicable **Limit of Liability**, **The Trust** does not have to furnish these bonds;
 - (3) All reasonable expenses incurred by the **Covered Party** at **The Trust's** request to assist **The Trust** 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. Such expenses do not include salaries of officials or employees of a **Covered Entity**; and
 - (4) All costs and taxes awarded against the **Covered Party** in a **Suit** that is defended by **The Trust**.
- f. **Employee Benefits** means an Employee Benefit, Welfare or Pension Plan solely sponsored and approved by a **Covered Entity**, Workers Compensation Coverage, Unemployment Coverage, Social Security or Disability Benefits.
- g. **Loss** means **Defense Costs** and any money that any **Covered Party** is legally obligated to pay on account of a covered **Claim**, including but not limited to, damages, judgments, settlements, prejudgment and post-judgment interest. However, **Loss** does not include premium payments or contributions to **Covered Plans**, or enhanced compensatory, punitive or exemplary damages, the multiplied portion of damages, taxes, fines or penalties nor does **Loss** include any costs incurred to comply with any order for or agreement to provide injunctive relief or other non-monetary relief.
- h. **Prejudgment Interest** means that particular amount of interest awarded against the **Covered Party** on that part of the judgment **The Trust** pays. If **The Trust** makes an offer to pay the applicable **Limit of Liability**, **The Trust** will not pay any prejudgment interest based on that period of time after the offer.
- i. **Post-judgment Interest** means all interest on the full amount of any judgment that accrues after entry of the judgment and before **The Trust** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable **Limit of Liability**.
- j. **Suit** means a civil proceeding in which damages because of **wrongful act(s)** to which this coverage applies are alleged. **Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding alleging such damages to which a **Covered Entity** must submit or submit with **The Trust's** consent.
- k. **Wrongful Act** means:
- (1) A breach of fiduciary duty by a **Covered Party** in the discharge of duties as respects a **Covered Plan**.
 - (2) A negligent act, error or omission of a **Covered Party**, or any other person for whose acts a **Covered Entity** is legally liable, in the **Administration** of a **Covered Entity's Employee Benefits** programs; or
 - (3) Any other matter claimed against a **Covered Party** solely by reason of the **Covered Party's** service as a fiduciary of a **Covered Plan**.

I. EXCESS LIABILITY

Any and all applicable excess policies, contracts or coverage documents are hereby incorporated by reference as though fully set forth herein.

1. Exclusions

This coverage does not apply to:

- a. Any loss, cost or expense arising directly or indirectly out of, resulting from or contributed to by:
 - (1) The use of, sale of, installation of, removal of, abatement of, distribution of, containment of, or exposure to asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
 - (2) The actual or threatened abatement, mitigation, removal or disposal of asbestos, asbestos products, asbestos-containing material, asbestos fibers, or asbestos dust;
 - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with parts a. and b. above; or
 - (4) Any obligation of the covered party to indemnify or contribute with any party in connection with subparagraphs (1), (2) or (3) above.
- b. Any loss or liability arising out of, or contributed to or caused by silica as described in paragraphs (1) through (4) below:
 - (1) **Personal injuries** or **property damage** arising out of, resulting from, caused by, or contributed to by silica, exposure to silica or the use of silica;
 - (2) Any damages or any loss, cost or expense arising out of any (i) claim or **suit** by or on behalf of any governmental authority or any other alleged responsible party because of, or (ii) request, demand, order or statutory or regulatory requirement that any **Covered Party** or any other person or entity should be, or should be responsible for:
 - (a) Assessing the presence, absence or amount or effects of silica;
 - (b) Identifying, sampling or testing for, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, abating, disposing of or mitigating silica; or
 - (c) Responding to silica in any way other than as described in (a) and (bb) above;
 - (3) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with any of the subsections above; or
 - (4) Any obligation to share damages with or repay someone else in connection with any of the subsections above.
- c. Any liability arising directly or indirectly out of, resulting from, caused or contributed to by electromagnetic radiation, provided that such loss, cost or expense results from or is contributed to by the hazardous properties of electromagnetic radiation. This includes any costs for the actual or threatened abatement, mitigation, or removal.
- d. All actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other

amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

As used herein, a **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.

J. HEART & LUNG ACT LIABILITY COVERAGE

1. Coverage Agreement

The Delaware Valley Insurance Trust d/b/a Delaware Valley Property and Liability Trust (“**the Trust**” or “**DVPLT**”) will pay a **Covered Party** those **Covered Benefits** which the **Covered Party** shall become legally obligated to pay on account of any **Claim** or **Suit** made against the **Covered Party** for **Covered Benefits** under the Pennsylvania Heart & Lung Act, 53 P.S. §637 (hereinafter “**Heart & Lung Act**”), arising out of any **Occurrence** which takes place during the **Coverage Term** and within the **Coverage Territory**, subject to the terms and conditions contained herein.

The Trust will indemnify the **Covered Party** for any salary payments made by the **Covered Party** to an injured eligible employee as a result of any **Claim** or **Suit** for **Covered Benefits** under the Heart & Lung Act. Such indemnification payments shall be made in accordance with the definition of **Covered Benefits** and in compliance with **The Trust’s** claims guidelines and procedures.

The Trust will pay on behalf of the **Covered Party** any medical expenses included in the **Covered Benefits** which the **Covered Party** is obligated to pay as a result of a **Claim** or **Suit** under the Heart & Lung Act. **The Trust’s** Heart & Lung Act coverage for medical expenses is excess over all amounts paid or payable under the Pennsylvania Workers’ Compensation Act. The payment of such medical expenses will be paid by **The Trust** in accordance with **The Trust’s** claims guidelines and procedures.

The Trust shall have the right and duty to defend the **Covered Party** against any **Claim** or **Suit** against the **Covered Party** seeking **Covered Benefits** under the Heart & Lung Act which includes the right to accept, deny or terminate the payment of any **Covered Benefits** to an eligible employee who has made a **Claim** against a **Covered Party**. But:

- a. The amount **The Trust** will pay on behalf of the **Covered Party** is limited as described in 2. **Limit of Liability**.
- b. **The Trust** may, at **The Trust’s** discretion, investigate and settle any **Claim** or **Suit**.
- c. **The Trust’s** right and duty to defend ends when **The Trust** has exhausted the applicable **Limit of Liability**.
- d. **The Trust** has no duty to defend the **Covered Party** against any **Claim** or **Suit** seeking damages, remedies or benefits to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for in this Coverage Part.

2. Limit of Liability

The Trust shall be obligated to incur **Defense Costs** and pay any **Covered Benefits** on behalf of a **Covered Party** up to an annual aggregate limit of \$100,000 for each **Covered Party**, regardless of the number of **Claims** made or **Suits** brought against the **Covered Party** during the **Coverage Term**.

3. Conditions

- a. Defense, Investigation and Settlement of **Claims** and **Suits**:
 - (1) **The Trust** shall have the right and duty to defend any **Claim** or **Suit** against a **Covered Party** seeking **Covered Benefits** which are payable under the terms of this Coverage Part, even if any of the allegations of the **Suit** are

groundless, false or fraudulent. No **Covered Party** shall have the right to accept, deny or terminate the payment of any **Covered Benefits** for **Claims** made under the Heart & Lung Act unless the **Covered Party** first receives the prior written consent by **The Trust**.

- (2) A **Covered Party** shall have the right to associate in the defense of any **Claim** or **Suit** being defended by **The Trust**, but shall do so solely at the **Covered Party's** own expense. To the extent allowed by the applicable reinsurance or excess insurance policies purchased by **The Trust**, reinsurers or excess insurers of **The Trust** shall also have the right to associate in the defense of claims likely to exceed the self insured retention ("S.I.R.") of **The Trust** as stated in the applicable reinsurance or excess insurance policies.
- (3) **The Trust** may also make such investigation and settlement of any **Claim** or **Suit** as it deems expedient; provided, however, that **The Trust** shall not be obligated to pay any claim or judgment or defend any **Claim** or **Suit** after the applicable **Limit of Liability** has been exhausted under the terms of this Coverage Part.
- (4) All settlements shall be approved by the Executive Committee or their designee. No **Covered Party** shall, except at its own cost and for its own account, make any payment, admit any liability, settle any **Claim** or **Suit**, assume any obligation, or incur any expense without the written consent of **The Trust**.
- (5) A decision by the Executive Committee or its designee to settle a claim or claims against a **Covered Party** shall be binding upon that party, whose consent will not be required, except for amounts paid in excess of the limits provided to that **Covered Party** under this Coverage Part.
- (6) If the **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or refuses to authorize a settlement of any covered claims within the coverage limits, **The Trust's** liability shall not exceed the combined amount for which **The Trust** would have been liable for damages and claims expenses if the **Claim, Suit** or proceeding had been settled or compromised as determined by the Executive Committee. **The Trust** will then have no liability for any additional damages or claims expenses accruing thereafter.
- (7) **The Trust** shall have the right to withdraw from the defense of any **Covered Party** if:
 - (a) The **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claims** within the limits provided to that **Covered Party** under this Coverage Part;
 - (b) The **Limit of Liability** for any **Claims** or **Suits** made against a **Covered Party** has been exhausted by the payment of judgments, settlements and **Defense Costs**;
 - (c) All covered claims against a **Covered Party** have been dismissed or otherwise disposed of, and the only remaining **Claims** against the **Covered Party** are not covered under the terms of this Coverage Part; or
 - (d) The **Covered Party** fails to comply with all of the conditions and

duties in this Coverage Part.

- (8) The decision to withdraw from the defense of a **Covered Party** shall be determined in the first instance by the Executive Committee, subject to the right of the **Covered Party** to appeal under Section II of this Coverage Document in accordance with the procedures adopted by the Board of Trustees. Upon receiving notice of withdrawal from the Trust Administrator, the **Covered Party** shall assume the obligation of defending itself.
- (9) **The Trust** shall be permitted to defend a **Covered Party** under a reservation of rights and/or a non-waiver agreement, whereby **The Trust** agrees to defend a **Covered Party** without waiver of, and subject to:
 - (a) Any exclusions which may otherwise apply under the terms of the Trust Coverage Document and/or;
 - (b) Any defense, legal or equitable, which **The Trust** may have against the **Covered Party**, which may justify exclusion of any claim(s) against the **Covered Party** which is defended by **The Trust**, under a reservation of rights.

b. The Duties of the Covered Party in the Event of a Claim or Suit:

The following duties shall be imposed upon the **Covered Party** in the event of a **Claim** or **Suit** as set forth below:

- (1) In the event of a loss, written notice containing particulars sufficient to identify reasonably obtainable information with respect to the time, place and circumstances thereof and the names and addresses of the injured and of available witnesses, shall be given by or for the **Covered Party** to **The Trust** or any of **The Trust's** authorized agents as soon as practicable.
 - (2) If **Claim** is made or **Suit** is brought against a **Covered Party**, the **Covered Party** shall immediately forward to **The Trust** every demand, notice, summons or other process received by the **Covered Party** or its representative in accordance with **The Trust's** claims guidelines and procedures.
 - (3) The **Covered Party** shall cooperate with **The Trust** and, at **The Trust's** request, consent to being examined and questioned by a representative of **The Trust**, under oath if necessary, attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of **Suits** as well as in the giving of a written statement or statements to **The Trust's** representative and defense counsel. In the event of a **Claim** occurring likely to involve **The Trust** hereunder, the **Covered Party** shall not make any payment, assume any liability or incur any expense without the consent of **The Trust** first being obtained. **The Trust** shall have full discretion in handling any **Claim**, and the **Covered Party** shall give full information and assistance as **The Trust** may reasonably require.
 - (4) The **Covered Party's** duty to cooperate with **The Trust** includes compliance with **The Trust's** claims procedures and guidelines.
- c. Should a **Covered Party** fail to comply with the conditions in Section 4 and the duties contained therein, **The Trust** shall have the right to deny coverage for any **Claim** made against the **Covered Party**.

- d. Subrogation – **The Trust** will have all of the rights of subrogation arising from the payment of **Covered Benefits** and **Defense Costs** under this Coverage Part as set forth in the General Conditions in Section II of the Trust Coverage Document.

4. Definitions

As used in this Coverage Part, the following definitions apply:

- a. **Claim** means a written notice to a **Covered Party** of the intent to hold that **Covered Party** liable for **Covered Benefits** under the Heart & Lung Act;
- b. **Covered Benefits** means:
 - (1) The payment of an eligible employee's salary as required by the Heart & Lung Act, less any lost income benefits actually paid to that eligible employee (or assigned and paid over to their **Covered Party** employer) under the Pa. Workers' Compensation Act for the same injuries, or any lost income benefits which the eligible employee or their **Covered Party** employer would otherwise have been entitled to receive under the Pa. Workers' Compensation Act had a workers' compensation claim actually been made for those injuries; and
 - (2) Any medical expenses incurred on behalf of the eligible employee in accordance with the Heart & Lung Act, less any amounts paid or payable under the Pennsylvania Workers' Compensation Act for the same injuries. In accordance with **The Trust's** guidelines and procedures the Heart & Lung Act coverage for medical expenses in excess of all such expenses paid or payable under the Pennsylvania Workers' Compensation Act.
- c. **Covered Party** means any Participant of the Delaware Valley Insurance Trust d/b/a Delaware Valley Property and Liability Trust or the Delaware Valley Workers' Compensation Trust.
- d. **Coverage Term** means the twelve (12) month period beginning on January 1, 2009, and any subsequent annual renewals of the coverage described herein.
- e. **Coverage Territory** means the Commonwealth of Pennsylvania.
- f. **Defense Costs** means all the expenses incurred by **The Trust** in defense of a **Covered Party** and includes:
 - (1) Any attorneys' fees paid by **The Trust** to defend a **Covered Party**;
 - (2) Any appeal bonds required in any **Suit** **The Trust** defends, but only for bond amounts within the applicable **Limit of Liability**. **The Trust** does not have to furnish these bonds;
 - (3) All reasonable expenses incurred by the **Covered Party** at **The Trust's** request to assist **The Trust** in the investigation or defense of the **Claim** or **Suit**. Such expenses do not include salaries of officials or employees of a **Covered Party**; and
 - (4) All costs and taxes awarded against a **Covered Party** in a **Suit** that is defended by **The Trust**.

Defense Costs are not payable in addition to the **Limit of Liability**. The **Limit of Liability** available to pay judgments or settlements shall be reduced by **Defense Costs**.
- g. **Occurrence** means any incident or event in which an eligible employee suffers an injury for which they are entitled to receive **Covered Benefits** from a **Covered Party** under the Heart & Lung Act.

- h. **Suit** means a civil proceeding in which an eligible employee's entitlement to Heart & Lung Act benefits is contested. **Suit** includes:
- (1) Any arbitration proceeding or local agency hearing in which an eligible employee's entitlement to Heart & Lung Act benefits is adjudicated; or
 - (2) Any other alternative dispute resolution proceeding in which such benefits are claimed.

K. PRIVACY LIABILITY COVERAGE

This is **CLAIMS-MADE COVERAGE**. This Coverage shall only apply on a contingent basis to Section VI, Cyber Coverage.

1. Coverage Agreement

- a. **The Trust** will pay on behalf of the **Covered Party** all sums that the **Covered Party** shall become legally obligated to pay as damages, **Crisis Management Expense and Regulatory Compliance Expense** because of a **Privacy Liability Wrongful Act** to which this coverage applies. This coverage only applies to such damages and expenses caused by a **Privacy Liability Wrongful Act** that takes place in the **Coverage Territory** and:
 - (1) A **Claim** for damages, **Crisis Management Expense and/or Regulatory Compliance Expense** because of the **Privacy Liability Wrongful Act** is first made against any **Covered Party** during the **Coverage Term**; and
 - (2) The **Covered Party** provides **The Trust** with written notice of the **Claim** during the **Coverage Term** or within sixty (60) days after the end of the **Coverage Term** in which the Claim was first made.
- b. **Privacy Liability Wrongful Acts** committed prior to May 1, 2009 are not covered.
- c. A **Claim** by a person or organization seeking damages will be deemed to have been made when notice of such **Claim** is received and recorded by any **Covered Party** or by **the Trust**, whichever comes first.
- d. All demands for damages because of a **Privacy Liability Wrongful Act** will be deemed to have been made at the time the first demand is made against any **Covered Party** as a result of such **Privacy Liability Wrongful Act**.
- e. **The Trust** will have the right and duty to defend the **Covered Party** against any **Claim or Suit** seeking covered damages and expenses, but:
 - (1) The amount **The Trust** will pay for damages, **Crisis Management Expense, Regulatory Compliance Expense** and **Defense Costs** is limited as described in 2. **Limit of Liability**;
 - (2) **The Trust** may, at its discretion, investigate and settle any **Claim or Suit**;
 - (3) **The Trust's** right and duty to defend ends when it has exhausted the applicable **Limit of Liability** in the payment of damages and expenses, including **Defense Costs**. This applies both to **Claims** and **Suits** pending at that time and those filed thereafter; and
 - (4) **The Trust** has no duty to defend the **Covered Party** against any **Claim or Suit** seeking damages for a **Privacy Liability Wrongful Act** to which this coverage does not apply.

No other obligation or liability to pay sums or perform acts or services is covered under this **Coverage Part**.

2. Limit of Liability

- a. The **Privacy Liability Annual Aggregate Limit** of \$100,000 is the most we will pay for all damages, **Crisis Management Expense, Regulatory Compliance Expense** and **Defense Costs** for any **Participant** during the **Coverage Term** regardless of the number of **Claims, Suits, Covered Parties** or **Privacy Liability Wrongful Acts**.
- b. All **Claims** arising out of the same act or interrelated acts of one or more

Covered Parties shall be considered as arising out of one **Privacy Liability Wrongful Act** and shall be considered a single **Claim**. The **Privacy Liability Annual Aggregate Limit** applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the **Coverage Term** shown in the Declarations.

3. Who Is A Covered Party

Covered Party means a **Covered Entity** (including **The Participant**) and each of the following to the extent indicated:

- a. A **Covered Entity's** lawfully elected, appointed or employed officials, employees and volunteers, (past, present and future), while acting within the scope of their duties as such;
- b. Members of a **Covered Entity's** boards, commissions and non operating lease back authorities operating under a **Covered Entity's** direction and control and within an apportionment of a **Covered Entity's** total operating budget, while acting within the scope of their duties as such;
- c. Any person providing services for a **Covered Entity** under mutual aid or similar agreements.
- d. The estates, heirs, legal representatives or assigns of deceased persons who were **Covered Parties** at the time of the **wrongful act(s)** upon which a **Claim** is based.
- e. The legal representatives or assigns of the **Covered Parties** in the event of their incompetency, insolvency or bankruptcy.

4. Exclusions

This coverage does not apply to any **Claim** or **Suit** made against a **Covered Party**:

- a. Arising out of any matter, fact or circumstance that, prior to the effective date of **The Participant's** membership in **The Trust**, was the subject of prior litigation, court order, settlement agreement, or which was the subject of a notice by **The Participant** to a prior insurer.
- b. Arising out of any **Claim** or **Suit** of which **The Participant** had notice prior to the effective date upon which **The Participant** became a member of **The Trust**.
- c. Arising out of any matter, fact or circumstance of which **The Participant** had notice prior to the effective date upon which **The Participant** became a member of **The Trust** and:
 - (1) The matter, fact or circumstance was reported by **The Participant** or other **Covered Entity** to any insurer before the effective date upon which **The Participant's** membership in **The Trust** or before the effective date of coverage for any other **Covered Entity**; or
 - (2) **The Participant** or other **Covered Entity** was required to disclose the matter, fact or circumstance as a condition for obtaining coverage from **The Trust**; or
 - (3) The matter, fact or circumstance was disclosed by **The Participant** on the warranty statement included as part of **The Participant's** application for membership in **The Trust**.
- d. For which the **Covered Party** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **Covered Party** would have in the absence of the contract or agreement.

- e. Arising out of any violation or breach of a settlement agreement, consent decree or court order.
- f. Based upon or attributable to the **Covered Party** gaining any profit, advantage or remuneration to which the **Covered Party** is not entitled.
- g. Brought about or contributed to by fraud, dishonesty or criminal act of any **Covered Party**.
- h. Arising out of the willful violation of a penal statute, ordinance, rule or regulation committed by or with the consent of any **Covered Party**.
- i. For any and all damages, penalties, fines, or other awards against any **Covered Party** who has knowingly and willfully committed a **wrongful act** which constitutes a crime, actual fraud, actual malice or willful misconduct.
- j. Arising from **bodily injury, personal injuries and property damage**.
- k. As a result of strikes, riots or civil commotion.
- l. For **Claims** or **Suits** seeking relief or redress in any form other than compensatory damages. Nor shall **The Trust** have any obligation to indemnify any **Covered Party** for any costs, fees including attorneys fees, or expenses which the **Covered Party** shall become obligated to pay as a result of an adverse judgment for injunctive or declaratory relief; however, **The Trust** will afford defense to the **Covered Party** for such **Claims** or **Suits**, if not otherwise excluded, where compensatory damages are requested. This exclusion does not apply to **Claims** or **Suits** for **Crisis Management Expense** and/or **Regulatory Compliance Expense**.
- m. For any loss, cost, civil fine, penalty or expense against a **Covered Party** arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency. This exclusion does not apply to **Claims** or **Suits** for **Crisis Management Expense** and/or **Regulatory Compliance Expense**.
- n. Seeking enhanced compensatory, punitive or exemplary damages, including the multiplied portion of multiple damages. However, if a **Suit** shall have been brought against a **Covered Party** for a **Claim** falling within the coverage provided by this Coverage Document seeking both compensatory and punitive or exemplary damages, **The Trust** will afford a defense to such action, but **The Trust** shall not have an obligation to pay for any costs, interest, or damages attributed to enhanced compensatory, punitive or exemplary damages.
- o. Any injury or damage arising, directly or indirectly, out of "**NCBRE Terrorism**" (defined as "**Terrorism**" involving, arising out of, related to or supported by nuclear, chemical, biological, radiological and epidemical attacks), or any action taken in hindering or defending against an actual or expected incident of "**NCBRE Terrorism**" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage..

"**Terrorism**" means activities against, persons, organizations or property of any nature:

- (1) That involve the following or preparation for the following:
 - (a) Use or threat of force or violence; or
 - (b) Commission or threat of a dangerous act; or
 - (c) Commission or threat of an act that interferes with or disrupts

an electronic, communication, information, or mechanical system; and

- (2) When one or both of the following applies:
 - (a) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (b) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

5. Conditions

a. **Bankruptcy:**

Bankruptcy or insolvency of the **Covered Party** or of the **Covered Party's** successor will not relieve **The Trust** of **The Trust's** obligations under this coverage.

b. **Duties of Covered Parties In The Event Of Potential or Actual Claim or Suit:**

- (1) **The Participant** and any other **Covered Entity** must see to it that **The Trust** is notified as soon as practicable after **The Participant** or other **Covered Entity** becomes aware of any situation or circumstances which may result in a **Claim** being made against any **Covered Party** alleging a **Privacy Liability Wrongful Act**. To the extent possible, notice should include:
 - (a) A description of the situation or circumstances, including how, when and where it occurred;
 - (b) The names and addresses of any involved persons and witnesses; and
 - (c) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.
- (2) If during the **Coverage Term** or during an **Extended Reporting Period** (if applicable) a **Covered Party** becomes aware of any situation or circumstances which may reasonably be expected to give rise to a **Claim** against the **Covered Party**, and the **Covered Party** gives **The Trust** written notice of the specifics of the such situation or circumstances, any **Claim** which is made against the **Covered Party** arising out of such situation or circumstances, shall be treated as a **Claim** made during the **Coverage Term**. If a **Claim** is received by any **Covered Party**, **The Participant** or other **Covered Entity** must:
 - (a) Immediately record the specifics of the **Claim** and the date received; and
 - (b) Notify **The Trust**, in writing, as soon as practicable.
- (3) **The Participant** or other **Covered Entity** and any other involved **Covered Party** must:
 - (a) Immediately send **The Trust** copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or **Suit**;

- (b) Authorize **The Trust** to obtain records and other information;
 - (c) Cooperate with **The Trust** in the investigation, settlement or defense of the **Claim** or **Suit**, and
 - (d) Assist **The Trust**, upon **The Trust's** request, in the enforcement of any right against any person or organization which may be liable to the **Covered Party** because of injury or damage to which this coverage may also apply.
- (4) No **Covered Parties** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without **The Trust's** consent.

c. **Defense, Investigation and Settlement of Claims:**

- (1) **The Trust** shall have the right and duty to defend any **Suit** against a **Covered Party** seeking damages and expenses which are payable under the terms of this Coverage Document, even if any of the allegations of the **Suit** are groundless, false or fraudulent. In exercising its right to control the defense of a **Covered Entity** or other **Covered Parties**, **The Trust** reserves the right to assert any immunities under state or federal law which may apply to limit the liability of the **Covered Party** being defended.
- (2) A **Covered Party** shall have the right to associate in the defense of any **Claim** being defended by **The Trust**, but shall do so solely at a **Covered Party's** own expense. To the extent allowed by the applicable reinsurance or excess insurance policies purchased by **The Trust**, reinsurers or excess insurers of **The Trust** shall also have the right to associate in the defense of claims likely to exceed the self-insured retention ("S.I.R.") of **The Trust** as stated in the applicable reinsurance or excess insurance policies.
- (3) This Trust Coverage Document does not provide primary coverage for any **Claims** which are otherwise covered under any commercial or personal primary insurance policies purchased by **Covered Entities** or other **Covered Parties** subject to the **Other Coverage** provisions herein.
- (4) The Trust may also make such investigation and settlement of any **Claim** or **Suit** as it deems expedient; provided, however, that **The Trust** shall not be obligated to pay any **Claim** or judgment or defend any suit after any applicable limits of liability have been exhausted under the terms of this Coverage Document.
- (5) All settlements shall be approved by the Executive Committee or their designee in accordance with the guidelines adopted by a majority vote of the Board. No **Covered Party** shall, except at its own cost and for its own account, make any payment, admit any liability, settle any **Claim**, assume any obligation, or incur any expense without the written consent of **The Trust**.
- (6) A decision by the Executive Committee or its designee to settle a **Claim** or **Claims** against a **Covered Party** shall be binding upon that party, whose consent will not be required, except for amounts paid in excess of the limits provided to that **Covered Party** under this Coverage Document.
- (7) If the **Covered Party** refuses to execute a settlement agreement or any related documents, previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claims** within the limits provided to that **Covered Party** under the

Coverage Document, then **The Trust's** liability shall not exceed the combined amount for which **The Trust** would have been liable for damages and **Claims** expenses if the **Claim** or **Suit** or proceeding had been settled or compromised as determined by the Executive Committee. **The Trust** will then have no liability for any additional damages or claims expenses accruing thereafter.

- (8) **The Trust** shall have the right to withdraw from the defense of any **Covered Party** if:
- (a) The **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claims** within the limits provided to that **Covered Party** under the Coverage Document;.
 - (b) The **Limits of Liability** in this Coverage Part are exhausted by the payment of judgments, settlements, expenses and **defense costs**;
 - (c) All covered **Claims** against a **Covered Party** have been dismissed or otherwise disposed of, and the only remaining claims against the **Covered Party** are not covered under the terms of the Coverage Document; or
 - (d) The **Covered Party** fails to comply with all of the conditions and duties in this Privacy Liability Coverage Part.
- (9) The decision to withdraw from the defense of a **Covered Party** shall be determined in the first instance by the Executive Committee, subject to the right of the **Covered Party** to appeal under Section II of this Coverage Document in accordance with procedures adopted by the Board of Trustees. Upon receiving the notice of withdrawal from the Trust Administrator, the **Covered Party** shall assume the obligation of defending itself.
- (10) **The Trust** shall be permitted to defend a **Covered Party** under a reservation of rights and/or a non-waiver agreement, whereby **The Trust** agrees to defend a **Covered Party** without waiver of, and subject to:
- (a) Any exclusions which may otherwise apply under the terms of the Trust Coverage Document and/or
 - (b) Any defense, legal or equitable, which **The Trust** may have against the **Covered Party**, which may justify exclusion of any **Claim(s)** against the **Covered Party** which is defended by **The Trust**, under a reservation of rights.

d. **Other Coverage:**

- (1) This coverage is primary, except when stated to apply in excess of or contingent upon the absence of other insurance. When this coverage is primary and the **Covered Party** has other insurance which is stated to be applicable to the loss on an excess or contingent basis, the amount of **The Trust's** liability under this coverage shall not be reduced by the existence of such other insurance.
- (2) When this coverage is excess, **The Trust** will have no duty to defend any **Claim** or **Suit** that any other insurer has a duty to defend. If no other insurer

defends, **The Trust** will undertake to do so, but **The Trust** will be entitled to the **Covered Party's** rights against all those other insurers.

- (3) When this coverage is excess over other insurance, **The Trust** will pay only **The Trust's** share of the amount of the loss, if any, that exceeds the sum of:
 - (a) The total amount that all such other insurance would pay for the loss in the absence of this coverage; and
 - (b) The total of all deductible and self insured amounts under all such other insurance.
- (4) When both this coverage and other insurance apply to the loss on the same basis, whether primary, excess or contingent, **The Trust** shall not be liable under this coverage for a greater proportion of the loss than that stated in the applicable Method of Sharing provision below.
- (5) Method of Sharing:
 - (a) If all of the other insurance permits contribution by equal shares, The Trust will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable Limit of Insurance or none of the loss remains, whichever comes first.
 - (b) If any of the other insurance does not permit contribution by equal shares, **The Trust** will contribute by equal 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.
- e. **Representations** - By accepting this coverage, **The Participant** or other **Covered Entity** agrees that:
 - (1) The Application for coverage completed in solicitation of this coverage is made a part of this coverage as though set forth in full herein;
 - (2) The statements in Application for **Coverage, including the warranty statement contained therein**, are accurate and complete;
 - (3) Those statements constitute representations **The Participant** or other **Covered Entity** named in **The Participant's** Declarations; and
 - (4) **The Trust** has issued this coverage in reliance upon those representations.
- f. **Separation Of Covered Parties:**

Except with respect to the Limit of Liability, and any rights or duties specifically assigned to **The Participant** or other **Covered Entity**, this coverage applies:

 - (1) As if each **Covered Party** were the only **Covered Party**; and
 - (2) Separately to each **Covered Party** against whom **Claim** is made or suit is brought.
- g. **Deductible:**
 - (1) **The Trust's** obligation to pay covered damages and expenses on behalf of a **Covered Party** applies only to the amount in excess of any deductible amount stated in the Privacy Liability Coverage Declarations.
 - (2) The deductible amount stated in the Privacy Liability Coverage Declarations, if any, applies to all covered damages and expenses, including **Defense Costs**, sustained by any person or organization as the result of any one **Claim**. **Claims** based on or arising out of the same act or

inter-related acts of one or more **Covered Parties** shall be considered a single **Claim**.

- (3) The deductible amount stated in the Privacy Liability Coverage Declarations applies separately to each **Claim** and the deductible shall be applied regardless of whether or not actual payment of judgments and settlements is involved. **Claims** based on, or arising out of, the same act or inter-related acts of one or more **Covered Parties** shall be considered a single **Claim**.
 - (4) The terms of this coverage, including those with respect to (1) **The Trust's** right and duty to defend any **Claims** or **Suits** seeking damages, and (2) **The Trust's** duties in the event of potential or actual **Claim** or **Suit**, apply irrespective of the application of the deductible amount.
 - (5) The Trust may pay any part or the entire deductible amount to effect settlement of any Claim or Suit and, upon notification of the action taken; The Participant shall promptly reimburse The Trust for such part of the deductible amount as has been paid by The Trust.
- h. Should a **Covered Party** fail to comply with the Conditions in Section 5 and the duties contained therein, **The Trust** shall have the right to deny coverage for any **Claim** or **Suit** made against the **Covered Party** to which the **Covered Party's** conduct related.

6. Extended Reporting Periods

- a. **The Trust** will provide one or more Extended Reporting Periods, as described below, if:
 - (1) This coverage is canceled or not renewed; or
 - (2) **The Trust** renews or replaces this coverage with coverage that:
 - (a) Has a Retroactive Date later than the date shown in the Liability Coverage Declarations; or
 - (b) Does not apply on a claims-made basis.
- b. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **Coverage Term** and lasts for:
 - (1) Three years for **Claims** arising out of a situation or circumstances reported to **The Trust**, not later than 60 days after the end of the **Coverage Term**, in accordance with this Coverage Part; or
 - (2) Sixty days for all other **Claims**. The Basic Extended Reporting Period does not apply to **Claims** that are covered under any subsequent coverage a **Covered Entity** purchases, or that would be covered but for exhaustion of the amount of coverage applicable to such **Claims**.
- c. A Supplemental Extended Reporting Period of up to three years is available, but only by an endorsement and for an extra charge. This supplemental period starts sixty days after the end of the **Coverage Term**. A **Covered Entity** must give **The Trust** a written request for the endorsement within 60 days after the end of the **Coverage Term**. The Supplemental Extended Reporting Period will not go into effect unless a **Covered Entity** pays the additional contribution promptly when due. **The Trust** will determine the additional contribution in accordance with **The Trust's** rules and rates. In doing so, **The Trust** may take into account the following:

- (1) The exposures covered;
- (2) Previous types and amounts of coverage;
- (3) Limits of Coverage available under this coverage for future payment of damages; and
- (4) Other related factors.

The additional contribution for a one, two or three year Supplemental Extended Reporting Period will not exceed 50%, 75% or 87.5%, respectively, of the annual contribution for this coverage.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the coverage afforded for **Claims** first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

- d. Extended Reporting Periods do not extend the **Coverage Term** or change the scope of coverage provided. They apply only to **Claims** for **wrongful acts** that occur before the end of **the Coverage Term** (but not before the Retroactive Date, if any, shown in the Liability Coverage Declarations).

Claims for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the **Coverage Term**.

Once in effect, Extended Reporting Periods may not be canceled.

- e. Extended Reporting Periods do not reinstate or increase the Limit of Liability applicable to any **Claim** to which this Coverage Document applies.

7. Definitions

As used in this Coverage Part, the following definitions apply:

- a. **Claim** means a written notice to a **Covered Party** of the intent to hold that **Covered Party** liable for a **Privacy Liability Wrongful Act**.
- b. **Confidential Personal Information** means a natural person's name, social security number, medical or healthcare information, driver's license number, credit or debit card numbers, address, telephone number, account number, password or other non public information as defined in **Privacy Regulations**. This does not include information that is lawfully made available to the general public for any reason.
- c. **Crisis Management Expense** means reasonable and necessary expense incurred by the **Covered Party** that the **Trust** approves in retaining the services of a public relations firm, law firm or other entity with the **Trust's** consent and for advertising or related communications at the direction of one of these firms.
- d. **Defense Costs** means all the expenses incurred by **The Trust** in defense of a **Covered Party** and includes:
 - (1) Any attorney's fees paid by **The Trust** to defend a **Covered Party**.
 - (2) The cost of bonds to release attachments and appeal bonds required in any **Suit The Trust** defends, but only for bond amounts within the

applicable Limit of Liability. **The Trust** does not have to furnish these bonds.

- (3) All reasonable expenses incurred by the **Covered Party** at **The Trust's** request to assist **The Trust** in the investigation or defense of the **Claim** or **Suit**, including actual loss of earnings up to \$250 a day because of time off from work. Such expenses do not include salaries of officials or employees of a **Covered Entity**. And
- (4) All costs and taxes awarded against the **Covered Party** in a **Suit** that is defended by **The Trust**.

Defense Costs are not payable in addition to the **Limit of Liability**. The **Limit of Liability** available to pay judgments or settlements shall be reduced by **Defense Costs**.

- e. **Privacy Liability Wrongful Act** means the failure by the **Covered Party** or by an independent contractor for which the **Covered Party** is legally responsible to properly handle, manage, store, destroy or otherwise control **Confidential Personal Information** in any format; or third party corporate information in any format specifically identified as confidential and protected under a nondisclosure agreement or similar contract; or an unintentional violation of the **Covered Party's** privacy policy that results in the violation of any **Privacy Regulations**.
- f. **Privacy Regulations** means identity theft and privacy protection laws that require commercial and governmental entities that collect **Confidential Personal Information** to post privacy policies, adopt specific privacy or security controls, or notify individuals in the event that **Confidential Personal Information** has potentially or actually been compromised.
- g. **Regulatory Compliance Expense** means reasonable and necessary expense incurred by the **Covered Party** that the **Trust** approves, solely to comply with **Privacy Regulations**, including, but not limited to, the costs for the notification of and credit monitoring services for any affected individuals.
- h. **Suit** means a civil proceeding in which damages because of **Privacy Liability Wrongful Act(s)** to which this coverage applies are alleged. **Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding alleging such damages to which a **Covered Entity** must submit or submit with **The Trust's** consent.

L. SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

This is **CLAIMS MADE Coverage**.

1. Coverage Agreement

- a. **The Trust** will pay those sums that a **Covered Party** is legally obligated to pay as **Loss** resulting from **Claims** made against the **Covered Party** because of **Sexual Abuse or Molestation** resulting in **Personal Injuries** to which this coverage applies, if the **Covered Party** is obligated to pay such **Loss** by reason of:

(1) A **Covered Entity's**

- (a) Hiring;
- (b) Training;
- (c) Retention;
- (d) Supervision;
- (e) Investigation; or
- (f) Reporting **Sexual Abuse or Molestation** to the proper authorities or failure to so report;

of any **Covered Party** who is otherwise acting within the scope of their duties on behalf of a **Covered Entity** and for whom the **Covered Entity** is legally responsible.

- (2) A **Covered Party's** liability for **Sexual Abuse or Molestation** while otherwise acting within the scope of their duties on behalf of a **Covered Entity** under 42 Pa. C.S. § 8542(b)(9).

This coverage does not apply to **Sexual Abuse or Molestation** which occurred before the Retroactive Date shown in the Liability Coverage Declarations for **Sexual Abuse or Molestation** or which occur after the **Coverage Term**.

The Trust will have the right and duty to defend a **Covered Party** against any **Suit** seeking damages for **Sexual Abuse or Molestation** and right to settle such **Suit** subject to the conditions in Section 5 of this Coverage Part. But:

- (1) The amount **The Trust** will pay for **Loss** is limited as described in **2. Limits of Liability**.
 - (2) **The Trust** may, at **The Trust's** discretion, investigate and settle any **Claim** or **Suit**.
 - (3) **The Trust's** right and duty to defend end when **The Trust** has exhausted the applicable limit of liability in the payment of **Loss**.
 - (4) **The Trust** has no duty to defend the **Covered Party** against any **Suit** seeking damages or other relief or remedy to which this coverage does not apply.
- b. This coverage applies only if a **Claim** for damages is first made against any **Covered Party** during the **Coverage Term** for **Sexual Abuse or Molestation**.
- (1) A **Claim** by a person or organization seeking damages will be deemed to have been made when notice of such **Claim** is received and recorded by any **Covered Party** or by **The Trust**, whichever comes first.
 - (2) All **Claims** for damages causing loss to the same person or organization as a result of **Sexual Abuse or Molestation** will be deemed to have been

made at the time the first of those **Claims** is made against any **Covered Party**.

2. Limits of Liability

- a. The **Limits of Liability** for Sexual Abuse or Molestation Coverage shown in the Liability Coverage Declarations and the rules below fix the most **The Trust** will pay regardless of the number of:
 - (1) **Covered Parties**;
 - (2) **Claims** made or **Suits** brought; or
 - (3) Persons or organizations making **Claims** or bringing **Suits**.
- b. The Annual Aggregate Limit is the most **The Trust** will pay for all **Loss** under this Sexual Abuse or Molestation Liability Coverage.
- c. Subject to b. above, the Each Perpetrator Limit is the most **The Trust** will pay for all covered **Loss** arising out of any one **Claim** covered under this Sexual Abuse or Molestation Liability Coverage.

In the event that a **Claim** is made or **Suit** is filed alleging **Sexual Abuse or Molestation** any subsequent **Claim** or **Suit** from any person or organization and each of its successors or assigns based on and arising out of the same act or interrelated acts of the **Perpetrator** shall be considered to be a single **Claim** made or **Suit** filed during the **Coverage Term** in which the first **Claim** was made or **Suit** was filed.

3. Who Is A Covered Party

Covered Party means a **Covered Entity** (including **The Participant**) and each of the following to the extent indicated:

- a. A **Covered Entity's** lawfully elected, appointed or employed officials, employees and volunteers (past, present and future), while acting within the scope of their duties as such;
- b. The estates, heirs, legal representatives or assigns of deceased persons who were **Covered Parties** at the time of the **Sexual Abuse or Molestation** upon which a **Claim** or **Suit** is based; and
- c. The legal representatives or assigns of the **Covered Parties** in the event of their incompetency, insolvency or bankruptcy.

4. Exclusions

This coverage does not apply to any **Claim** or **Suit** made against a **Covered Party**:

- a. Arising out of any matter, fact or circumstance that, prior to the effective date of **The Participant's** membership in **The Trust**, was the subject of prior litigation, court order, settlement agreement, or which was the subject of a notice by **The Participant** or other **Covered Entity** to a prior insurer;
- b. Arising out of any **Claim** or **Suit** of which **The Participant** or other **Covered Entity** had notice prior to the effective date upon which **The Participant** became a member of **The Trust** or prior to the effective date of coverage for any other **Covered Entity**.
- c. Arising out of any matter, fact or circumstance of which **The Participant** or other **Covered Entity** had notice prior to the effective date upon which **The Participant** became a member of **The Trust** and:

- (1) The matter, fact or circumstance was reported by **The Participant** or other **Covered Entity** to any insurer before the effective date of **The Participant's** membership in **The Trust** or before the effective date of coverage for any other **Covered Entity**; or
 - (2) **The Participant** or other **Covered Entity** was required to disclose the matter, fact or circumstance as a condition for obtaining coverage from **The Trust**; or
 - (3) The matter, fact or circumstance was disclosed by **The Participant** on the warranty statement included as part of **The Participant's** application for membership in **The Trust**.
- d. Arising out of any **Claim** or **Suit** of which **The Participant** or other **Covered Entity** had knowledge of any matter, fact or circumstance prior to the effective date upon which **The Participant** became a member of **The Trust** or prior to the effective date of coverage for any other **Covered Entity**.
 - e. For which the **Covered Party** has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the **Covered Party** would have in the absence of the contract or agreement.
 - f. Arising out of any violation or breach of a settlement agreement, consent decree or court order.
 - g. Brought about or contributed to by fraud, dishonesty or criminal act of any **Covered Party**.
 - h. Arising out of the willful violation of a penal statute, ordinance, rule or regulation committed by or with the consent of any **Covered Party**.
 - i. For any and all damages, penalties, fines, or other awards against any **Covered Party** who has knowingly and willfully committed **Sexual Abuse or Molestation** which constitutes a crime, actual fraud, actual malice or willful misconduct.
 - j. Seeking relief or redress in any form other than compensatory damages. Nor shall **The Trust** have any obligation to indemnify any **Covered Party** for any costs, fees, including attorneys' fees, or expenses which the **Covered Party** shall become obligated to pay as a result of an adverse judgment for injunctive or declaratory relief.
 - k. For any **loss**, cost, civil fine, penalty or expense against a **Covered Party** arising from any complaint or enforcement action from any federal, state or local governmental regulatory agency.
 - l. Based upon or attributable to any failure or omission of a **Covered Party** to effect, maintain or administer any insurance coverage, bond or self-insurance fund.
 - m. Seeking the imposition of civil penalties or the award of enhanced compensatory, punitive or exemplary damages, including the multiplied portion of multiple damages. However, if a **Suit** shall have been brought against a **Covered Party** for a **Claim** falling within the coverage provided by this Coverage Part seeking both compensatory and punitive or exemplary damages, **The Trust** will afford a defense to such action, but **The Trust** shall not have an obligation to pay for any costs, interest, or damages attributed to enhanced compensatory, punitive or exemplary damages.
 - n. For any loss or damages arising out of or in any way connected with the ownership, operation, control or direction of schools, airports, transit authorities,

hospitals, nursing homes, housing authorities, port authorities or gas utility companies, unless specifically endorsed onto this Coverage Document.

- o. Any loss, cost or expense for criminal charges, criminal investigations or criminal proceedings of any kind.
- p. Based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged loss, liability, damage, compensation, injury, sickness, disease, death, medical payment, defense cost, cost, expense or any other amount incurred by or accruing to a **Covered Party**, directly or indirectly and regardless of any other cause contributing concurrently or in any sequence, originating from, caused by, arising out of, contributed to by, resulting from, or otherwise in connection with a **Communicable Disease** or the fear or threat (whether actual or perceived) of a **Communicable Disease**.

As used herein, a **Communicable Disease** means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- (1) The substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- (2) The method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- (3) The disease, substance or agent can cause or threaten bodily injury, illness, emotional distress or damage to human health, human welfare or property damage.

5. Conditions

- a. Bankruptcy:

Bankruptcy or insolvency of the **Covered Party** or of the **Covered Party's** successor will not relieve **The Trust** of **The Trust's** obligations under this coverage.

- b. Duties of **Covered Parties** In The Event Of Potential or Actual **Claim** or **Suit**:

- (1) **The Participant** and any other **Covered Entity** must see to it that **The Trust** is notified as soon as practicable after **The Participant** or other **Covered Entity** becomes aware of any situation or circumstances which may result in a **Claim** being made against any **Covered Party** alleging **Sexual Abuse or Molestation**. To the extent possible, notice should include:

- (a) A description of the situation or circumstances, including how, when and where it occurred;
- (b) The names and addresses of any involved persons and witnesses; and
- (c) The nature and extent of any damage arising or likely to arise out of the situation or circumstances.

- (2) If during the **Coverage Term** or during an **Extended Reporting Period** (if applicable) a **Covered Party** becomes aware of any situation or circumstances which may reasonably be expected to give rise to a **Claim** against the **Covered Party**, and the **Covered Party** gives **The Trust**

written notice of the specifics of the such situation or circumstances, any **Claim** which is made against the **Covered Party** arising out of such situation or circumstances, shall be treated as a **Claim** made during the **Coverage Term**. If a **Claim** is received by any **Covered Party, The Participant** or other **Covered Entity** must:

- (a) Immediately record the specifics of the **Claim** and the date received; and
 - (b) Notify **The Trust**, in writing, as soon as practicable.
- (3) **The Participant** or other **Covered Entity** and any other involved **Covered Party** must:
- (a) Immediately send **The Trust** copies of any demands, notices, summonses or legal papers received in connection with the **Claim** or **Suit**;
 - (b) Authorize **The Trust** to obtain records and other information;
 - (c) Cooperate with **The Trust** in the investigation, settlement or defense of the **Claim** or **Suit**, and
 - (d) Assist **The Trust**, upon **The Trust's** request, in the enforcement of any right against any person or organization which may be liable to the **Covered Party** because of injury or damage to which this coverage may also apply.
- (4) No **Covered Parties** will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense without **The Trust's** consent.

c. Defense, Investigation and Settlement of Claims:

- (1) **The Trust** shall have the right and duty to defend any **Suit** against a **Covered Party** seeking damages which are payable under the terms of this Coverage Part, even if any of the allegations of the **Suit** are groundless, false or fraudulent. In exercising its right to control the defense of a **Covered Entity** or other **Covered Parties, The Trust** reserves the right to assert any immunities under state or federal law which may apply to limit the liability of the **Covered Party** being defended.
- (2) A **Covered Party** shall have the right to associate in the defense of any **Claim** or **Suit** being defended by **The Trust**, but shall do so solely at a **Covered Party's** own expense. To the extent allowed by the applicable reinsurance or excess insurance policies purchased by **The Trust**, reinsurers or excess insurers of **The Trust** shall also have the right to associate in the defense of claims likely to exceed the self-insured retention ("S.I.R.") of **The Trust** as stated in the applicable reinsurance or excess insurance policies.
- (3) This Trust Coverage Part does not provide primary coverage for any **Claims** or **Suits** which are otherwise covered under any commercial or personal primary insurance policies purchased by **Covered Entities** or other **Covered Parties** subject to the Other Coverage provisions herein.
- (4) **The Trust** may also make such investigation and settlement of any **Claim** or **Suit** as it deems expedient; provided, however, that **The Trust** shall not be obligated to pay any **Claim** or judgment or defend any **Suit** after any

applicable limits of liability have been exhausted under the terms of this Coverage Part.

- (5) All settlements shall be approved by the Executive Committee or their designee in accordance with the guidelines adopted by a majority vote of the Board. No **Covered Party** shall, except at its own cost and for its own account, make any payment, admit any liability, settle any **Claim** or **Suit**, assume any obligation, or incur any expense without the written consent of **The Trust**.
- (6) A decision by the Executive Committee or its designee to settle a **Claim** or **Suit** against a **Covered Party** shall be binding upon that party, whose consent will not be required, except for amounts paid in excess of the limits provided to that **Covered Party** under this Coverage Part.
- (7) If the **Covered Party** refuses to execute a settlement agreement or any related documents, previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claim** or **Suit** within the limits provided to that **Covered Party** under this Coverage Part, then **The Trust's** liability shall not exceed the combined amount for which **The Trust** would have been liable for damages and claims expenses if the **Claim** or **Suit** or proceeding had been settled or compromised as determined by the Executive Committee. **The Trust** will then have no liability for any additional damages or claims expenses accruing thereafter.
- (8) **The Trust** shall have the right to withdraw from the defense of any **Covered Party** if:
 - (a) The **Covered Party** refuses to execute a settlement agreement or any related documents previously approved by the Executive Committee or its designee, or otherwise refuses to authorize a settlement of any covered **Claim** or **Suit** within the limits provided to that **Covered Party** under the Coverage Document;
 - (b) The limits of liability for any **Claim** or **Suit** made against a **Covered Party** have been exhausted;
 - (c) All covered **Claims** against a **Covered Party** have been dismissed or otherwise disposed of, and the only remaining claims against the **Covered Party** are not covered under the terms of the Coverage Document;
 - (d) The **Covered Party** is found guilty of or pleads no contest to **Sexual Abuse or Molestation** in a court of competent jurisdiction;
 - (e) The **Covered Party** admits to **Sexual Abuse or Molestation**; or
 - (f) The **Covered Party** fails to comply with all of the conditions and duties in this Sexual Abuse or Molestation Coverage Part.
- (9) The decision to withdraw from the defense of a **Covered Party** shall be determined in the first instance by the Executive Committee, subject to the right of the **Covered Party** to appeal under Section II of this Coverage Document in accordance with procedures adopted by the Board of Trustees. Upon receiving the notice of withdrawal from the Trust Administrator, the **Covered Party** shall assume the obligation of defending itself.

- (10) **The Trust** shall be permitted to defend a **Covered Party** under a reservation of rights and/or a non-waiver agreement, whereby **The Trust** agrees to defend a **Covered Party** without waiver of, and subject to:
- (a) Any exclusions which may otherwise apply under the terms of the Trust Coverage Document and/or;
 - (b) Any defense, legal or equitable, which **The Trust** may have against the **Covered Party**, which may justify exclusion of any **Claim(s)** against the **Covered Party** which is defended by **The Trust**, under a reservation of rights.
- d. Other Coverage or "**Insurance**":
- (1) This coverage is primary, except when stated to apply in excess of or contingent upon the absence of other "**insurance**". When this coverage is primary and the **Covered Party** has other "**insurance**" which is stated to be applicable to the loss on an excess or contingent basis, the amount of **The Trust's** liability under this coverage shall not be reduced by the existence of such other "**insurance**."
- When this coverage is excess, **The Trust** will have no duty to defend any **Claim** or **Suit** that any other insurer has a duty to defend. If no other insurer defends, **The Trust** will undertake to do so, but **The Trust** will be entitled to the **Covered Party's** rights against all those other insurers.
- When this coverage is excess over other "**insurance**," **The Trust** will pay only **The Trust's** share of the amount of the loss, if any, that exceeds the sum of:
- (a) The total amount that all such other "**insurance**" would pay for the loss in the absence of this coverage; and
 - (b) The total of all deductible and self insured amounts under all such other "**insurance**".
- (2) When both this coverage and other "**insurance**" apply to the loss on the same basis, whether primary, excess or contingent, **The Trust** shall not be liable under this coverage for a greater proportion of the loss than that stated in the applicable Method of Sharing provision below.
- (3) Method of Sharing:
- (a) If all of the other "**insurance**" permits contribution by equal shares, **The Trust** will follow this method also. Under this method each insurer contributes equal amounts until it has paid its applicable Limit of "**Insurance**" or none of the loss remains, whichever comes first.
 - (b) If any of the other "**insurance**" does not permit contribution by equal shares, **The Trust** will contribute by equal 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.
- (4) As used in this Other Coverage or "**Insurance**" section above, "**insurance**" means:
- (a) A commercial insurance policy or policies (with or without a deductible or self-insured retention);

- (b) Coverage provided by an insurance pool, trust, group self-insurance fund, risk retention group or similar entity by whatever name known (with or without a deductible or self-insured retention); or
 - (c) Any structured self-insurance or indemnity programs maintained by one or more **Covered Parties**.
- e. Representations - By accepting this coverage, **The Participant** or other **Covered Entity** agrees that:
 - (1) The Application for coverage completed in solicitation of this coverage is made a part of this coverage as though set forth in full herein;
 - (2) The statements in Application for coverage, including the warranty statement contained therein, are accurate and complete;
 - (3) Those statements constitute representations made to **The Trust** on behalf of **The Participant** or other **Covered Entity** named in **The Participant's** Declarations; and
 - (4) **The Trust** has issued this coverage in reliance upon those representations.
- f. Separation of **Covered Parties**:

Except with respect to the Limits of Liability, and any rights or duties specifically assigned to **The Participant** or other **Covered Entity**, this coverage applies:

 - (1) As if each **Covered Party** were the only **Covered Party**; and
 - (2) Separately to each **Covered Party** against whom **Claim** is made or suit is brought.
- g. Deductible
 - (1) **The Trust's** obligation to pay **Loss** on behalf of a **Covered Party** applies only to the amount of **Loss** in excess of any deductible amount stated in the Liability Coverage Declarations for **Sexual Abuse or Molestation**.
 - (2) The deductible amount stated in the Liability Coverage Declarations for Sexual Abuse or Molestation, if any, applies to all **Loss** sustained by any person or organization as the result of any one **Perpetrator. Claims** or **Suits** based on or arising out of the same act or inter-related acts of any one **Perpetrator** shall be considered a single **Claim**.
 - (3) The deductible amount stated in the Liability Coverage Declarations for Sexual Abuse or Molestation applies separately to each **Claim** and the deductible shall be applied regardless of whether or not actual payment of judgments and settlements is involved. **Claims** based on, or arising out of, the same act or inter-related acts of any one **Perpetrator** shall be considered a single **Claim**.
 - (4) The terms of this coverage, including those with respect to **The Trust's** right and duty to defend any **Claims** or **Suits** seeking damages, and **The Trust's** duties in the event of potential or actual **Claim** or **Suit**, apply irrespective of the application of the deductible amount.
 - (5) **The Trust** 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; a **Covered Entity** shall promptly reimburse **The Trust** for such part of the deductible amount as has been paid by **The Trust**.
- h. Should a **Covered Party** fail to comply with the conditions in Section 5 and the duties contained therein, **The Trust** shall have the right to deny coverage for

any **Claim** made against the **Covered Party** to which the **Covered Party's** conduct related.

6. Extended Reporting Periods

a. **The Trust** may provide one or more Extended Reporting Periods, as described below, if:

- (1) This coverage is canceled or not renewed; or
- (2) **The Trust** renews or replaces this coverage with coverage that:
 - (a) Has a Retroactive Date later than the date shown in the Liability Coverage Declarations for Sexual Abuse or Molestation; or
 - (b) Does not apply on a claims made basis.

b. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the **Coverage Term** and lasts for:

- (1) Three years for **Claims** arising out of a situation or circumstances reported to **The Trust**, not later than 60 days after the end of the **Coverage Term**, in accordance with paragraph b.(1) of 5. Conditions; or
- (2) Sixty days for all other **Claims**. The Basic Extended Reporting Period does not apply to **Claims** that are covered under any subsequent coverage a **Covered Entity** purchases, or that would be covered but for exhaustion of the amount of coverage applicable to such **Claims**.

c. A Supplemental Extended Reporting Period of up to three years is available, but only by an endorsement and for an extra charge. This supplemental period starts sixty days after the end of the **Coverage Term**. A **Covered Entity** must give **The Trust** a written request for the endorsement within 60 days after the end of the **Coverage Term**. The Supplemental Extended Reporting Period will not go into effect unless a **Covered Entity** pays the additional contribution promptly when due. **The Trust** will determine the additional contribution in accordance with **The Trust's** rules and rates. In doing so, **The Trust** may take into account the following:

- (1) The exposures covered;
- (2) Previous types and amounts of coverage;
- (3) Limits of Coverage available under this coverage for future payment of damages; and
- (4) Other related factors.

The additional contribution for a one, two or three year Supplemental Extended Reporting Period will not exceed 100%, 150% or 200%, respectively, of the annual contribution for this coverage.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the coverage afforded for **Claims** first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

e. Extended Reporting Periods do not extend the **Coverage Term** or change the scope of coverage provided. They apply only to **Claims** for **Sexual Abuse or Molestation** that occur before the end of the **Coverage Term** (but not before the

Retroactive Date, if any, shown in the Liability Coverage Declarations for **Sexual Abuse or Molestation**).

Claims for such injury or damage which are first received and recorded during the Basic Extended Reporting Period (or during the Supplemental Extended Reporting Period, if it is in effect) will be deemed to have been made on the last day of the **Coverage Term**.

Once in effect, Extended Reporting Periods may not be canceled.

- f. Extended Reporting Periods do not reinstate or increase the Limits of Liability applicable to any **Claim** to which this Coverage Document applies.

7. Definitions

As used in this Coverage Part, the following definitions apply:

- a. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- b. **Claim** means a written notice to a **Covered Party** of the intent to hold that **Covered Party** liable for **Sexual Abuse or Molestation**.
- c. **Defense Costs** means all the expenses incurred by **The Trust** in defense of a **Covered Party** and includes:
 - (1) Any attorney's fees paid by **The Trust** to defend a **Covered Party**.
 - (2) The cost of bonds to release attachments and appeal bonds required in any **Suit The Trust** defends, but only for bond amounts within the applicable Limit of Liability, **The Trust** does not have to furnish these bonds.
 - (3) All reasonable expenses incurred by the **Covered Party** at **The Trust's** request to assist **The Trust** 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. Such expenses do not include salaries of officials or employees of a **Covered Entity**; and
 - (4) All costs and taxes awarded against the **Covered Party** in a **Suit** that is defended by **The Trust**.

Defense Costs are not payable in addition to the Limits of Liability. The Limit of Liability available to pay judgments or settlements shall be reduced by **Defense Costs**.

- d. **Loss** means **Defense Costs** and any money that any **Covered Party** is legally obligated to pay on account of a covered **Claim**, including but not limited to, compensatory damages, judgments, awards of a claimant's legal fees and costs, settlements, **Prejudgment Interest** and **Post-judgment Interest**. However, **Loss** does not include enhanced compensatory, punitive or exemplary damages, the multiplied portion of damages, taxes, fines or penalties nor does **Loss** include any costs incurred to comply with any order for or agreement to provide injunctive relief or other non-monetary relief.
- e. **Perpetrator** means an individual who is alleged to have committed, has admitted to committing, or has been convicted in a court of competent jurisdiction as having committed one or more offenses of **Sexual Abuse or Molestation** against one or more purported victims.
- f. **Personal injuries** means:
 - (1) **Bodily Injury**

- (2) Emotional distress, mental injury, mental anguish and shock;
 - (3) False arrest, detention or imprisonment;
 - (4) Malicious prosecution;
 - (5) 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 by or on behalf of its owner, landlord or lessor;
 - (6) Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - (7) Oral or written publication of material that violates a person's right of privacy.
- g. **Prejudgment Interest** means that particular amount of interest awarded against the **Covered Party** on that part of the judgment **The Trust** pays. If **The Trust** makes an offer to pay the applicable **Limit of Liability**, **The Trust** will not pay any prejudgment interest based on that period of time after the offer.
- h. **Post-judgment Interest** means all interest on the full amount of any judgment that accrues after entry of the judgment and before **The Trust** has paid, offered to pay, or deposited in court the part of the judgment that is within the applicable **Limit of Liability**.
- i. **Sexual Abuse or Molestation** means any actual or alleged wrongful sexual conduct with an individual under 18 years of age including but not limited to commission of one or more of the following acts or offenses or a conspiracy or solicitation to commit one or more of the following acts or offenses if the victim was under 18 years of age at the time of the act or offense:
- (1) Trafficking in individuals (pursuant to 18 Pa. C.S. § 3011(b)).
 - (2) Involuntary servitude as it relates to sexual servitude (pursuant to 18 Pa. C.S. § 3012).
 - (3) Rape (pursuant to 18 Pa. C.S. § 3121).
 - (4) Statutory sexual assault (pursuant to 18 Pa. C.S. § 3122.1).
 - (5) Involuntary deviate sexual intercourse (pursuant to 18 Pa. C.S. § 3123).
 - (6) Sexual assault (pursuant to 18 Pa. C.S. § 3124.1).
 - (7) Institutional sexual assault (pursuant to 18 Pa. C.S. § 3124.2).
 - (8) Aggravated indecent assault (pursuant to 18 Pa. C.S. § 3125).
 - (9) Incest (pursuant to 18 Pa. C.S. § 4302).
- j. **Suit** means a civil proceeding in which compensatory damages because of **Sexual Abuse or Molestation** to which this coverage applies are alleged. **Suit** includes an arbitration proceeding or any other alternative dispute resolution proceeding alleging such damages to which a **Covered Entity** must submit or submit with **The Trust's** consent.