

## BEAZLEY BLUEPRINT

### MANUFACTURER'S PROFESSIONAL LIABILITY, POLLUTION LIABILITY, MULTIMEDIA AND ADVERTISING AND PRODUCT RECALL INSURANCE.

NOTICE: Insuring Clauses A., B. and C. are provided on a Claims Made and Reported Basis and apply only to **Claims** first made against the **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable) and reported in writing to the Underwriters either during the **Policy Period**, within sixty (60) days after the expiration of the **Policy Period** or during the **Optional Extension Period** (if applicable). The Limit of Liability shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Claims Expenses** are subject to the Deductible. Please review the coverage afforded under this Insurance Policy carefully and discuss the coverage hereunder with your insurance agent or broker.

Insuring Clause D. of this policy provides first party coverage on an incident discovered and reported basis and applies only to incidents first discovered by the insured and reported in writing to the underwriters during the **Policy Period**.

**THIS INSURANCE IS NOT A COMMERCIAL GENERAL LIABILITY POLICY AND DOES NOT APPLY TO DAMAGES OR CLAIMS EXPENSES FOR OR RESULTING FROM ANY CLAIM FOR BODILY INJURY OR PROPERTY DAMAGE ARISING OUT OF AN ACCIDENT.**

In consideration of the payment of the premium and reliance upon the statements in the **Application** which is deemed a part of this Insurance Policy (hereinafter referred to as the "Policy" or "Insurance") and subject to the Limit of Liability, deductible, exclusions, conditions and other terms of this Insurance, the Underwriters agree with the **Named Insured**:

#### I. INSURING CLAUSES

##### A. Manufacturer's Professional Liability Coverage

To pay on behalf of the **Insured Damages** and **Claims Expenses**, in excess of the Deductible, which the **Insured** shall become legally obligated to pay with respect to any **Financial Loss**, because of any **Claim** first made against the **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause XII., arising out of:

1. any **Wrongful Act** which occurs on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** in the course of the rendering or failure to render **Manufacturer's Professional Services** by the **Insured** or by any person for who the **Named Insured** is legally responsible; or

2. any unintentional **Breach of Contract** which occurs on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** arising out of the rendering or failure to render **Manufacturer's Professional Services** by the **Insured** or by any person for whom the **Named Insured** is legally responsible.

**B. Pollution Liability Coverage**

To pay on behalf of the **Insured Damages, Cleanup Costs and Claims Expenses**, in excess of the Deductible, which the **Insured** shall become legally obligated to pay because of any **Claim for Pollution Condition** first made against the **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause XII., provided such **Pollution Condition**:

1. is on, at, under or migrates from a **Covered Location** during the **Policy Period**; or
2. is on, at, under or migrates from a **Non-Owned Disposal Site** during the **Policy Period**; or
3. wholly occurring during and resulting solely from **Transportation**. This shall not be utilized to evidence financial responsibility of any **Insured** under any federal, state, provincial or local law during the **Policy Period**;

and is both sudden and accidental and first commenced during the **Policy Period** and finally ends within seven (7) consecutive days from its first commencement.

**C. Multimedia and Advertising Coverage**

To pay on behalf of the **Insured Damages and Claims Expenses**, in excess of the Deductible, which the **Insured** shall become legally obligated to pay in respect of any **Financial Loss**, because of any **Claim** first made against the **Insured** during the **Policy Period** or **Optional Extension Period** (if applicable) and reported in writing to the Underwriters during the **Policy Period** or as otherwise provided in Clause XII., for any liability imposed by law or **Assumed Under Contract** arising out of:

1. defamation, libel, slander, product disparagement, trade libel, prima facie tort, infliction of emotional distress, outrage, outrageous conduct, or other tort related to disparagement or harm to the reputation or character of any person or organization;
2. invasion of or interference with the right to privacy or of publicity;

3. misappropriation of any name or likeness for commercial advantage;
4. false arrest, detention or imprisonment or malicious prosecution;
5. invasion of or interference with any right to private occupancy, including trespass, wrongful entry, eviction or eavesdropping;
6. plagiarism, piracy or misappropriation of ideas under implied contract;
7. infringement of copyright;
8. infringement of trade dress, domain name, title or slogan, or the dilution or infringement of trademark or service mark;
9. negligence regarding the content of any **Media Communication**, including harm caused through any reliance or failure to rely upon such content; or
10. misappropriation of trade secret

which occurs on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** in the course of the **Named Insured's** performance of **Manufacturer's Professional Services** or **Media Activities**.

#### D. **Product Recall**

To pay directly to the **Insured Organization Product Recall Expenses** in excess of the Deductible as the result of a **Recall Event** in relation to any **Insured's** product which was manufactured, sold, handled or distributed on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** but only if:

1. The **Recall Event** was initiated during the **Policy Period**; and
2. The **Recall Event** is discovered by the **Insured** and is reported in writing to the Underwriters during the **Policy Period**.

## II. **SUPPLEMENTARY PAYMENTS**

All payments made under this Clause are not subject to the Deductible and are part of, and not in addition, to the Policy Aggregate Limit of Liability set forth in Item 3.A.iii of the Declarations.

### A. **Defendants Reimbursement**

Upon the Underwriters request, the **Insured** shall attend mediation meetings, arbitration proceedings, hearings, depositions and trials relative to the defense of a **Claim**. After the first three (3) days' attendance

required for each **Claim**, the Underwriters shall reimburse the **Insured**, upon written request, for actual loss of earnings and reasonable expenses due to such attendance up to \$500 for each day in the aggregate for all **Insureds** subject to a maximum amount of \$10,000 for each **Claim**.

B. Disciplinary Proceedings Reimbursement

The Underwriters will reimburse the **Insured**, upon written request, for legal fees and expenses up to \$10,000 in the aggregate for the **Policy Period**, incurred by the **Insured** with the prior written consent of the Underwriters, in responding to a disciplinary proceeding brought directly against the **Insured** during the **Policy Period** provided that the disciplinary proceeding:

1. arises out of the rendering of or failure to render **Manufacturer's Professional Services**; and
2. is reported to the Underwriters during the **Policy Period**.

After the Underwriters have paid \$10,000 under this Clause II.B., the Underwriters shall not be obligated to pay any further legal fees and expenses.

C. Reputation Management Reimbursement

The Underwriters will reimburse the **Named Insured** fifty percent (50%) of the first \$30,000 in Reputational Management Expenses incurred by the **Named Insured** for reputational management consulting services which are incurred in connection with a **Claim** covered under this Policy that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.

Reputational Management Expenses means reasonable fees, costs, and expenses incurred by the **Named Insured** for reputational management consulting services provided by a public relations firm to the **Named Insured** in response to a **Claim**.

After the Underwriters have paid \$15,000 under this Clause II.C., the Underwriters shall not be obligated to pay any further Reputational Management Expenses.

D. Business Interruption Loss and Extra Expense

The Underwriters will reimburse the **Insured** up to USD 30,000 in the aggregate for the **Policy Period**, **Business Interruption Loss** and **Extra Expense**, incurred by the **Insured** after the **Deductible Period** and during the **Period of Restoration** or the **Extended Interruption Period** (if applicable) solely as a result of a **Claim** for a **Pollution Condition** covered under Insuring Clause B.1.

E. Consequential Damages

The Underwriters will pay on behalf of the **Insured** up to USD 10,000 in the aggregate for the **Policy Period, Consequential Damages** as the result of a **Recall Event** in relation to the **Insured's** product covered under Insuring Clause D.

III. DEFINITIONS

Wherever used in this Policy in bold face type, the following definitions shall apply.

- A. **“Additional Recall Expenses”** means any and all expenses the **Insured** incurs, and that the **Insured** would not have otherwise incurred, as the result of **Recall Event**, or the potential thereof.
- B. **“Advertising”** means material which promotes the product, service or business of the **Named Insured** or others.
- C. **“Application”** means all signed applications, including all attachments, supplementary material and other materials submitted therewith or incorporated therein, and any other such documents submitted in connection with the underwriting of this Policy including any endorsement or other part thereof, or any other policy issued by the Underwriters, of which this Policy is a renewal, replacement or which it succeeds in time.
- D. **“Assumed Under Contract”** means liability assumed by the **Named Insured** under a written hold harmless or indemnity agreement regarding the content of **Media Material** used in a **Media Communication**, but only as respects acts for which insurance is afforded under Insuring Clause C.
- E. **“Bodily Injury”** means physical injury, sickness, disease or death of any person, including any mental anguish or emotional distress resulting therefrom.
- F. **“Breach of Contract”** means an unintentional breach of a written contract relating to the performance of **Manufacturer's Professional Services**.
- G. **“Business Interruption Loss”** means the total of:
1. net income, which is net profit, if any, that would have been earned before taxes (or if there is a net loss before taxes, the net loss is deducted),
  2. continuing normal operating expenses incurred excluding payroll not deducted in 1. above, and
  3. the **Insured Organization's** tax credits, if any, that would have been granted, solely due to the reasonably and necessary

suspension of the **Insured Organization's** operations during the **Period of Restoration** at a **Covered Location**.

- H. **"Cargo"** means an **Insured's** waste, materials, goods or **Products** transported by automobile, aircraft, watercraft or other conveyance for delivery by a carrier properly licensed to transport such waste, materials, goods or **Products**.
- I. **"Circumstance"** means any fact, event or situation that could reasonably be the basis for a **Claim**.
- J. **"Claim"** means:
1. a written demand received by any **Insured** for money or services, including the service of a suit or institution of regulatory or arbitration proceedings; and
  2. with respect to coverage provided under Insuring Clause A., C. and D., only a written request or agreement to toll or waive a statute of limitations relating to a potential **Claim** described in paragraph 1. above;

Multiple **Claims** arising from the same or a series of related or repeated **Wrongful Acts**, incidents, events, acts, errors or omissions arising from **Pollution Conditions** or from any continuing **Wrongful Acts**, incidents, event, acts, errors or omissions arising from **Pollution Conditions** shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of Claimants or **Insureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

- K. **"Claims Expenses"** means:
1. reasonable and necessary fees charged by an attorney designated or consented to by the Underwriters;
  2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit or proceeding arising in connection therewith, if incurred by the Underwriters, or by the **Insured** with the prior written consent of the Underwriters; and
  3. premiums for appeal bonds for covered judgments or bonds to release property used to secure a legal obligation, if required for a **Claim** against any **Insured**, provided, however, that the Underwriters shall have no obligation to appeal or to obtain such bonds;

**Claims Expenses** do not include any salary, overhead or other charges of or by the **Insured** for any time spent in cooperating in the defense and investigation of any **Claim** notified under this Insurance, or costs to

remediate an act, error or omission, comply with warranties or representations made by the **Insured** in connection with the manufacture, design, sale, supply, installation, repair, alteration, treatment, dispatch or delivery of any product by or on behalf of the **Insured**, without the prior written consent of the Underwriters.

L. **“Cleanup Costs”** means:

1. reasonable and necessary costs, charges and expenses incurred (if by an **Insured**, with the prior written consent of the Underwriters, such consent not to be unreasonably withheld or delayed) in the investigation, assessment, removal, disposal, abatement, containment, treatment, remediation (including the associated testing and monitoring) or neutralization of a **Pollution Condition**, to the extent required by **Environmental Laws**, required by a **Licensed Site Professional**;
2. reasonable and necessary fees charged by an attorney designated or consented to by the Underwriters, such consent not to be unreasonably withheld or delayed, incurred in connection with any such **Cleanup Costs**;
3. reasonable and necessary **Restoration Costs**; and/or
4. reasonable and necessary expenses incurred to respond to an imminent and substantial endangerment to the public health or welfare or to the environment because of a **Pollution Condition**; provided that, as a condition precedent to coverage, the **Insured Organization** shall forward written notice to the Underwriters of any action taken and expense incurred pursuant to this section as soon as practicable, but in no event later than seventy-two (72) hours after any such **Cleanup Costs** have been incurred or assumed.

M. **“Computer System”** means any computer, hardware, software, communications system, electronic device (including, but not limited to, any smart phone, laptop, tablet or wearable device), server, cloud or microcontroller, including any similar system or any configuration of the aforementioned and including any associated input, output, data storage device, networking equipment or back up facility, owned or operated by the **Insured** or any other party.

N. **“Consequential Damages”** means the reasonable and necessary costs, expenses, and financial loss to a third party.

O. **“Control Group”** means the individuals holding the following positions for the **Insured Organization**: President; members of the Board of Directors; executive officers, including the Chief Executive Officer, Chief Operating Officer, and Chief Financial Officer; General Counsel, staff attorneys employed by the **Insured Organization**; Chief Information Officer; Chief Security Officer; Chief Privacy Officer; Manager; and any individual in a substantially similar position as those referenced above, or

with substantially similar responsibilities as those referenced above, irrespective of the exact title of such individual and any individual who previously held any of the above referenced positions.

- P. **“Covered Location”** means any location specified in Item 10. of the Declarations or in a Covered Location Endorsement attached to this Policy.
- Q. **“Cyber Act”** means any actual or alleged unauthorised, malicious or criminal act or series of related unauthorised, malicious or criminal acts, or the threat or hoax thereof, regardless of time and place, involving access to, processing of, disclosure of, use of, suspension of or operation of any **Computer System** or **Data**.
- R. **“Cyber Incident”** means:
1. any actual or alleged error, omission or accident, or series of related errors, omissions or accidents, involving any **Computer System**;
  2. any partial or total unavailability or failure or series of related partial or total unavailability or failures to access, process, use or operate any **Computer System**; or
  3. any actual or alleged violation of any **Privacy Law** in relation to **Data**.
- S. **“Damages”** means a monetary judgment, award or settlement of compensatory damages, including any pre-judgment and/or post-judgment interest thereon.

The term **Damages** shall not include or mean:

1. future profits, restitution, royalties, disgorgement of unjust enrichment or profits by an **Insured**, or the costs of an **Insured** to comply with orders granting injunctive or equitable relief, or any profit which the **Insured** is not legally entitled to;
2. return or offset of fees, charges, or commissions for goods or services already provided or contracted to be provided;
3. costs incurred by the **Insured** to correct, re-perform or complete any **Media Activities**;
4. costs incurred by the **Insured** to recall, repair, fix, correct, complete, re-perform or upgrade any **Manufacturer’s Professional Services** in whole or in part;
5. any damages which are a multiple of compensatory damages;

6. fines, taxes or loss of tax benefits, sanctions or penalties assessed against the **Insured**;
  7. punitive or exemplary damages, unless insurable by law under the law under which this Policy is construed;
  8. discounts, refunds, credits, coupons, prizes, awards or other incentives offered to the **Insured's** customers or clients;
  9. liquidated damages to the extent that such damages exceed the amount for which the **Insured** would have been liable in the absence of such liquidated damages agreement;
  10. any amounts for which the **Insured** is not liable, or for which there is no legal recourse against the **Insured**; or
  11. matters deemed uninsurable under the law pursuant to which this Policy shall be construed;
- T. **“Data”** means any information, facts, concepts or code that is recorded or transmitted in a form to be used, accessed, processed, transmitted or stored by a **Computer System**.
- U. **“Data Breach”** means the actual or alleged theft, loss or unauthorised disclosure of **Data** that is in the care, custody or control of the **Insured** or a third party for whose theft, loss or unauthorised disclosure of **Data** the **Insured** is liable.
- V. **“Deductible Period”** means the period of time that begins at the date and time that the Underwriters receive and record written notice of the necessary suspension of the **Insured's** operations due to a **Pollution Condition** on, at, under or migrating from the a **Covered Location** and ends within five (5) days thereafter.
- W. **“Engineering Controls”** means physical modifications to a **Covered Location** to reduce or eliminate the potential exposure to **Pollution Conditions**.
- X. **“Environmental Laws”** means any federal, state, provincial or local laws, including but not limited to statutes, rules, regulations, ordinances, guidance documents, and governmental, judicial or administrative orders and directives that are applicable to **Pollution Conditions** to which this Insurance applies.
- Y. **“Extended Interruption Period”** means the period of time that:
1. begins on the date and time that the **Period of Restoration** ends; and
  2. terminates on the date and time the **Insured** restores, or would have restored if the **Insured** had exercised due diligence and

dispatch, the net profit before income taxes that would have been earned by the **Insured** directly through its business operations had the actual and necessary interruption or suspension of the **Insured's** business operations not occurred;

Provided that in no event shall the **Extended Interruption Period** mean more than or exceed thirty (30) days.

- Z. **"Extra Expense"** means the necessary expenses incurred by the **Insured Organization**, over and above the **Insured Organization's** continuing normal operating expenses, during the **Period of Restoration**, that the **Insured Organization** would not have incurred had there been no **Pollution Condition** discovered at the **Covered Location**, provided that the expenses are incurred to avoid or minimize the suspension of business and to continue operations:
1. at the **Covered Location**, or
  2. at replacement or temporary location(s), including:
    - i. relocation expenses; and
    - ii. cost to equip and operate the replacement or temporary location(s).

Subject to the terms and conditions of this Policy, the Underwriters will pay no more for **Extra Expenses** than the percentage shown below multiplied by the Aggregate Limit of Liability set forth in Item 3.A.i of the Declarations. If the **Period of Restoration** is:

1. 30 days or less, the percentage applied to the Limit of Liability shall be 40%;
2. 31-60 days, the percentage applied to the Limit of Liability shall be 80%; or
3. 61 days or more, the percentage applied to the Limit of Liability shall be 100%.

AA. **"Financial loss"** means third party financial loss following acceptance of the **Insured's** product or a part thereof in accordance with the terms and conditions of an applicable contract or agreement.

BB. **"Insured"** shall mean:

1. the **Named Insured** and any **Subsidiary** of the **Named Insured**, if expressly declared in the **Application** (together the **Insured Organization**).

2. a director or officer of the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
  3. an employee (including a **Temporary Employee**) of the **Insured Organization**, but only for work done while acting within the scope of his or her employment and related to the conduct of the **Insured Organization's** business;
  4. a principal if the **Named Insured** is a sole proprietorship, or a partner if the **Named Insured** is a partnership, but only with respect to the performance of his or her duties as such on behalf of the **Named Insured**;
  5. any person who previously qualified as an **Insured** under 2, 3 or 4 above prior to the termination of the required relationship with the **Insured Organization**, but only with respect to the performance of his or her duties as such on behalf of the **Insured Organization**;
  6. the estate, heirs, executors, administrators, assigns and legal representatives of any **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would otherwise be provided coverage under this Insurance;
  7. any person who is an independent contractor or agent of the **Named Insured**, but only with respect to the performance of **Manufacturer's Professional Services** on behalf of the **Named Insured** within the scope of their **Third Party Contractual Agreement**;
- CC. "**Institutional Controls**" means legal and administrative restrictions on the use of or access to a **Covered Location** which are designed to reduce or eliminate the potential for exposure to **Pollution Conditions**.
- DD. "**Licensed Site Professional**" means a licensed environmental scientist or engineer that is in good standing with, and acting under the authority of federal, state, provincial or local laws for the purpose of addressing **Pollution Conditions** at a **Covered Location**.
- EE. "**Loss**" means **Damages, Claims Expenses, Cleanup Costs** and **Product Recall Expenses** and any other supplementary payments covered under this Policy.
- FF. "**Manufacturer's Professional Services**" means:
1. design, development, manufacturing, selling and value-added reselling of products by the **Insured** and including materials, parts and equipment provided by the **Insured** in connection with the **Insured's** products;

2. the **Insured's** advice, consultancy, design, plan, specification, formula, labeling, packing, instructions for use, warnings or similar but only insofar as provided in connection with or incorporated in any product supplied by or on behalf of the **Insured**;
  3. installation of the **Insured's** products by the **Insured**;
  4. training by the **Insured** in the use of, support of, servicing of, maintenance of, and repair of the **Insured's** products for others;
- GG. **"Media Communication"** means the display, broadcast, dissemination, distribution or release of **Media Material** to the public by the **Named Insured**.
- HH. **"Media Material"** means information in the form of words, sounds, numbers, images, or graphics in electronic, print or broadcast form, including **Advertising**, but does not mean computer software.
- II. **"Media Activities"** means **Media Communication** and/or the gathering, collection or recording of **Media Material** for inclusion in any **Media Communication** in the ordinary course of the **Named Insured's** business.
- JJ. **"Microbial Matter"** means fungi, mold or mildew.
- KK. **"Named Insured"** means only those persons, partnerships, corporations or entities specified in Item 1 of the Declarations.
- LL. **"Non-Owned Disposal Site"** means any location used by the **Insured Organization** for the treatment, storage or disposal of waste or materials generated at a **Covered Location**, provided that such location:
1. is not managed, operated, owned or leased by any **Insured** or an affiliate of any **Insured**; and
  2. is properly permitted and/or licensed by the applicable federal, state, local or provincial authorities to accept such waste or materials as of the date the waste or materials are treated, stored or disposed of at such location; and
  3. is within the United States, its territories or possessions, or in Canada; and
  4. is not listed on a proposed or final Federal National Priorities List and/or any state or provincial equivalent National Priority List, Superfund or Hazardous Waste List prior to the treatment, storage or disposal of the waste or material at such location; and
  5. is not owned or operated by a bankrupt or financially insolvent entity as of the date the waste or materials are treated, stored or

disposed of at such location.

MM. “**Optional Extension Period**” means the period of time after the end of the **Policy Period** for reporting **Claims** as provided in Clause XIII. of this Policy.

NN. “**Period of Restoration**” means the time period that:

1. Begins on the specific date and time that the actual and necessary interruption or suspension of the **Insured’s** business operations first occurred; and
2. Ends on the specific date and time that the actual and necessary interruption or suspension of the **Insured’s** business operations ends, or would have ended had the **Insured** acted with due diligence and dispatch;

Provided that in no event shall the **Period of Restoration** mean more than or exceed thirty (30) days.

OO. “**Policy Period**” means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this Insurance and specifically excludes any **Optional Extension Period** or any prior policy period or renewal period.

PP. “**Pollution Condition**” means the actual or alleged discharge, dispersal, release, escape, migration, seepage or illicit abandonment of any solid, liquid, gaseous or thermal irritant, contaminant or pollutant, including but not limited to, smoke, vapors, soot, fumes, acids, alkalis, chemicals, toxic or hazardous substances, waste materials, including medical infectious and pathological waste, low-level radioactive waste and material into or upon land or structures thereupon, the atmosphere or any watercourse, body of water or groundwater, which results in **Bodily Injury, Property Damage or Cleanup Costs** to which this Insurance applies. **Pollution Condition** includes the presence of legionella pneumophilia and **Microbial Matter** on, at or within any structures at the **Covered Location**. **Pollution Condition** does not include any exposure to infected humans or animals, or contact with bodily fluids or infected humans or animals.

For the purpose of this Policy, the same, continuing or series of related or repeated **Pollution Conditions** shall be considered a single **Pollution Condition**, irrespective of the number of claimants or **Insureds** involved in the **Claim**.

QQ. “**Privacy Law**” means any law or regulation concerning the collection, use, safeguarding, handling, storage, retention or destruction of information.

RR. “**Pre-Claim Incident Costs**” means the reasonable sums incurred by the **Insured Organization** for analysis (including physical and chemical

examination) of the **Insured's** product to conclude if it will or could cause a **Recall Event**. Also, any **Additional Recall Expenses** which the **Insured** incurs.

- SS. **"Product"** means any goods or products, other than real property, manufactured, designed, developed, sold, handled by the **Insured Organization**.
- TT. **"Product Recall Expenses"** means **Pre-Claim Incident Costs** and **Recall Costs**.
- UU. **"Property Damage"** means:
1. physical injury to or destruction of any tangible property, including the loss of use thereof; or
  2. loss of use of tangible property that has not been physically injured or destroyed.
- VV. **"Recall Costs"** means all reasonable and necessary costs and expenses, which are not otherwise excluded, to remedy a **Recall Event**. **Recall Costs** also includes the additional expenses the **Insured Organization** incurs to re-establish the **Insured's** product to the practical trajectory the **Insured Organization** anticipated prior to the **Recall Event**. Also, any **Additional Recall Expenses** which the **Insured Organization** incurs.
- WW. **"Recall Event"** means voluntary or involuntary removal of the **Insured's** product from a third party.
- XX. **"Related Party"** means the **Insured Organization** and any past, present or future employees, directors, officers, managers, partners or natural person Independent Contractors of the **Insured Organization**.
- YY. **"Restoration Costs"** means expenses required to restore, repair or replace real or personal property to substantially the same condition it was in prior to being damaged during the course of responding to a **Pollution Condition** which results in a covered **Claim** under Insuring clause B. These costs will not exceed the actual cash value of such real or personal property immediately prior to such damage, or include costs associated with improvements or betterments. Actual cash value shall mean the cost to replace such real or personal property, immediately prior to such damage, minus the accumulated depreciation of the real or personal property.
- ZZ. **"Subsidiary"** means any corporate entity while more than 50% of the outstanding securities representing the present right to vote for the election of such entity's directors are owned by the Named Insured directly or indirectly, if such entity:
1. was so owned on the inception date of this Policy;

2. becomes so owned after the inception date of this Policy provided the revenues of the entity do not exceed 10% of the Named Insured's Annual Revenues as set forth in their most recent application for insurance; or
3. becomes so owned after the inception date of this Policy provided that if the revenues of the entity exceed 10% of the Named Insured's Annual Revenues as set forth in their most recent application for insurance, the provisions of Clause XVIII, Mergers and Acquisitions, must be fulfilled.

AAA. **"Temporary Employee"** means a natural person furnished to the **Insured Organization** to meet short term or project specific workloads and for whom the **Insured Organization** has the right to direct and control the means of performance. A **Temporary Employee** is not an employee of the **Insured Organization**. A leased employee is not a **Temporary Employee**.

BBB. **"Third Party Contractual Agreement"** means a written, signed agreement executed by the **Named Insured** and is with an individual person who is an independent contractor or agent, but only when such agreement:

1. specifies the actual **Manufacturer's Professional Services** to be performed by such independent contractor or agent solely on behalf of the **Named Insured**;
2. provides that the **Manufacturer's Professional Services** performed by the independent contractor or agent will be under the supervision and at the direction of the **Named Insured**;
3. states that the **Named Insured** will indemnify the independent contractor or agent for the **Manufacturer's Professional Services** performed on behalf of the **Named Insured**; and
4. is entered into before a **Wrongful Act** occurs which subsequently leads to a **Claim**.

CCC. **"Transportation"** means the movement of the **Insured's Cargo** to or from a **Covered Location** and includes the carrier's loading and unloading of the **Insured's** product onto or from an automobile, aircraft, watercraft or other conveyance provided that the loading and unloading is performed by or on behalf of the **Insured**.

DDD. **"Underground Storage Tank"** means any stationary container or vessel, including the associated piping connected thereto, which is (1) ten percent (10%) or more beneath the surface of the ground; (2) constructed primarily of non-earthen materials; and (3) designated to contain any substance.

EEE. **"Wrongful Act"** means a negligent act, error or omission arising out of the rendering or failure to render **Manufacturer's Professional Services** and which results in the failure of any product or part thereof to perform

the function for which it was manufactured, designed, sold, supplied, installed, repaired, altered, treated, dispatched, or for which training was provided.

#### IV. DEFENSE, SETTLEMENT AND INVESTIGATION OF CLAIMS

- A. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, exclusions and other terms and conditions of this Policy, any **Claim** against the **Insured** seeking **Damages** which are payable under the terms of this Policy, even if any of the allegations of the **Claim** are groundless, false or fraudulent.
- B. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, exclusions, and other terms and conditions of this Policy, any **Claim** in the form of a civil suit against the **Insured** that seeks injunctive relief (meaning a temporary restraining order or a preliminary or permanent injunction) for one or more of the acts listed in Insuring Clause C. if:
1. the **Claim** is first made during the **Policy Period** or **Optional Extension Period** (if applicable) and reported to the Underwriters pursuant to the terms of this Policy; and
  2. the act or acts were committed on or after the Retroactive Date set forth in Item 6. of the Declarations and before the end of the **Policy Period** in the course of the **Insured's** performance of **Manufacturer's Professional Services** or **Media Activities**.
- C. When the Underwriters defend a **Claim**, it will pay **Claims Expenses** incurred with its prior written consent. The Limit of Liability available to pay **Damages** and **Cleanup Costs** and shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages**, **Cleanup Costs** and **Claims Expenses** shall be applied against the Deductible.
- D. The Underwriters shall have the right to make any investigation it deems necessary, including, without limitation, any investigation with respect to the **Application** and statements made in the **Application** and with respect to coverage.

However, notwithstanding the above, the **Insured's** rights under this Policy shall not be prejudiced by any refusal to disclose the identity of any confidential source of information, or to produce any documentation or information obtained in the course of **Media Activities** in respect of which the **Insured** has asserted a claim of reporter's privilege or any other privilege regarding the protection of news-gathering activities.

- E. If the **Insured** shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the Claimant and elects to contest the **Claim**, the Underwriters liability for any **Damages**, **Cleanup Costs** and **Claims Expenses** shall not exceed the amount for

which the **Claim** could have been settled, less the remaining Deductible, plus the **Claims Expenses** incurred up to the time of such refusal, or the applicable Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**. The portion of any proposed settlement or compromise that requires the **Insured** to cease, limit or refrain from actual or alleged infringing or otherwise injurious activity or is attributable to future royalties or other amounts that are not **Damages** or **Cleanup Costs** shall not be considered in determining the amount for which a **Claim** could have been settled.

- F. It is further provided that the Underwriters shall not be obligated to pay any **Damages, Cleanup Costs** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding after the applicable Limit of Liability has been exhausted by payment of **Damages, Cleanup Costs** and/or **Claims Expenses** or after deposit of the applicable Limit of Liability in a court of competent jurisdiction, and that upon such payment, the Underwriters shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Insured**.

#### V. **TERRITORY**

This Policy applies to acts, errors or omissions or **Pollution Conditions** or **Loss** committed or occurring anywhere in the world, provided the **Claim** is first made against the **Insured** within the United States of America, its territories or possessions or Canada during the **Policy Period** or **Optional Extension Period**, if purchased.

Except this Policy does not apply when a **Claim** is made in a country against which the United States of America (USA) government has imposed trade sanctions, embargoes or any similar regulations that prohibit the transaction of business with or within a country when the **Claim** is first made.

#### VI. **EXCLUSIONS APPLICABLE TO ALL COVERAGES UNDER THIS INSURANCE**

The coverage under this Insurance does not apply to any **Claim** or **Loss**:

- A. **Criminal, Dishonest, Intentional, Fraudulent, Malicious, Willful or Knowing Acts**

for, arising out of or resulting from any criminal, dishonest, intentional, fraudulent, malicious, willful or knowing act, error or omission committed by any **Insured**;

Provided, that this exclusion shall not apply to any **Claim** based upon or arising from the **Insured's** unintentional breach of a written agreement to refrain from disclosing confidential or proprietary information in rendering or failure to render **Manufacturer's Professional Services**.

Also, this Policy shall apply to **Claims Expenses** incurred in defending any **Claim** alleging the foregoing until such time as there is a final adjudication, judgment, binding arbitration decision or conviction against the **Insured**, or written admission by the **Insured**, establishing such conduct, or a plea of nolo contendere or no contest regarding such conduct, at which time the **Named Insured** shall reimburse the Underwriters for all **Claims Expenses** incurred defending the **Claim** and the Underwriters shall have no further liability for **Claims Expenses**;

Provided further, that this exclusion shall not apply with respect to a **Claim** or **Loss** against a specific **Insured** if (i) such **Insured** did not personally commit, participate in or know about any act, error, omission, incident or event giving rise to such **Claim** or **Loss**, and (ii) no act, error, omission, incident or event giving rise to such **Claim** or **Loss** was known to any present or former member of the **Control Group** at the time of or prior to its commission or occurrence.

#### B. **Prior Knowledge, Prior Notice and Prior Acts**

1. for, arising out of or resulting from any actual or alleged **Wrongful Act, Recall Event**, incident, event act, error or omission, or **Pollution Condition** committed, occurring or arising prior to the inception date of this Insurance:
  - a. if the **Control Group** on or before the inception date knew or could have reasonably foreseen that such **Wrongful Act, Recall Event**, incident, event act, error or omission or **Pollution Condition** might be expected to be the basis of a **Claim** or **Loss**; or
  - b. in respect of which any **Insured** has given notice of a **Circumstance** to the insurer of any other policy in force prior to the inception date of this Policy; or
2. for, arising out of related or continuing **Wrongful Acts**, incident, event act, error or omission where the first such **Wrongful Act**, incident, event was committed or arose prior to the Retroactive Date set forth in Item 6. of the Declarations.

#### C. **Insured versus Insured**

by or on behalf of any **Insured**.

#### D. **Ownership Interest and Outside Positions**

1. for, arising out of or resulting from any **Insured's** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Insured Organization**; or

2. made by any entity, which:
  - a. is operated, managed or controlled by an **Insured** or in which any **Insured** has an ownership interest which cumulatively exceeds fifteen percent (15%), or in which any **Insured** is an officer or director; or
  - b. operates, controls or manages the **Named Insured**, or has an ownership interest of more than fifteen percent (15%) in the **Named Insured**.

**E. Discrimination, Humiliation, Harassment and Misconduct**

for, arising out of or resulting from any actual or alleged discrimination, humiliation, harassment or misconduct because of age, color, race, sex, creed, national origin, marital status, sexual preference or orientation, religion, disability or pregnancy;

**F. Contractual Liability**

for, arising out of or resulting from obligation under or breach of any contract or agreement, except:

1. to an otherwise covered **Claim** under Insuring Clause A.;
2. with respect to Insuring Clause C.6., for misappropriation of ideas under an implied contract;
3. with respect to Insuring Clause C., liability **Assumed under Contract**; or
4. to the extent the **Insured** would have been liable in the absence of such contract or agreement.

**G. Express or Implied Warranties, Representations, Guarantees and Promises**

For, arising out of or resulting from:

1. breach of any express or implied warranty or representation except if such breach arises out of or results directly from the **Insured's Wrongful Act**; or
2. a demand for satisfaction of or breach of guarantee or any promises including, without limitation, cost savings, cost of

construction, maximum construction price, financing, profits, or return on investment.

3. inaccurate, inadequate or incomplete description of the price of goods, products or services;
4. cost guarantees, cost representations, or contract price estimates of probable costs or cost estimates actually or allegedly being exceeded;
5. the failure of goods, products, or services to conform with any represented quality or performance contained in **Advertising**; or
6. any actual or alleged gambling, contest, lottery, sweepstakes, promotional game or other game of chance.

#### H. **Asbestos and Lead**

either in whole or in part, directly or indirectly, arising out of or resulting from or in consequence of, or in any way involving asbestos, any materials containing asbestos in whatever form or quantity, or lead;

#### I. **Employers Liability and Workers Compensation**

for, arising out of or resulting from:

1. **Bodily Injury** to:
  - a. any employee or volunteer of the **Insured Organization** arising out of and in the course of employment or retention by the **Insured Organization**; or
  - b. the spouse, child, parent, brother or sister of the employee as a consequence of a. above.

This exclusion applies:

- i. whether the **Insured** may be liable as an employer or in any other capacity; and
  - ii. to any obligation to share **Damages** with or repay someone else who must pay **Damages** arising out of such liability;
2. the **Insured Organization's** employment obligations, decisions, practices or policies as an employer.
  3. any obligation which the **Insured** or any carrier as insurer may be liable on behalf of the **Insured** under any workers compensation, unemployment compensation or disability benefits law or similar law.

**J. Employment Related Practices**

for, arising out of or resulting from any employer-employee relations, policies, practices, acts or omissions, or any actual or alleged refusal to employ any person, or misconduct with respect to employees, whether such Claim is brought by an employee, former employee, applicant for employment, or relative or domestic partner of such person.

**K. Property Liability**

for, arising out of or resulting from the **Insured's** ownership, rental, lease, maintenance, operation, use, repair, voluntary or involuntary sale, transfer, exchange, gift, abandonment or condemnation of any real or personal property including without limitation, automobiles, aircraft, watercraft and other kinds of conveyances.

**L. Intellectual Property**

for, arising out of or resulting from:

1. infringement of patent or patent rights or misuse or abuse of patent;
2. infringement of copyright arising from or related to software code or software products other than infringement resulting from a theft by a person who is not a **Related Party**;
3. use or misappropriation of any ideas or trade secrets (i) by, or on behalf of, the **Insured Organization**, or (ii) by any other person or entity if such use or misappropriation is done with the knowledge, consent or acquiescence of a member of the **Control Group**;
4. disclosure, misuse or misappropriation of any ideas, trade secrets or confidential information that came into the possession of any person or entity prior to the date the person or entity became an employee, officer, director, Manager, principal, partner or Subsidiary of the **Insured Organization**;

**M. Trading losses**

for, arising out of or resulting from any of the following: (1) trading losses, trading liabilities or change in value of accounts; (2) any loss, transfer or theft of monies, securities or tangible property of others in the care, custody or control of the **Insured Organization**; (3) the monetary value of any transactions or electronic fund transfers by or on behalf of the **Insured** which is lost, diminished, or damaged during transfer from, into or between accounts; or (4) the value of coupons, price discounts, prizes, awards, or any other valuable consideration given in excess of the total contracted or expected amount;

**N. Bodily Injury and Property Damage**

for, arising out or resulting from **Bodily Injury** or **Property Damage**; This exclusion does not apply to Insuring Clause I.B.

**O. Delay in Delivery or Performance**

for, arising out of or resulting from delay in delivery of products or delay in performance, or failure to deliver or perform at or within an agreed upon period of time. However, this exclusion does not apply if the delay in delivery or performance arises out of or results directly from the **Insured's Wrongful Act**.

**P. Electrical and Telecommunications Failure and Malfunction and Force Majeure**

for, arising out of, resulting from or alleging:

1. any failure or malfunction of electrical, mechanical or telecommunications infrastructure or services, unless under the **Named Insured's** operational control; or
2. fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide, act of God or other physical or force majeure event.

**Q. Regulatory**

in connection with or resulting from any **Claim** alleging, arising out of, based upon, or attributable to any violation(s) of any local, state or federal administrative or regulatory statute, code, rule or regulation or procedure or brought by any local, state or federal governmental body and/or any agency or subdivision thereof.

**R. Antitrust**

for, arising out of any actual or alleged antitrust violation, restraint of trade, unfair competition, violation of the Sherman Antitrust Act, the Clayton Act, the Robinson-Patman Act, as amended, or any similar law or legislation of any state, province or other jurisdiction, violation of consumer protection laws or false or deceptive or misleading advertising.

**S. False, Deceptive or Unfair Trade Practices**

for, arising out of or resulting from any actual or alleged false, deceptive or unfair trade practices.

**T. Electromagnetic Fields and Radiation**

for, arising out of or resulting from the existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that

actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any property.

**U. Gradual Deterioration**

for, arising out of, in connection with or resulting from gradual deterioration, wear and tear.

**V. Pension, healthcare, Welfare, Funds or Trusts**

for, arising out of or resulting from any actual or alleged acts, errors, or omissions related to any of the **Insured's** pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts, including any violation of any provision of the Employee Retirement Income Security Act of 1974 (ERISA) or any similar federal law or legislation, or similar law or legislation of any state, province or other jurisdiction, or any amendment to ERISA or any violation of any regulation, ruling or order issued pursuant to ERISA or such similar laws or legislation.

**W. Organized Crime, Securities and Labor**

for, arising out of resulting from any of the following:

1. any actual or alleged violation of the Organized Crime Control Act of 1970 (commonly known as Racketeer Influenced and Corrupt Organizations Act or RICO), as amended, or any regulation promulgated thereunder or any similar federal law or legislation, or law or legislation of any state, province or other jurisdiction similar to the foregoing, whether such law is statutory, regulatory or common law;
2. any actual or alleged violation of any securities law, regulation or legislation, including but not limited to the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state or provincial blue sky or securities law, any other federal securities law or legislation, or any other similar law or legislation of any state, province or other jurisdiction, or any amendment to the above laws, or any violation of any order, ruling or regulation issued pursuant to the above laws; or
3. any actual or alleged violation of the Fair Labor Standards Act of 1938, the National Labor Relations Act, the Worker Adjustment and Retraining Act of 1988, the Certified Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act of 1970, any similar law or legislation of any state, province or other jurisdiction, or any amendment to the above law or legislation, or any violation of any order, ruling or regulation issued pursuant to the above laws or legislation;

**X. Tortious Interference**

for, arising out of or resulting from tortious interference with the contractual or business relations of others.

#### Y. **Products Manufactured by Others**

for, arising out of or resulting from the sale, distribution, maintenance and/or repair of products manufactured by others. However, this exclusion shall not apply to products manufactured by others which are components of the **Insured's** products.

#### Z. **Pollution**

In relation to Insuring Clauses A., C. and D. either in whole or in part, directly or indirectly, arising out of or resulting from or in consequence of, or in any way involving:

1. the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind; any action taken by any party in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins; and any governmental or regulatory order, requirement, directive, mandate or decree that any party take action in response to the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of fungi, molds, spores or mycotoxins of any kind, such action to include investigating, testing for, detection of, monitoring of, treating, remediating or removing such fungi, molds, spores or mycotoxins;

The Underwriters will have no duty or obligation to defend any **Insured** with respect to any **Claim** or governmental or regulatory order, requirement, directive, mandate or decree which either in whole or in part, directly or indirectly, arises out of or results from or in consequence of, or in any way involves the actual, potential, alleged or threatened formation, growth, presence, release or dispersal of any fungi, molds, spores or mycotoxins of any kind;

2. the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants; or any governmental, judicial or regulatory directive or request that the **Insured** or anyone acting under the direction or control of the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant including gas, acids, alkalis, chemicals, heat, smoke, vapor, soot, fumes or waste. Waste includes but is not limited to materials to be recycled, reconditioned or reclaimed. Pollutants includes the presence of legionella pneumophilia.

#### AA. **Cyber**

for, arising out of, or resulting from a **Cyber Act, Cyber Incident** or **Data Breach**, including any action taken in controlling, preventing, suppressing or remediating any **Cyber Act, Cyber Incident** or **Data Breach**.

## VII. EXCLUSIONS APPLICABLE TO INSURING CLAUSE I.A. AND I.B

The coverage under this Insurance does not apply to any **Claim** or **Loss**:

### A. **Damage to Products**

for, arising out of, **Property Damage** to the **Insured Organization's** products, or for the cost of inspecting, repairing or replacing any defective or allegedly defective product or part thereof or for loss of use of any defective or allegedly defective product;

### B. **Recall**

for, arising out of or resulting from the withdrawal, recall, inspection, repair, replacement, or loss of use of the **Insured Organization's Products** or work completed by or for the **Insured Organization**;

### C. **Governmental Authority**

for, arising out of or in connection with goods or products (including any container, ingredient or part thereof) that have been distributed by the **Insured**:

- (a) before such goods or products have been approved for such distribution; or
- (b) after such goods or products have been declared unsafe or banned;

by the appropriate governmental authority having jurisdiction over such distribution.

### D. **Licensing Fees and Royalty Payments**

for, arising out of or resulting from any actual or alleged obligation to make licensing fee or royalty payments, including but not limited to the amount or timeliness of such payments.

## VIII. EXCLUSIONS APPLICABLE TO INSURING CLAUSE I.B.

The coverage under this Insurance does not apply to any **Claim** or **Loss**:

### A. **Products Liability**

for, arising out of or resulting from any goods or products designed, manufactured, sold, handled, distributed, installed, altered or repaired by the **Insured**, or by others trading under the **Insured's** name, including

any container thereof, any failure to warn, or any reliance upon a representation or warranty made at any time with respect thereto, but only to the extent the **Pollution Condition** took place away from a **Covered Location** and after physical possession of such goods or products has been relinquished by the **Insured** to others.

**B. Property Damage to Named Insured's Property**

for, arising out of or resulting from, any **Property Damage** to any property owned, leased or operated by, or in the care, custody or control of the **Insured Organization**, even if such **Property Damage** is incurred to avoid or mitigate **Damages** or **Cleanup Costs** to which this Insurance applies.

**C. Naturally Occurring Materials**

for, arising out of or resulting from naturally occurring materials; however, this exclusion does not apply where naturally occurring materials are present at a **Covered Location** only because of human activities or processes, or where any response, removal, abatement or remediation of naturally occurring materials is required by order of a court or government agency.

**D. New Pollution Conditions at Divested Property**

for, arising out of or resulting from a **Pollution Condition** on, at, under or migrating from a **Covered Location**, where such **Pollution Condition** first commences after such **Covered Location** is sold, given away or abandoned by the **Insured** or condemned.

**E. Aircraft, Auto or Watercraft**

for, arising out of or resulting from the ownership, operation, maintenance, use, loading and unloading, or entrustment to others of any aircraft, automobile or watercraft beyond the boundaries of a **Covered Location**. However, this exclusion does not apply to an otherwise **Claim** covered under Insurance Clause B.3.

**F. Underground Storage Tank**

for, arising out of or resulting from the existence of any **Underground Storage Tank**. This exclusion shall not apply to:

1. an **Underground Storage Tank** at a **Covered Location** that is closed, abandoned in place or removed prior to the Inception Date set forth in Item 2. Of the Declarations, in accordance with all applicable federal, state, local or provincial regulations in effect at the time of closure, abandonment or removal;
2. an **Underground Storage Tank** at a **Covered Location**, the existence of which is not known to any member of the **Control**

**Group** as of the Inception Date set forth in Item 2. Of the Declarations;

3. a flow-through process tank, including oil/water separators at a **Covered Location**; or
4. a storage tank situated in a man-made underground area (such as a basement, cellar, mine shaft or tunnel) at a **Covered Location** if the storage tank is situated upon or above the surface of the floor.

**G. Failure to Maintain Institutional Controls or Engineering Controls**

for, arising out of or resulting from:

1. the failure to monitor, maintain or enforce the **Institutional Controls** or **Engineering Controls**; or
2. the ongoing and necessary costs associated with monitoring, maintaining or enforcing the existing **Institutional Controls** or **Engineering Controls** in place on or before the Inception Date set forth in Item 2. of the Declarations.

**H. Voluntary Site Investigation**

for, arising out of or resulting from the discovery of a **Pollution Condition** on, at, under or migrating from a **Covered Location**, where such **Pollution Condition** is discovered during or as a direct or indirect result of a **Voluntary Site Investigation** regardless of whether such action is undertaken as part of a property transfer or sale including but not limited to intrusive investigations or the taking or testing of soil, groundwater or surface water samples from the **Covered Location**.

For the purpose of this Exclusion, "Voluntary Site Investigation" means any activities not required by **Environmental Laws** that are undertaken by or on behalf of any **Insured** to determine whether there is a **Pollution Condition** at the **Covered Location**.

**I. Capital Improvements**

for, arising out of or resulting from any of the following:

1. improvement, demolition, dismantling, maintenance or upgrade of, or installation of any preventive measure or pollution control, to any property, equipment or processes on, at, under, within or beyond the boundaries of a **Covered Location**, regardless of cause, or
2. the removal of debris and waste including, but not limited to, soil, groundwater, building pads/slabs, foundations, piping, sumps, pits and vaults that may exist from previous structures, generated as part of planned development or in preparation for site development,

site grading, the razing or construction of any structures all of which would not have been necessary in the absence of development or construction activities.

**IX. EXCLUSIONS APPLICABLE TO INSURING CLAUSE I.C.**

The coverage does not apply to any **Claim** or **Loss**;

**A. Reprinting, Recall, Removal, Disposal, Withdrawal, Inspection, Repair, Replacement, Reproduction Costs and Expenses**

for, arising out of or resulting from any costs or expenses incurred or to be incurred by the **Insured** or others for the reprinting, recall, removal or disposal of any **Media Material**, including any media or products containing such **Media Material**; provided, that this exclusion shall not apply to **Claims** for the resulting loss of use of such **Media Material**, or loss of use of the work product.

**B. Federal Trade Commission and Federal Communications Commission**

brought by or on behalf of the Federal Trade Commission, the Federal Communications Commission, or any similar governmental entity, in such entity's regulatory or official capacity.

**C. Solicitation**

for, arising out of or resulting from the distribution of unsolicited email, text messages, direct mail, or facsimiles, wiretapping, audio or video recording, or telemarketing, if such distribution, wiretapping or recording is done by or on behalf of the **Insured Organization**;

**X. LIMIT OF LIABILITY**

A. The Limit of Liability set forth in Item 3.A.i. of the Declarations for "Each **Claim**" is the limit of the Underwriters liability for all **Damages, Cleanup Costs** and **Claims Expenses** arising out of each **Claim**.

B. The Limit of Liability set forth in Item 3.A.ii of the Declarations for "Each **Recall Event**" is the limit of the Underwriters liability for all **Product Recall Expenses** arising out of each **Recall Event**.

C. The Policy Aggregate Limit of Liability set forth in Item 3.A.iii of the Declarations is the Underwriters combined total Limit of Liability for all **Damages, Cleanup Costs, Product Recall Expenses** and **Claims Expenses** arising out of all **Claims** and **Recall Events**, as applicable, which are covered under the terms and conditions of this Policy as regards Insuring Clauses A., B., C. and D.

- D. Neither the inclusion of more than one **Insured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the Limit of Liability.
- E. The Limit of Liability for the **Optional Extension Period** shall be part of and not in addition to the Policy Aggregate Limit of Liability of the Underwriters for the **Policy Period** set forth in Item 3.A.iii of the Declarations.
- F. The Underwriters shall not be obligated to pay any **Damages, Cleanup Costs, Product Recall Expenses** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding, after the Policy Aggregate Limit of Liability of the Underwriters for the **Policy Period** set forth in Item 3.A.iii of the Declarations has been exhausted by payment of **Damages, Cleanup Costs, Product Recall Expenses** or **Claims Expenses**, or after deposit of the Policy Aggregate Limit of Liability of the Underwriters for the **Policy Period** set forth in Item 3.A.iii of the Declarations in a court of competent jurisdiction. Upon such payment, the Underwriters shall have the right to withdraw from the further defense of any **Claim** under this Policy by tendering control of said defense to the **Insured**.

## XI. DEDUCTIBLE

- A. The Deductible amount set forth in Item 4.A. of the Declarations applies separately to each **Claim** or **Recall Event**, as applicable. The Deductible shall be satisfied by monetary payments by the **Named Insured** of **Damages, Cleanup Costs, Product Recall Expenses** or **Claims Expenses**.
- B. In the event that **Damages, Cleanup Costs, Claims Expenses**, or arising out of a **Claim** or **Product Recall Expenses** arising out of a **Recall Event** are subject to more than one Deductible, the applicable Deductible amounts shall apply to such **Damages, Claims Expenses, Cleanup Costs**, or **Product Recall Expenses** provided that the sum of such Deductible amounts shall not exceed the largest applicable Deductible amount.

## XII. NOTICE OF CLAIM, LOSS OR CIRCUMSTANCE

- A. If any **Claim** is made against an **Insured**, or **Recall Event** is discovered by the **Insured**, the **Insured** shall forward as soon as practicable to the Underwriters through the persons named in Item 8.(a) of the Declarations written notice of such **Claim** or **Recall Event** in the form of a or via facsimile, email or express or certified mail together with every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative in the event of a **Claim**, but in no event later than sixty (60) days after the expiration of the **Policy Period** or during the **Optional Extension Period**, if purchased.
- B. If during the **Policy Period** any **Insured** first becomes aware of any **Circumstance** and gives written notice to the Underwriters in the form of a facsimile, email or express or certified mail through persons named in

Item 8.(a) of the Declarations as soon as practicable during the **Policy Period** of:

1. the specific details of the **Wrongful Act, Pollution Condition**, act, error or omission that could reasonably be the basis of a **Claim**;
2. the injury or damage which may result or has resulted from the **Circumstance**; and
3. the facts by which the **Insured** first became aware of the **Wrongful Act**, act, error or omission or **Pollution Condition**;

then any subsequent **Claim** made against the **Insured** arising directly out of such **Circumstance** which is the subject of the written notice will be deemed to have been made at the time written notice complying with the above requirements was first given to the Underwriters.

- C. A **Claim** shall be considered to be reported to the Underwriters when written notice is first received by the Underwriters in the form of a facsimile, email or express or certified mail through persons named in Item 8.(a) of the Declarations of the **Claim**.

### **XIII. OPTIONAL EXTENSION PERIOD**

- A. If this Policy is cancelled or non-renewed by the Underwriters or by the **Named Insured**, then the **Named Insured** shall have the right, upon payment of an additional premium calculated at that percentage shown in Item 7.(a) of the Declarations of the total premium for this Policy, to an extension of the coverage granted by this Policy with respect to any **Claim** first made against any **Insured** and reported in writing to the Underwriters during the period of time set forth in Item 7.(b) of the Declarations after the end of the **Policy Period**, but only with respect to any act, error, omission, event, incident or **Wrongful Act** committed or arising on or after the Retroactive Date and before the effective date of cancellation or non-renewal or **Pollution Condition** which first commences during the **Policy Period** and finally ends within seven (7) consecutive days from its first commencement.
- B. As a condition precedent to the right to purchase the **Optional Extension Period**, the total premium for this Policy must have been paid. The right to purchase the **Optional Extension Period** shall terminate unless written notice together with full payment of the premium for the **Optional Extension Period** is given to the Underwriters within thirty (30) days after the effective date of cancellation or non-renewal. If such notice and premium payment is not so given to the Underwriters, there shall be no right to purchase the **Optional Extension Period**.
- C. In the event of the purchase of the **Optional Extension Period**, the entire premium for the **Optional Extension Period** shall be deemed earned at its commencement.

- D. The Limit of Liability for the **Optional Extension Period** shall be part of and not in addition to the Limit of Liability of the Underwriters for the **Policy Period**.
- E. The offer of renewal terms, conditions or premiums different from those in effect prior to renewal shall not constitute a refusal to renew for purposes of this Clause XIII.

#### **XIV. REPRESENTATIONS**

By acceptance of this Policy, all **Insureds** agree that the statements contained in any **Application** submitted therewith are their agreements and representations, that they shall be deemed material to the risk assumed by Underwriters, and that this Policy is issued in reliance upon the truth thereof.

The misrepresentation or non-disclosure of any matter by the **Insured** or its agent in any **Application** submitted therewith will render the Policy null and void and relieve the Underwriters from all liability under the Policy.

The **Application** is deemed incorporated into and made a part of this Policy.

#### **XV. OTHER INSURANCE**

This Insurance shall apply in excess of:

- A. any other valid and collectible insurance available to any **Insured**; and
- B. any self insured retention or deductible portion thereof;

unless such other insurance is written only as specific excess insurance over any applicable Limit of Liability of this Policy.

#### **XVI. ASSIGNMENT**

The interest hereunder of any **Insured** is not assignable. If an **Insured** shall die or be adjudged incompetent, such insurance shall cover that **Insured's** legal representative as the **Insured** as would be permitted by this Policy.

#### **XVII. CANCELLATION AND NONRENEWAL**

- A. The **Named Insured** may cancel this Policy by surrender thereof to the Underwriters, or by mailing to the Underwriters written notice stating when thereafter such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.
- B. The Underwriters may cancel this Policy by mailing or delivering to the **Named Insured** at the address shown in the Declarations written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this Policy because

the **Insured** has failed to pay a premium when due, this Policy may be cancelled by the Underwriters by mailing or delivering a written notice of cancellation to the **Named Insured** at the address shown in the Declarations stating when not less than ten (10) days thereafter such cancellation shall be effective. The notice of cancellation shall state the reason for cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice by the Underwriters shall be equivalent to mailing

- C. If this Policy is cancelled pursuant to A. hereinabove, the Underwriters shall retain the customary short rate portion of the premium hereon. If this Policy is cancelled pursuant to B. hereinabove, the Underwriters shall retain the pro rata portion of the premium hereon. Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation.
- D. If the Underwriters decide not to renew this Policy, the Underwriters shall mail or deliver written notice to the **Named Insured** at the address shown in the Declarations at least sixty (60) days before the end of the **Policy Period**. The notice of nonrenewal shall state the reason for nonrenewal.

#### **XVIII. MERGERS AND ACQUISITIONS**

- A. If during the **Policy Period**, the **Named Insured** acquires another entity for whom more than fifteen percent (15%) of the outstanding securities representing the present right to vote for the election of such entity's directors are owned by the **Named Insured**, then no **Insured** shall have coverage under this Policy for any **Claim** or **Loss** that arises out of any **Wrongful Act**, incident, event, act, error, omission, **Security Breaches** or **Pollution Condition**, whether committed or arising either before or after such acquisition:
  - 1. by the acquired entity or any person employed by the acquired entity; or
  - 2. involving or relating to the assets, liabilities, or **Computer Systems** of the acquired entity.

The foregoing provision shall not apply if the **Named Insured** gives the Underwriters written notice within thirty (30) days after the effective date of the acquisition, obtains the written consent of the Underwriters to extend coverage to such additional entities, assets or exposures, and agrees to pay any additional premium required by the Underwriters.

- B. If during the **Policy Period** the **Named Insured** consolidates or merges with another entity such that the **Named Insured** is not the surviving entity, is acquired by another entity, or sells substantially all of its assets to any other entity, then coverage under this Policy shall not apply to **Wrongful Acts**, **Security Breaches**, acts, errors, omissions, incidents or

events or other breach or **Pollution Conditions** committed or arising subsequent to such consolidation, merger or acquisition. The **Named Insured** shall provide written notice of such consolidation, merger or acquisition to the Underwriters as soon as practicable, together with such information as the Underwriters may require.

- C. All notices and premium payments made under this section shall be directed to the Underwriters through the entity named in Item 8.(c) of the Declarations.

#### **XIX. ASSISTANCE AND COOPERATION OF THE INSURED**

The **Insured** shall cooperate with the Underwriters in all investigations, including investigations regarding the **Application** for and coverage under this Policy. The **Insured** shall execute or cause to be executed all papers and render all assistance as is requested by the Underwriters. The **Insured** agrees not to take any action which in any way increases the Underwriters exposure under the Policy.

Upon the Underwriters request, the **Insured** shall 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 **Insured** because of **Wrongful Acts, Security Breaches** or **Pollution Conditions** with respect to which insurance is afforded under this Policy; and the **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

The **Insured** shall not admit liability, make any payment, assume any obligations, incur any expense, enter into any settlement, stipulate to any judgment or award or dispose of any **Claim** without the written consent of the Underwriters.

Compliance with a **Breach Notice Law** will not be considered an admission of liability for purpose of this Clause.

Except as provided for in Clause II.B., expenses incurred by the **Insured** in assisting and cooperating with the Underwriters, as described above, do not constitute **Claims Expenses** and are not reimbursable under the Policy.

#### **XX. ACTION AGAINST THE UNDERWRITERS**

No action shall lie against the Underwriters unless, as a condition precedent thereto, the **Insured** shall have fully complied with all of the terms of this Policy, nor until the amount of the **Insured's** obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the claimant and the Underwriters. Nothing contained herein shall give any person or organization any right to join the Underwriters as a party to any **Claim** against the **Insured** to determine their liability, nor shall the Underwriters be impleaded by the **Insureds** or their legal representative in any **Claim**.

## **XXI. SUBROGATION**

In the event of any payment under this Insurance, the Underwriters shall be subrogated to all the **Insureds'** rights of recovery therefore against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing to prejudice such rights. Any recoveries shall be applied first to subrogation expenses, second to **Loss** paid by the Underwriters, and third to the Deductible. Any additional amounts recovered shall be paid to the **Named Insured**.

## **XXII. ENTIRE AGREEMENT**

By acceptance of this Policy, all **Insureds** agree that this Policy embodies all agreements existing between them and the Underwriters relating to this Insurance. Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by written endorsement issued to form a part of this Policy, signed by the Underwriters.

## **XXIII. VALUATION AND CURRENCY**

All premiums, limits, deductibles, **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than United States dollars or if **Claims Expenses** are paid in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final or payment of the settlement or other element of **Damages** is due or the date such **Claims Expenses** are paid.

## **XXIV. BANKRUPTCY**

Bankruptcy or insolvency of the **Insured** shall not relieve the Underwriters of their obligations nor deprive the Underwriters of its rights or defenses under this Policy.

## **XXV. AUTHORIZATION**

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** will act on their behalf with respect to the giving and receiving of any notice provided for in this Policy, the payment of premiums and the receipt of any return premiums that may become due under this Policy, and the agreement to and acceptance of endorsements.

## **XXVI. HEADINGS**

The descriptions in the headings and subheadings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

## XXVII. WAR AND TERRORISM EXCLUSION

Notwithstanding any provision to the contrary within this Insurance or any endorsement thereto, it is agreed that this Insurance excludes any **Loss** covered under this Policy directly or indirectly caused by, resulting from or in connection with any of the following regardless of any other cause or event contributing concurrently or in any other sequence to the loss;

- A. war, invasion, acts of foreign enemies, hostilities or warlike operations (whether war be declared or not), civil war, rebellion, revolution, insurrection, civil commotion assuming the proportions of or amounting to an uprising, military or usurped power; or
- B. any act of terrorism.

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

This Clause also excludes any **Loss** directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to A or B above.

If the Underwriters allege that by reason of this exclusion, any **Loss** is not covered by this Insurance, the burden of proving the contrary shall be upon the **Insured**.

In the event any portion of this Section XXVII is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

## XXVIII. NUCLEAR INCIDENT EXCLUSION CLAUSE-LIABILITY-DIRECT

This Policy does not apply:

- A. Under any Liability Coverage, to injury, sickness, disease, death or destruction:
  - 1. with respect to which an **Insured** under the Policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would

be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

2. resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **Insured** is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- B. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to immediate medical or surgical relief, to expenses incurred with respect to **Bodily Injury**, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- C. Under any Liability Coverage, to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if:
1. the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured or (2) has been discharged or dispersed therefrom;
  2. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
  3. the injury, sickness, disease, death or destruction arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to injury to or destruction of property at such nuclear facility.

D. As used in this Clause:

"hazardous properties" include radioactive, toxic or explosive properties; "nuclear material" means source material, special nuclear material or by-product material; "source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof; "spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; "waste" means any waste material (1) containing by-product material and (2) resulting from the operation by any

person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof; "nuclear facility" means

1. any nuclear reactor,
2. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,
3. any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
4. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material. With respect to injury to or destruction of property, the word "injury" or "destruction" includes all forms of radioactive contamination of property.

It is understood and agreed that, except as specifically provided in the foregoing to the contrary, this clause is subject to the terms, exclusions, conditions and limitations of the Policy to which it is attached.

#### **XXIX. RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE-LIABILITY-DIRECT (USA)**

In relation to liability arising outside the USA., its Territories or Possessions, Puerto Rico or the Canal Zone, this Policy does not cover any liability of whatsoever nature directly or indirectly caused by or contributed to by or arising from ionizing radiations or contamination by radioactivity from any nuclear fuel or from any nuclear waste from the combustion of nuclear fuel.

#### **XXX. NON CUMULATION OF LIMITS**

This Policy may be one of several policies issued by the Underwriters to the **Named Insured** and **Subsidiaries**. It is agreed that any **Claim** suit which could be covered under two or more of these policies will be covered under only the policy with the highest limit of insurance available or, if the limits are the same, under only one of the policies.

### **XXXI. SERVICE OF SUIT CLAUSE (U.S.A.)**

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due under this Insurance, the Underwriters hereon, at the request of the **Insured**, will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. It is further agreed that service of process in such suit may be made upon the Underwriters' representative, designated in Item 9. of the Declarations, and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The Underwriters' representative designated in Item 9. of the Declarations is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the **Insured** to give a written undertaking to the **Insured** that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this contract of Insurance, and hereby designate the Underwriters' representative, designated in Item 9. of the Declarations, as the person to whom the said officer is authorized to mail such process or a true copy thereof.

### **XXXII. CHOICE OF LAW**

This insurance shall be governed by and construed in accordance with the laws of the State of New York.

### **XXXIII. SEVERAL LIABILITY**

The liability of the insurer under this contract is several and not joint with other insurers party to this contract. An insurer is liable only for the proportion of liability it has underwritten. An insurer is not jointly liable for the proportion of liability underwritten by any other insurer. Nor is an insurer otherwise responsible for any liability of any other insurer that may underwrite this contract.

The proportion of liability under this contract underwritten by an insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp. This is subject always to the provision concerning "signing" below.

In the case of a Lloyd's syndicate, each member of the syndicate (rather than the syndicate itself) is an insurer. Each member has underwritten a proportion of the total shown for the syndicate (that total itself being the total of the proportions underwritten by all the members of the syndicate taken together). The liability of each member of the syndicate is several and not joint with other members. A member is liable only for that member's proportion. A member is not jointly liable for any other member's proportion. Nor is any member otherwise responsible for any liability of any other insurer that may underwrite this contract. The business address of each member is Lloyd's, One Lime Street, London EC3M 7HA. The identity of each member of a Lloyd's syndicate and their respective proportion may be obtained by writing to Market Services, Lloyd's, at the above address.

**Proportion of liability**

Unless there is "signing" (see below), the proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together) is shown next to its stamp and is referred to as its "written line".

Where this contract permits, written lines, or certain written lines, may be adjusted ("signed"). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each insurer (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd's syndicate, the total of the proportions underwritten by all the members of a Lloyd's syndicate taken together) is referred to as a "signed line". The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.

Although reference is made at various points in this clause to "this contract" in the singular, where the circumstances so require this should be read as a reference to contracts in the plural.

**SHORT RATE CANCELLATION TABLE**

A. For insurances written for one year:-

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premiu m
1 - 54 .....	25	192 - 196 .....	63
55 - 58 .....	26	197 - 200 .....	64
59 - 62 (2 months) .....	27	201 - 205 .....	65
63 - 65 .....	28	206 - 209 .....	66
66 - 69 .....	29	210 - 214 (7 months) .....	67

70 - 73 .....	30	215 - 218 .....	68
74 - 76 .....	31	219 - 223 .....	69
77 - 80 .....	32	224 - 228 .....	70
81 - 83 .....	33	229 - 232 .....	71
84 - 87 .....	34	233 - 237 .....	72
88 - 91 (3 months) .....	35	238 - 241 .....	73
92 - 94 .....	36	242 - 246 (8 months) .....	74
95 - 98 .....	37	247 - 250 .....	75
99 - 102 .....	38	251 - 255 .....	76
103 - 105 .....	39	256 - 260 .....	77
106 - 109 .....	40	261 - 264 .....	78
110 - 113 .....	41	265 - 269 .....	79
114 - 116 .....	42	270 - 273 (9 months) .....	80
117 - 120 .....	43	274 - 278 .....	81
121 - 124 (4 months) .....	44	279 - 282 .....	82
125 - 127 .....	45	283 - 287 .....	83
128 - 131 .....	46	288 - 291 .....	84
132 - 135 .....	47	292 - 296 .....	85
136 - 138 .....	48	297 - 301 .....	86
139 - 142 .....	49	302 - 305 (10 months) .....	87
143 - 146 .....	50	306 - 310 .....	88
147 - 149 .....	51	311 - 314 .....	89
150 - 153 (5 months) .....	52	315 - 319 .....	90
154 - 156 .....	53	320 - 323 .....	91
157 - 160 .....	54	324 - 328 .....	92
161 - 164 .....	55	329 - 332 .....	93
165 - 167 .....	56	333 - 337 (11 months) .....	94
168 - 171 .....	57	338 - 342 .....	95
172 - 175 .....	58	343 - 346 .....	96
176 - 178 .....	59	347 - 351 .....	97
179 - 182 (6 months) .....	60	352 - 355 .....	98
183 - 187 .....	61	356 - 360 .....	99
188 - 191 .....	62	361 - 365 (12 months) .....	100

B. For Insurances written for more or less than one year:-

1. If insurance has been in force for 12 months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.
2. If insurance has been in force for more than 12 months:
  - (a) Determine full annual premium as for an insurance written for a term of one year.
  - (b) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length

of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.

- (c) Add premium produced in accordance with items (a) and (b) to obtain Earned Premium during full period insurance has been in force.