



COLUMBIA CASUALTY COMPANY
STATE JUDGES PROFESSIONAL LIABILITY INSURANCE

Words and phrases that appear in **bold type** are defined terms and the reader should refer to Section III of the policy.

NOTICE: This is a **claims** made and reported form. Except to such extent as may otherwise be provided herein, the coverage afforded under this insurance policy is limited to liability only for those **claims** that are first made against the **Insured** and reported to Columbia Casualty Company (hereafter, the "Company") while this policy is in force. Please review the coverage afforded under this insurance policy carefully and discuss the coverage hereunder with your insurance agent or broker.

I. Insuring Agreements

The Company agrees to pay on behalf of the **Insured** the following:

A. Judicial liability claims

All sums in excess of the Deductible which the **Insured** shall become legally obligated to pay as **damages** because of any **judicial liability claim**, and

B. Employment practices claims

All sums in excess of the Deductible which the **Insured** shall become legally obligated to pay as **damages** because of any **employment practices claim**,

provided always that :

1. such **claim** is first made against the **Insured** and reported to the Company during the **policy period** or **extended reporting period**; and
2. any **act** giving rise to such **claim** takes place:
 - a. during the **policy period**; or
 - b. prior to the **policy period**, provided that prior to the inception date of the first Judges Professional Liability Insurance Policy issued by the Company to the **Insured** and continuously renewed and maintained in effect from the inception of that **policy period**:
 - (1) the **Insured** did not give notice to any prior insurer of any such **act**, and
 - (2) the **Insured** had no reasonable basis to believe that any such **act** might reasonably be expected to be the basis of a **claim**;

C. Defense and Settlement

1. With respect to such insurance as is afforded by this policy:
 - a. the Company shall have the right and duty to defend, subject to the Limit of Liability, any **claim** against the **Insured** alleging **acts** falling within the coverage of this policy.
 - b. the Company shall have the right to conduct such investigation and, with the written consent of the **Insured**, make such settlement of any **claim** as they deem expedient. It is agreed that, if the **Insured** shall refuse to consent to any settlement recommended by the Company and acceptable to the claimant, the Company's liability under this policy shall not exceed the

amount for which the **claim** could have been settled together with **claim expenses** incurred as of the time of the **Insured's** refusal to settle;

- c. the Company shall have the right to select and retain counsel to represent the **Insured** in any action associated with a **claim** as defined herein.
2. The Limit of Liability of this policy includes payments of **claim expenses** and, if the Company's limit of liability hereunder is exhausted prior to the conclusion of any pending **claim** by earlier payments of **damages** and / or **claim expenses**, the Company shall have the right to withdraw from the further defense thereof by tendering said defense to the **Insured**.

II. Limit Of Liability and Deductible

- A. **Damages** and **claim expenses** are subject to the applicable Limit of Liability. All **claim expenses** shall first be subtracted from the Limit of Liability with the remainder being the amount available to pay **damages**.
- B. The Limit of Liability stated in Item 3. of the Declarations as applicable to "each and every **claim**" is the limit of the Company's liability for all **damages** and **claim expenses** arising out of the same or related **acts** without regard to the number of **claims**, demands, suits, proceedings, claimants or **employment practices claimants**.
- C. The Limit of Liability stated in Item 3. of the Declarations as "aggregate" is the total limit of the Company's liability for all **damages** and **claim expenses** arising out of all **claims** first made and reported to the Company during the **policy period** or during the **extended reporting period**.
- D. A separate "**employment practices claim aggregate sublimit of liability**" for all **damages** and **claim expenses** in the amount set forth in item 3. of the Declarations shall be the Company's maximum aggregate limit of liability for all **damages** and **claim expenses** under the policy in connection with all **employment practices claims** made against the **Insured**, which amount shall be part of and not in addition to the amount set forth in Item 3 of the Declarations.
- E. The Deductible amount stated in Item 4. of the Declarations shall apply to **damages** and **claim expenses** resulting from all **claims** first made and reported to the Company during the **policy period** and the **extended reporting period**. The Deductible shall be satisfied by payments by the **Insured** of **damages** and **claim expenses** as a condition precedent to the payment by the Company of any amounts hereunder.

The Company shall be liable only for the difference between such Deductible and the amount of insurance otherwise applicable under this policy. The **Insured** shall make direct payments within the Deductible to appropriate parties designated by the Company.
- F. If additional **claims** are subsequently made against the **Insured** and reported to the Company by the **Insured** and arise out of the same or related **acts** as a **claim** already made and reported to the Company by the **Insured**, all such **claims**, whenever made, shall be considered first made and reported within the **policy period** in which the earliest **claim** arising out of such **acts** was first made and reported by the **Insured** and all such **claims** shall be subject to the applicable Limit of Liability of such **policy period**.

III. Definitions

- A. **Act** means any act, error or omission or **wrongful employment practice**.
- B. **Bodily injury** means injury to the body, including sickness or disease sustained by any person and death resulting from such injuries and all injuries that are a consequence of the foregoing. Solely with respect to **wrongful employment practices**, **bodily injury** does not include **mental injury**.

C. **Claim** means any written or oral demand received by the **Insured** for money or equitable relief and includes the service of suit or the institution of arbitration or disciplinary proceedings against the **Insured**. **Claim** also includes, with respect to any **employment practices claim**, notice received by the **Insured** of any administrative, investigative, or other proceeding, including an **EEOC Proceeding**.

D. **Claim expenses** means:

1. fees charged by an attorney selected by the Company to represent the **Insured**;
2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim** or arising in connection therewith, if incurred by the Company, or by the **Insured** with written consent of the Company provided, however, that **claim expenses** do not include charges or expenses of employees or officials of the Company.

E. **Damages** means monetary judgments, awards and settlements, provided that any settlement is negotiated by or with our assistance and approval, in connection with a covered **claim**. **Damages** also include:

1. prejudgment or post-judgment interest and statutory attorney fees awarded against the **Insured** on such judgments or awards;
2. punitive or exemplary amounts where insurable under applicable law;
3. with respect to **employment practices claims**, back pay and front pay, whether by judgment, award or settlement, provided that any settlement is negotiated by the Company or with the Company's assistance and approval;

Damages do not include:

1. civil or criminal fines, penalties, sanctions or forfeitures, imposed on the **Insured** whether pursuant to law, statute, regulation or court rule;
2. the multiplied portion of multiplied awards except for multiplied damages under the Age Discrimination in Employment Act of 1967 (ADEA) awarded pursuant to an **employment practices claim**;
3. with respect to **employment practices claims**:
 - a. amounts owed under federal, state or local wage and hour laws, however this shall not apply to any **employment practices claim** under the Federal Equal Pay Act or similar state laws;
 - b. earned but unpaid commissions, bonuses, profit sharing or benefits;
 - c. those amounts for which the **Insured** is liable due to breach:
 - (1) of any written or express contract of employment or partnership;
 - (2) any express obligation to make payments in the event of termination of employment, partnership, ownership, or other equity interest.
 - d. amounts representing medical or insurance benefit claim payments.

F. **EEOC Proceeding** means an investigative proceeding before the Equal Employment Opportunity Commission or an investigative proceeding before any similar federal, state or local government body whose purpose is to address **wrongful employment practices**.

G. **Employment practices claim** means a **claim** brought by an **employment practices claimant** alleging a **wrongful employment practice**.

H. **Employment practices claimant** means:

1. any judge in the Court System on which the **Insured** is an active and sitting judge;
 2. any person whose labor or service is engaged by and directed by the Court System on which the **Insured** is an active and sitting judge. This includes:
 - a. former, present or future salaried, full-time, part-time, temporary, and seasonal personnel, including interns, and personnel leased or loaned to the Court System;
 - b. any applicant for employment with the Court System.
- I. **ERISA or any similar law** means the Employee Retirement Income Security Act of 1974, as amended, or any similar common or statutory law of the United States, Canada, or their states, territories or provinces or any other jurisdiction anywhere in the world.
- J. **Extended reporting period** means the 3-year period of time after the end of the **policy period** for reporting **claims** arising out of **acts** occurring prior to the end of the **policy period** and otherwise covered by this policy.
- K. **Insured** means the judge designated in Item 1 of the Declarations.
- L. **Judicial liability claim** means a **claim**, including **claims** for **personal injury**, by reason of any **act** (other than a **wrongful employment practice**) of the **Insured** in the **Insured's official judicial capacity**.
- M. **Mental injury** means mental anguish, humiliation and emotional distress.
- N. **Official judicial capacity** mean that capacity in which a person can act only if he / she is an active and sitting judge.
- O. **Personal injury** means injury arising out of one or more of the following offenses:
 1. false arrest, detention, or imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution, or abuse of process;
 2. the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.
- P. **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 policy and specifically excludes any **extended reporting period** hereunder.
- Q. **Property damage** means injury to, or destruction of, any tangible property, including the loss of use resulting therefrom;
- R. **Sexual harassment** means any actual or alleged unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature when:
 1. submission to such conduct is made either explicitly or implicitly a term and condition of an individual's employment; or
 2. submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting such individual; or
 3. such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive work environment.
- S. **Wrongful employment practices** means:
 1. negligent hiring, training, retention, evaluation or supervision of an **employment practices claimant**;

2. wrongful termination of an **employment practices claimant's** employment;
3. violation of any federal, state or local laws (whether common-law or statutory) concerning discrimination in employment, including the Americans with Disabilities Act of 1992, the Civil Rights Act of 1991, the Age Discrimination in Employment Act of 1967, Title VII of the Civil Rights Act of 1964 and the Civil Rights Act of 1866;
4. wrongful disciplining of an **employment practices claimant**;
5. harassment, other than **sexual harassment** of an **employment practices claimant**;
6. humiliation of an **employment practices claimant**;
7. employment related wrongful infliction of emotional distress on an **employment practices claimant**;
8. wrongful deprivation of an **employment practices claimant's** career opportunity.

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

IV. Exclusions

This policy does not apply to any **claim**:

- A. based on or arising out of allegations of any criminal act or omission;
- B. based on or arising out of **bodily injury** or **property damage**, except with respect to **judicial liability claims**, when arising out of a judicial decision or order;
- C. based on or arising out of a conflict of interest between the **Insured's official judicial capacity** and any of the **Insured's** activities as a director, officer, partner, investor, owner, shareholder, or trustee of any private, public or charitable organization;
- D. based on or arising out of a collective bargaining agreement, lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations, or the Workers' Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state, local or common law;
- E. based on or arising out of any actual or alleged violation of, or obligation under (i) **ERISA or any similar law**, (ii) any law governing workers' compensation, unemployment insurance, social security, disability or similar law, (iii) the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), (iv) the Fair Labor Standards Act (except the Equal Pay Act), (v) the National Labor Relations Act, (vi) the Occupational Safety and Health Act of 1970 (OSHA), or (vii) any similar federal, state or local law. However this exclusion shall not apply to any **claim** for retaliatory treatment on account of an employee's exercise of legal rights related to such laws.

V. CONDITIONS

A. Policy Territory / Claims Made And Reported Provisions

This policy applies to **acts** occurring anywhere in the world:

1. provided that those **acts** occur anytime prior to the end of the **policy period**; and
2. further provided that 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 an **extended reporting period** purchased in accordance with Condition M; and
3. further provided that the **claim** is reported in writing to the Company during the **policy period** or **extended reporting period** purchased in accordance with Condition M.

B Other Insurance

If the **Insured** has other insurance against a loss covered by this policy, the Company shall not be liable under this policy for a greater proportion of such loss than the applicable Limits of Liability stated in the Declarations bears to the total applicable limit of liability of all valid and collectible insurance against such loss.

C. Notice Of Claim Or Potential Claim

1. If, during the **policy period** or **extended reporting period**, a **claim** is made against the **Insured**, the **Insured** shall immediately forward to the Company every demand, notice, summons or other process received by the **Insured**. Such demand, notice, summons or other process shall be immediately forwarded to the Company at the following address:

Vice President of Lawyers Professional Liability Claims
CNA Insurance Companies
40 Wall Street
New York, New York 10005

2. If, during the **policy period**, the **Insured** becomes aware of a circumstance for which coverage may be provided hereunder, the **Insured** must give written notice of such circumstance to the Company as soon as reasonably possible during the **policy period**. Such notice shall be sent to the Company at the above address and must state the reasons for anticipating a **claim**, with full particulars, including but not limited to:
 - a. the specific **act**;
 - b. the dates and persons involved;
 - c. the identities of anticipated or possible claimants or **employment practices claimants**; and
 - d. the circumstances by which the **Insured** first became aware of the possible **claim**.

If such notice is given, then any such **claim** that is subsequently made against the **Insured** and reported to us shall be deemed to have been made at the time such written notice was given to the Company.

D. Assistance And Cooperation Of The Insured

The **Insured** shall cooperate with the Company and, upon the Company's request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization other than an employee of the **Insured** who may be liable to the **Insured** because of **acts** 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, except at the **Insured's** own cost, admit liability, voluntarily make any payment, assume any obligation or incur any expense without the consent of the Company.

E. Action Against The Company

1. No action shall lie against the Company unless, as a condition precedent thereto, the **Insured** shall have fully complied with all of the terms of this policy, and until the amount of the **Insured's** obligation to pay shall have finally been determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant or **employment practices claimant** and the Company.
2. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have the right under this policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability,

nor shall the Company be impleaded by the **Insured** or the **Insured's** legal representative. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of their obligations hereunder.

F. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all of the **Insured's** rights of recovery thereof against any person or organization, and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after loss to prejudice such rights.

G. Changes

Notice to any agent of the Company or knowledge possessed by any agent of the Company shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy, signed by a duly authorized representative of the Company.

H. Assignment

The interest hereunder of the **Insured** is not assignable.

I. Entire Contract

By acceptance of this policy the **Insured** agrees that the statements in the application are his / her agreements and representations, that the policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Insured** and the Company relating to this insurance.

J. Conformance to Statute

Terms of this policy which are in conflict with the statutes of the state controlling are hereby amended to conform to such statutes.

K. Estates, Legal Representatives And Spouses

While not within the definition of **Insured**, the estates, heirs, legal representatives, assigns and spouses of the **Insured** are covered under this policy provided, however, that such coverage is afforded to such estates, heirs, legal representatives, assigns and spouses only for a **claim** and only to the extent that the **Insured** would have been afforded coverage.

L. Cancellation And Nonrenewal

This policy may be canceled by the **Insured** by surrender thereof to Herbert L. Jamison & Co., L. L. C., or by mailing to Herbert L. Jamison & Co., L. L. C. written notice stating when thereafter the cancellation shall be effective.

This policy may be cancelled by the Company by delivering to the **Insured**, or by mailing to the **Insured** at the **Insured's** address as shown in this policy, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. However, if the Company cancel because the **Insured** has failed to pay a premium or Deductible when due, this policy may be canceled by the Company by delivering to the **Insured**, or by mailing to the **Insured** at the **Insured's** address as shown in this policy, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice. Delivery of such written notice by the Company shall be equivalent to mailing.

If the **Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after

cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

If the Company intend not to renew, the Company shall provide the **Insured** with written notice of such intention not less than sixty (60) days prior to the expiration of this policy. The Company may mail such notice to the Insured at the address shown in this policy. The mailing of notice as aforesaid shall be sufficient proof of notice. Delivery of such written notice by the Company shall be equivalent to mailing.

M. Extended Reporting Period

1. Subject to paragraphs a. and b. below, in the event of the death or permanent and total disability of the **Insured** during the **policy period**, the **Insured** shall be entitled, at no additional premium, to a 3-year **extended reporting period** for all **claims** first made after the termination of the **policy period** arising out of any **act** occurring prior to the termination of the **policy period** and otherwise covered by this policy provided that:
 - a. In the event of death, such **Insured's** estate, heirs, executors or administrators must, within sixty (60) days of the expiration of the **policy period**, provide the **Company** with written proof of the date of death. This **extended reporting period** is provided to the estate, heirs, executors and administrators of such **Insured** until the executor or administrator of the estate of such **Insured** is discharged.
 - b. in the event of permanent and total disability, such **Insured** or **Insured's** legal guardian must provide the Company, within sixty (60) days of the expiration of the **policy period**, with written proof that such **Insured** is totally and permanently disabled, including the date the disability commenced, certified by the **Insured's** physician. The **Company** retains the right to contest the certification made by the **Insured's** physician, and it is a condition precedent to this coverage that the **Insured** agree to submit to medical examinations by any physician designated by the **Company**. This **extended reporting period** is provided until such **Insured** shall no longer be totally or permanently disabled or until the death of such **Insured**.
2. In the event of cancellation or non-renewal of this policy by either the **Insured** or the Company, the **Insured** shall have the right, upon the payment within 30 days of 150% of the **Insured's** last annual premium, to have issued an endorsement providing a 3-year **extended reporting period** for all **claims** first made after the termination of the **policy period** arising out **acts** occurring prior to the termination of the policy and otherwise covered by the policy.
3. The Limit of Liability for the **extended reporting period** shall be part of, and not in addition to, the Limit of Liability of the Company for the **policy period**.
4. The right to the **extended reporting period** shall not be available to the **Insured** in the event the Company shall cancel or refuse to renew this policy due to (1) non-payment of premiums; or (2) non-compliance by the **Insured** with any of the terms and conditions in this policy including but not limited to non-payment of the Deductible; or (3) any misrepresentation or omission in the application for this policy.
5. At the commencement of the **extended reporting period** the entire premium shall be deemed earned and in the event the **Insured** terminates the **extended reporting period** for any reason prior to its natural expiration, the Company will not be liable to return any premium paid for the **extended reporting period**.

N. Service of Suit

1. It is agreed that in the event of the failure of the Company to pay any amount claimed to be due under this insurance, the Company, at the request of the **Insured**, will submit to the jurisdiction of a

court of competent jurisdiction within the United States. This Condition does not constitute and should not be understood to constitute an agreement by the Company that an action is properly maintained in a specific forum, nor may it be construed as a waiver of the Company's rights to commence an action in a 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 of the United States all of which rights the Company expressly reserves. It is further agreed that service of process in such suit may be made upon the Company's Representative designated in Item 7. of the Declarations and that in any suit instituted against it upon this contract, the Company will abide by the final decision of such court or of any Appellate Court in the event of an appeal.

2. The Company's Representative designated in Item 7. of the Declarations is authorized and directed to accept service of process on behalf of the Company in any such suit and / or upon the request of the **Insured** to give written undertaking to the **Insured** that they will enter a general appearance upon the Company's behalf in the event that such a suit shall be instituted. Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his / her successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **Insured** or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the Company's Representative designated in Item 7. of the Declarations as the person to whom said officer is authorized to mail such process or a true copy thereof.

**COLUMBIA CASUALTY COMPANY
STATE JUDGES PROFESSIONAL LIABILITY INSURANCE**

CALIFORNIA NOTICE

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINES" INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT WHICH APPLIES TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. CALIFORNIA MAINTAINS A LIST OF ELIGIBLE SURPLUS LINE INSURERS APPROVED BY THE INSURANCE COMMISSIONER. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST.**
- 5. FOR ADDITIONAL INFORMATION ABOUT THE INSURER YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER, OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER:
800-927-4357.**

**COLUMBIA CASUALTY COMPANY
STATE JUDGES PROFESSIONAL LIABILITY INSURANCE**

**IMPORTANT NOTICE
FOR TEXAS POLICYHOLDERS**

1. To obtain information or make a complaint, you may –

- a. Call your Account Executive at Herbert L. Jamison & Co., L.L.C. at:** 1-973-731-0806 or
1-800-526-4766
- b. Call Herbert L. Jamison & Co., L.L.C.'s toll-free telephone number at:** 1-800-526-4766 or
1-800-Jamison
- c. Write to Herbert L. Jamison & Co., L.L.C. at:** 100 Executive Drive
West Orange, NJ
07052-3362

2. To obtain information on companies, coverages, rights or complaints, you may –

- a. Call the Texas Department of Insurance at:** 1-800-252-3439
- b. Write to the Texas Department of Insurance at:** P. O. Box 149104
Austin, TX 78714-9104
Fax #(512) 475-1771

3. Premium or Claim Disputes:

Should you have a dispute concerning your premium or about a claim you should contact Herbert L. Jamison & Co., L.L.C. first. If the dispute is not resolved, you may contact the Texas Department of Insurance.



**COLUMBIA CASUALTY COMPANY
STATE JUDGES PROFESSIONAL LIABILITY INSURANCE**

COVERAGE OF AND CAP ON LOSSES FOR CERTIFIED ACTS OF TERRORISM

In consideration of the premium charge of \$ 0.00 , it is agreed as follows:

1. The DEFINITIONS section is amended by the addition of the following new term:

“**Certified Act of Terrorism**” means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002.

The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a **Certified Act of Terrorism**:

- a. The act resulted in aggregate losses in excess of \$5 million; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
2. This Policy provides coverage for losses arising from **Certified Acts of Terrorism** subject to all other terms and conditions of this policy.
 3. Under the federal Terrorism Risk Insurance Act of 2002, any losses caused by **Certified Acts of Terrorism** will be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.
 4. With respect to any one or more **Certified Acts of Terrorism**, The Insurer will not pay any amounts for which the Insurer is not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause in such law which results in a cap on the Insurer’s liability for payments for terrorism losses.

All other provisions of the Policy remain unchanged.



IMPORTANT INFORMATION

POLICYHOLDER DISCLOSURE

NOTICE OF INSURANCE COVERAGE

FOR ACTS OF TERRORISM

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, effective November 26, 2002, that you are entitled to insurance coverage for losses arising out of acts of terrorism, *as defined in the Act*, subject to all applicable policy provisions.

You should know that any covered losses caused by acts of terrorism will be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The premium as of this date that is attributable to coverage for acts of terrorism is \$0.00.