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For CSURMA Member: California State University, Los Angeles

A. General Liability and Errors & Omissions
   Insurer: CSURMA
   MOC No.: CSURMA-LIAB-1213

B. “All Risk” Property Coverage, including Flood, Cyber Liability and Pollution Liability, excluding Earthquake
   Insurer: Public Entity Property Insurance Program (PEPIP)
   Policy No.: Various

C. Boiler & Machinery
   Insurer: Public Entity Property Insurance Program (PEPIP)
   Policy No.: Various

D. Workers’ Compensation and Employer’s Liability Summary
   Insurer: CSURMA
   MOC No.: CSURMA-WC-1213

E. IDL/NDL/UI
   Insurer: CSURMA
   MOC No.: CSURMA-IDL/NDL/UI-1213

F. Builder’s Risk
   Insurer: Illinois Union Insurance Company
   Policy No.: I20799754 008

G. Fidelity (Crime)
   Insurer: Lloyds of London
   Policy No.: B0146ERUSA1200114
H. Inland Marine
   Insurer: ACGS Marine Insurance Company
   Policy No.: MXI0098308874

I. Student Travel Accident
   Insurer: QBE Insurance Company
   Policy No.: NHH000314

J. Athletic Injury Medical Expense (AIME)
   Insurer: CSURMA / Mutual of Omaha
   Policy No.: CSURMA-AIME-1213 / T5MP-P-34363

K. Foreign Travel Insurance Program (FTIP)
   Insurer: ACE USA
   Policy No.: GLMN04950872R / PHFD37258337

L. Student Professional Liability Insurance Program (SPLIP)
   Insurer: Lloyd's of London
   Policy No.: ERUSA1200115

M. Student Academic Field Experience for Credit Liability Insurance Program
   (SAFECLIP)
   Insurer: Lloyd's of London
   Policy No.: ERUSA1200116

N. Non-Owned Aircraft Liability
   Insurer: Westchester Fire Insurance Company
   Policy No.: AACN07385110002

O. Physical Damage Program
   Insurer: Beazley Insurance Company
   Policy No.: WV0000317

P. CSU Club Sports Program
   Insurer: CSURMA / Mutal of Omaha / New Hampshire Insurance Company
   Policy No.: Various

Q. Owner-Controlled Insurance Program (OCIP)
   Insurer: Various
   Policy No.: Various
REGISTERED OWNER

Each Campus may assign up to two registered owners.

Registered Owner:

Mr. Kevin Brady  
Director, Risk Mgmt & EHS  
California State University, Los Angeles

To keep the manual as current as possible, we request the Registered Owner notify Alliant Insurance Services, Inc., Program Administrator of any changes in the above contact information.
## UPDATE AND REVISION LOG

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CSURMA JPA Committee Structure

CSURMA Board of Directors
(40 Members: 10 Aux., 30 CSU)

Executive Committee
(9 Members: 2 Aux., 7 CSU)

AORMA Committee
(10 Aux. Reps)

Athletic Injury Medical Expense (AIME)

See Next Page for AORMA Standing Committee Structure
AORMA COMMITTEE AND STANDING COMMITTEES – ORGANIZATIONAL CHART

AORMA Committee
(10 members) (2 alternates)

Kurt Borsting (Chair), Dwayne Brummett (Vice Chair)
Guy Dalpe, Leslie Davis, Robert de Wit, Gigi Kiama, Keith Kompsi,
Frank Mumford, Peter Neville, Brian Nowlin,

Alternates
Pat Worley (Past Chair),
David Prenovost (Ex-Officio)

Staff Lead
Dan Howell
Mimi Long

Programs
(at least five members)

Guy Dalpe (Chair)
Kurt Borsting, Mark Day,
Gigi Kiama,
Haleh Minakary

Staff Lead
Mimi Long

Member Services,
Loss Control & Training
(at least five members)

Dwayne Brummett (Chair)
Arnecia Bryant, Kristen Kelly,
Dennis Miller, Peter Neville

Staff Lead
Mimi Long

Executive Officers
(four members)

Kurt Borsting (Chair)
Dwayne Brummett (Vice Chair)

Alternates
Pat Worley (Past Chair)
David Prenovost (Ex-Officio)

Staff Lead
Dan Howell
## EXECUTIVE COMMITTEE — CONTACT INFORMATION

<table>
<thead>
<tr>
<th>Campus</th>
<th>Organization</th>
<th>First Name</th>
<th>Last Name</th>
<th>Title</th>
<th>Street Address</th>
<th>Phone/Fax/Email</th>
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</thead>
<tbody>
<tr>
<td>Chancellor’s Office</td>
<td>California State University, Office of the Chancellor</td>
<td>George V.</td>
<td>Ashkar</td>
<td>Assistant Vice Chancellor, Financial Services</td>
<td>401 Golden Shore, 5th Floor Long Beach, CA 90802-4210</td>
<td>Tel: 562-951-4671 Fax: 562-951-4865 Email: <a href="mailto:gashkar@calstate.edu">gashkar@calstate.edu</a></td>
</tr>
<tr>
<td>Chancellor’s Office</td>
<td>California State University, Office of the Chancellor</td>
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<td>Quillian</td>
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</tr>
<tr>
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<td>California State University, Chico</td>
<td>Michael</td>
<td>Thorpe</td>
<td>Risk Manager</td>
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</tr>
<tr>
<td>Dominican Hills</td>
<td>California State University, Dominican Hills</td>
<td>Mary Ann</td>
<td>Rodriguez</td>
<td>Vice President, Administration &amp; Finance</td>
<td>1000 East Victoria Street Welch Hall, 4th Flr, B-470 Carson, CA 90747</td>
<td>Tel: 310-243-3750 Fax: 310-243-3869 Email: <a href="mailto:marodriguez@csudh.edu">marodriguez@csudh.edu</a></td>
</tr>
<tr>
<td>Fresno</td>
<td>California State University, Fresno</td>
<td>Cynthia</td>
<td>Teniente-Matson</td>
<td>Vice President for Administration</td>
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</tr>
<tr>
<td>Fullerton</td>
<td>Associated Students, CSU Fullerton</td>
<td>Kurt</td>
<td>Borsting</td>
<td>Director</td>
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</tr>
<tr>
<td>Northridge</td>
<td>California State University, Northridge</td>
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<td>Vice President for Administration and Finance</td>
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</tr>
<tr>
<td>San Francisco</td>
<td>San Francisco State University</td>
<td>Lori</td>
<td>Gentles</td>
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</tr>
<tr>
<td>San Luis Obispo</td>
<td>Associated Students, California Polytechnic State University</td>
<td>Dwayne</td>
<td>Brummet</td>
<td>Director of Business Services</td>
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<td>Tel: 805-756-5768 Fax: 805-756-5420 Email: <a href="mailto:dbrummet@calpoly.edu">dbrummet@calpoly.edu</a></td>
</tr>
<tr>
<td>San Marcos</td>
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<td>Hawk</td>
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</tr>
<tr>
<td>Board Member / Alternate Member</td>
<td>Organization</td>
<td>First Name</td>
<td>Last Name</td>
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<td>Street Address</td>
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<tr>
<td>Board Member</td>
<td>California State University, Bakersfield</td>
<td>Michael A.</td>
<td>Neal</td>
<td>Vice President for Business &amp; Administrative Services</td>
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</tr>
<tr>
<td>Alternate Member</td>
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<tr>
<td>Board Member</td>
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</tr>
<tr>
<td>Alternate Member</td>
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<tr>
<td>Board Member</td>
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<tr>
<td>Alternate Member</td>
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<td>1000 E. Victoria Street Carson, CA 90747</td>
<td>Tel: 310-243-2895 Fax: 310-516-3531 Email: <a href="mailto:jwood@csudh.edu">jwood@csudh.edu</a></td>
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<tr>
<td>Alternate Member</td>
<td>California State University, Dominguez Hills</td>
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<td>Wood</td>
<td>Risk Manager</td>
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<td>Love</td>
<td>Associate VP for Risk Mgmt &amp; Internal Control</td>
<td>25800 Carlos Bee Blvd. Hayward, CA 94542</td>
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<td>Alternate Member</td>
<td>California State University, East Bay</td>
<td>Brad</td>
<td>Wells</td>
<td>Interim VP, Administration &amp; Finance / CFO</td>
<td>25800 Carlos Bee Blvd. Hayward, CA 94542</td>
<td>Tel: 510-885-2743 Fax: 510-885-7484 Email: <a href="mailto:nyassa.love@csueastbay.edu">nyassa.love@csueastbay.edu</a></td>
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<td>5241 No. Maple Ave, M/S Ta-52 Fresno, CA 93740-0052</td>
<td>Tel: 559-278-2083 Fax: 559-278-2928 Email: <a href="mailto:cmatson@csufresno.edu">cmatson@csufresno.edu</a></td>
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<td>California State University, Fresno</td>
<td>Lisa</td>
<td>Kao</td>
<td>Risk Manager</td>
<td>2311 East Barstow M/S P014 Fresno, CA 93740</td>
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<td>Alternate Member</td>
<td>California State University, Fresno Foundation</td>
<td>Keith</td>
<td>Kompssi</td>
<td>Director, Foundation Financial Services</td>
<td>2711 East Shaw Avenue Fresno, CA 93710</td>
<td>Tel: 559-278-0838 Fax: 559-278-0988 Email: <a href="mailto:kkompssi@csufresno.edu">kkompssi@csufresno.edu</a></td>
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<td>Alternate Member</td>
<td>California State University, Fullerton</td>
<td>Bill</td>
<td>Barrett</td>
<td>Interim Vice President Administration &amp; Finance/CFO</td>
<td>800 North State College Blvd. Fullerton, CA 92834-9480</td>
<td>Tel: 714-278-4937 Fax: 714-278-2649 Email: <a href="mailto:jbeisner@fullerton.edu">jbeisner@fullerton.edu</a></td>
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<td>Alternate Member</td>
<td>California State University, Fullerton</td>
<td>John</td>
<td>Beisner</td>
<td>Director of University Risk Management</td>
<td>800 North State College Blvd. Fullerton, CA 92834-9480</td>
<td>Tel: 714-278-2401 Fax:714-278-7099 Email: <a href="mailto:jbeisner@fullerton.edu">jbeisner@fullerton.edu</a></td>
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<td>Alternate Member</td>
<td>Titan Student Union, CSU Fullerton</td>
<td>Kurt</td>
<td>Borsting</td>
<td>Director</td>
<td>800 N. State College Blvd Fullerton, CA 92831-3599</td>
<td>Tel: 657-278-4101 Fax:657-278-4153 Email: <a href="mailto:fmmumford@fullerton.edu">fmmumford@fullerton.edu</a></td>
</tr>
<tr>
<td>Alternate Member</td>
<td>Cal State Fullerton Auxiliary Services Corporation</td>
<td>Frank</td>
<td>Mumford</td>
<td>CFO</td>
<td>2600 Nutwood Ave., Suite 275 Fullerton, CA 92831-3106</td>
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</tr>
<tr>
<td>Alternate Member</td>
<td>Humboldt State University</td>
<td>Joyce</td>
<td>Lopes</td>
<td>Vice President for Administration Affairs</td>
<td>1st Harpst Street Arcata, CA 95521-8299</td>
<td>Tel: 707-826-5746 Fax:707-826-3601 Email: <a href="mailto:mbs39@humboldt.edu">mbs39@humboldt.edu</a></td>
</tr>
<tr>
<td>Alternate Member</td>
<td>Humboldt State University</td>
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<td>Burghart</td>
<td>Risk Manager</td>
<td>1st Harpst Street Arcata, CA 95521-8299</td>
<td>Tel: 562-985-2396 Fax:562-985-5432 Email: <a href="mailto:swilliam@csulb.edu">swilliam@csulb.edu</a></td>
</tr>
<tr>
<td>Alternate Member</td>
<td>California State University, Long Beach</td>
<td>Stephanie</td>
<td>Williams</td>
<td>Risk Manager</td>
<td>1250 Bellflower Blvd. Long Beach, CA 90840-5702</td>
<td>Tel: 562-985-9039 Fax:562-985-2411 Email: <a href="mailto:sataylor@csulb.edu">sataylor@csulb.edu</a></td>
</tr>
<tr>
<td>Alternate Member</td>
<td>California State University, Long Beach</td>
<td>Sharon</td>
<td>Taylor</td>
<td>AVP, Financial Management</td>
<td>1250 Bellflower Blvd. Long Beach, CA 90840-5702</td>
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</tr>
<tr>
<td>Alternate Member</td>
<td>Forty-Niner Shops, Inc., CSU, Long Beach</td>
<td>Brian</td>
<td>Nowlin</td>
<td>Chief Operating Officer</td>
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<td>Tel: 562-985-4690 Fax:562-985-1593 Email: <a href="mailto:Nowlin@csulb.edu">Nowlin@csulb.edu</a></td>
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<td>de Wit</td>
<td>Chief Financial Officer</td>
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</tr>
<tr>
<td>Alternate Member</td>
<td>California State University, Los Angeles</td>
<td>Kevin</td>
<td>Brady</td>
<td>Director of Office of Environmental, Health &amp; Safety</td>
<td>5151 State University Drive Los Angeles, CA 90032</td>
<td>Tel: 323-343-3527 Fax:323-343-3464 Email: <a href="mailto:kbrady@cslanet.calstatela.edu">kbrady@cslanet.calstatela.edu</a></td>
</tr>
<tr>
<td>Board Member / Alternate Member</td>
<td>Organization</td>
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<tr>
<td>Alternate Member</td>
<td>California State University, Los Angeles</td>
<td>Joseph</td>
<td>Curreri</td>
<td>Chief of Police</td>
<td>5151 State University Drive Los Angeles, CA 90032</td>
<td>Tel: 323-343-3737 Fax: 323-343-3727 Email: <a href="mailto:joseph.curreri@calstatela.edu">joseph.curreri@calstatela.edu</a></td>
</tr>
<tr>
<td>Alternate Member</td>
<td>California Maritime Academy</td>
<td>Kurtis</td>
<td>Lohide</td>
<td>Vice President Administration &amp; Finance</td>
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<tr>
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<tr>
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<td>Board Member</td>
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<td>Alternate Member</td>
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<td>Board Member</td>
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<tr>
<td>Board Member</td>
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<td>Linda</td>
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### AORMA Committee — Contact Information (Effective at July 1, 2012)

<table>
<thead>
<tr>
<th>Committee</th>
<th>Seat</th>
<th>Member</th>
<th>Position</th>
<th>Campus</th>
<th>Type of Auxiliary</th>
<th>E-Mail</th>
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<tbody>
<tr>
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### Member Services, Loss Control & Training Committee — Contact Information (Effective at July 1, 2012)

<table>
<thead>
<tr>
<th>Committee</th>
<th>Seat</th>
<th>Member</th>
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<tr>
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**PROGRAMS COMMITTEE — CONTACT INFORMATION (EFFECTIVE AT JULY 1, 2012)**

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<td>Managing Director</td>
<td>San Francisco</td>
<td>Cesar Chavez Student Center, San Francisco State University</td>
<td><a href="mailto:gdalpe@sfsu.edu">gdalpe@sfsu.edu</a></td>
<td>415-338-1044</td>
</tr>
<tr>
<td>PC</td>
<td>At Large</td>
<td>Kurt Borsting</td>
<td>Director, Titan Student Centers</td>
<td>Fullerton</td>
<td>Associated Students, California State University, Fullerton, Inc.</td>
<td><a href="mailto:kborsting@fullerton.edu">kborsting@fullerton.edu</a></td>
<td>657-278-4214</td>
</tr>
<tr>
<td>PC</td>
<td>At Large</td>
<td>Gigi Kiama</td>
<td>Human Resources Manager</td>
<td>Monterey Bay</td>
<td>University Corporation, CSU Monterey Bay</td>
<td><a href="mailto:gkiama@csumb.edu">gkiama@csumb.edu</a></td>
<td>831-582-4301</td>
</tr>
<tr>
<td>PC</td>
<td>At Large</td>
<td>Mark Day</td>
<td>Executive Director</td>
<td>San Bernardino</td>
<td>Santos Manual Student Union of California State University, San Bernardino</td>
<td><a href="mailto:mday@csusb.edu">mday@csusb.edu</a></td>
<td>909-537-7201</td>
</tr>
<tr>
<td>PC</td>
<td>At Large</td>
<td>Haleh Minakary</td>
<td>General Business Manager</td>
<td>Pomona</td>
<td>The Cal Poly Pomona Foundation, Inc.</td>
<td><a href="mailto:hminakary@csupomona.edu">hminakary@csupomona.edu</a></td>
<td>909-869-2910</td>
</tr>
</tbody>
</table>

**AOUIT BOARD OF TRUSTEES / UNEMPLOYMENT INS. PROGRAM TASK GROUP — CONTACT INFORMATION (EFFECTIVE AT JULY 1, 2012)**

<table>
<thead>
<tr>
<th>Committee</th>
<th>Seat</th>
<th>Member</th>
<th>Position</th>
<th>Campus</th>
<th>Type of Auxiliary</th>
<th>E-Mail</th>
<th>Telephone Number</th>
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<tbody>
<tr>
<td>AOUIT</td>
<td>Chair</td>
<td>Guy Dalpe</td>
<td>Managing Director</td>
<td>San Francisco</td>
<td>Cesar Chavez Student Center, San Francisco State University</td>
<td><a href="mailto:gdalpe@sfsu.edu">gdalpe@sfsu.edu</a></td>
<td>415-338-1044</td>
</tr>
<tr>
<td>AOUIT</td>
<td>Treasurer</td>
<td>Kim Clark</td>
<td>Executive Director</td>
<td>San Marcos</td>
<td>University Corporation</td>
<td><a href="mailto:kclark@csusm.edu">kclark@csusm.edu</a></td>
<td>760-750-3722</td>
</tr>
<tr>
<td>AOUIT</td>
<td>Secretary</td>
<td>Kristin Kelly</td>
<td>Associate Director</td>
<td>San Jose</td>
<td>The Student Union of San Jose State University</td>
<td><a href="mailto:kristin.kelly@sjsu.edu">kristin.kelly@sjsu.edu</a></td>
<td>408-924-6315</td>
</tr>
<tr>
<td>AOUIT</td>
<td>Trustee</td>
<td>Heidi Chien</td>
<td>Associate Executive Director</td>
<td>Humboldt</td>
<td>Humboldt State University Center, Board of Directors</td>
<td><a href="mailto:heidi.chien@humboldt.edu">heidi.chien@humboldt.edu</a></td>
<td>707-826-5984</td>
</tr>
<tr>
<td>AOUIT</td>
<td>Trustee</td>
<td>Joe Illuminate</td>
<td>Associate Director</td>
<td>Northridge</td>
<td>University Student Union of California State University, Northridge</td>
<td><a href="mailto:joe.illuminate@csun.edu">joe.illuminate@csun.edu</a></td>
<td>818-677-3615</td>
</tr>
</tbody>
</table>
# CSU Chancellor’s Office Staff

<table>
<thead>
<tr>
<th>Position</th>
<th>Name</th>
<th>Address</th>
<th>Phone</th>
<th>Fax</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assistant Vice Chancellor, Risk Management &amp; Public Safety</strong></td>
<td>Charlene Minnick</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4580</td>
<td>(562) 951-4859</td>
<td><a href="mailto:cminnick@calstate.edu">cminnick@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Assistant Vice Chancellor, Controller / Financial Services</strong></td>
<td>George V. Ashkar</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4671</td>
<td>(562) 951-4865</td>
<td><a href="mailto:gashkar@calstate.edu">gashkar@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Associate Director, Systemwide Risk Mgmt &amp; Public Safety</strong></td>
<td>Zachary Gifford</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4568</td>
<td>(562) 951-4859</td>
<td><a href="mailto:zgifford@calstate.edu">zgifford@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Risk Management Administrative Analyst</strong></td>
<td>Rebecca Skidmore</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4574</td>
<td>(562) 951-4859</td>
<td><a href="mailto:rskidmore@calstate.edu">rskidmore@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
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</tr>
<tr>
<td><strong>Risk Management &amp; Public Safety</strong></td>
<td>Leona Ching</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4580</td>
<td>(562) 951-4856</td>
<td><a href="mailto:lching@calstate.edu">lching@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
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</tr>
<tr>
<td><strong>Risk Management Specialist</strong></td>
<td>Martha Guiditta</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4557</td>
<td>(562) 951-4856</td>
<td><a href="mailto:mguiditta@calstate.edu">mguiditta@calstate.edu</a></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>CSU Office of General Counsel</strong></td>
<td>William Hsu</td>
<td>401 Golden Shore, 4th Floor</td>
<td>(562) 951-4500</td>
<td>(562) 951-4856</td>
<td><a href="mailto:whsu@calstate.edu">whsu@calstate.edu</a></td>
</tr>
<tr>
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<td></td>
<td>Long Beach, CA 90802</td>
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<tr>
<td><strong>Assistant Vice Chancellor, Controller / Financial Services</strong></td>
<td>George V. Ashkar</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4671</td>
<td>(562) 951-4865</td>
<td><a href="mailto:gashkar@calstate.edu">gashkar@calstate.edu</a></td>
</tr>
<tr>
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<td></td>
<td>Long Beach, CA 90802</td>
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</tr>
<tr>
<td><strong>Associate Director, Financial Services</strong></td>
<td>Kelly Cox</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4611</td>
<td>(562) 951-4865</td>
<td><a href="mailto:kcox@calstate.edu">kcox@calstate.edu</a></td>
</tr>
<tr>
<td><strong>Accounting</strong></td>
<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
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<tr>
<td><strong>Enterprise &amp; CO Financial Reporting Mgr.</strong></td>
<td>Alice Kim</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4627</td>
<td>(562) 951-4865</td>
<td><a href="mailto:akim@calstate.edu">akim@calstate.edu</a></td>
</tr>
<tr>
<td><strong>Financial Services Accounting</strong></td>
<td></td>
<td>Long Beach, CA 90802</td>
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<tr>
<td><strong>CO &amp; Enterprise Rptg Analyst</strong></td>
<td>Rima Tanuwidjaja</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4621</td>
<td>(562) 951-4856</td>
<td><a href="mailto:rtan@calstate.edu">rtan@calstate.edu</a></td>
</tr>
<tr>
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<td></td>
<td>Long Beach, CA 90802</td>
<td></td>
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</tr>
<tr>
<td><strong>CSURMA Accountant</strong></td>
<td>Mandy Wong</td>
<td>401 Golden Shore, 5th Floor</td>
<td>(562) 951-4578</td>
<td>(562) 951-4865</td>
<td><a href="mailto:mwong@calstate.edu">mwong@calstate.edu</a></td>
</tr>
<tr>
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<td></td>
<td>Long Beach, CA 90802</td>
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</tr>
</tbody>
</table>
# CSURMA Program Administrators Contact List

<table>
<thead>
<tr>
<th>CONTACT</th>
<th>EMAIL ADDRESS</th>
<th>PHONE NO.</th>
<th>FAX NO.</th>
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<tbody>
<tr>
<td><strong>CERTIFICATES REQUESTS</strong></td>
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<tr>
<td><strong>Campus</strong></td>
<td></td>
<td></td>
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</tr>
<tr>
<td>Hsan Htein</td>
<td><a href="mailto:hhtein@alliantinsurance.com">hhtein@alliantinsurance.com</a></td>
<td>415-403-1452</td>
<td>415-874-4810</td>
</tr>
<tr>
<td><strong>Auxiliary Orgs</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Hsan Htein</td>
<td><a href="mailto:hhtein@alliantinsurance.com">hhtein@alliantinsurance.com</a></td>
<td>415-403-1452</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Van Rin</td>
<td><a href="mailto:vrin@alliantinsurance.com">vrin@alliantinsurance.com</a></td>
<td>415-403-1408</td>
<td>415-874-4810</td>
</tr>
<tr>
<td><strong>CLAIMS</strong></td>
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<tr>
<td><strong>Campus (Liability)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Zachary Gifford</td>
<td><a href="mailto:zgifford@calstate.edu">zgifford@calstate.edu</a></td>
<td>562-951-4580</td>
<td>562-951-4859</td>
</tr>
<tr>
<td>Rebecca Skidmore</td>
<td><a href="mailto:rskidmore@calstate.edu">rskidmore@calstate.edu</a></td>
<td>562-951-4580</td>
<td>562-951-4859</td>
</tr>
<tr>
<td><strong>Campus (All Other)</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bob Frey</td>
<td><a href="mailto:rfrey@alliantinsurance.com">rfrey@alliantinsurance.com</a></td>
<td>415-403-1445</td>
<td>415-403-1466</td>
</tr>
<tr>
<td>Diana Walizada</td>
<td><a href="mailto:dwalizada@alliantinsurance.com">dwalizada@alliantinsurance.com</a></td>
<td>415-403-1453</td>
<td>415-403-1466</td>
</tr>
<tr>
<td><strong>Auxiliary Orgs – Misc.</strong></td>
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<tr>
<td>David Sutton</td>
<td><a href="mailto:dsutton@alliantinsurance.com">dsutton@alliantinsurance.com</a></td>
<td>415-403-1417</td>
<td>415-874-1466</td>
</tr>
<tr>
<td>Michelle Maffei</td>
<td><a href="mailto:mmaffei@alliantinsurance.com">mmaffei@alliantinsurance.com</a></td>
<td>415-403-1418</td>
<td>415-874-1466</td>
</tr>
<tr>
<td>Bob Frey</td>
<td><a href="mailto:rfrey@alliantinsurance.com">rfrey@alliantinsurance.com</a></td>
<td>415-403-1445</td>
<td>415-874-1466</td>
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<tr>
<td><strong>AORMA Liability (Carl Warren)</strong></td>
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<tr>
<td>Mauri McGuire</td>
<td><a href="mailto:mmcguire@carlwarren.com">mmcguire@carlwarren.com</a></td>
<td>805-650-7020</td>
<td>805-658-9950 x1003</td>
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<tr>
<td><strong>Workers Comp (Sedgwick)</strong></td>
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<tr>
<td>Katie Brandt</td>
<td><a href="mailto:katie.brant@sedgwickcms.com">katie.brant@sedgwickcms.com</a></td>
<td>916-851-8058</td>
<td>916-851-8079</td>
</tr>
<tr>
<td>Mary Albert</td>
<td><a href="mailto:mary.albert@sedgwickcms.com">mary.albert@sedgwickcms.com</a></td>
<td>916-851-8059</td>
<td>916-851-8076</td>
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<tr>
<td><strong>COVERAGE QUESTIONS</strong></td>
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<td><strong>Campus</strong></td>
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<tr>
<td>Robert Leong</td>
<td><a href="mailto:rleong@alliantinsurance.com">rleong@alliantinsurance.com</a></td>
<td>415-403-1441</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Daniel Howell</td>
<td><a href="mailto:dhowell@alliantinsurance.com">dhowell@alliantinsurance.com</a></td>
<td>415-403-1426</td>
<td>415-874-4810</td>
</tr>
<tr>
<td><strong>Auxiliary Orgs</strong></td>
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<tr>
<td>Mimi Long</td>
<td><a href="mailto:mlong@alliantinsurance.com">mlong@alliantinsurance.com</a></td>
<td>415-403-1423</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Van Rin</td>
<td><a href="mailto:vrin@alliantinsurance.com">vrin@alliantinsurance.com</a></td>
<td>415-403-1408</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Hsan Htein</td>
<td><a href="mailto:hhtein@alliantinsurance.com">hhtein@alliantinsurance.com</a></td>
<td>415-403-1452</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Robert Leong</td>
<td><a href="mailto:rleong@alliantinsurance.com">rleong@alliantinsurance.com</a></td>
<td>415-403-1441</td>
<td>415-874-4810</td>
</tr>
<tr>
<td>Daniel Howell</td>
<td><a href="mailto:dhowell@alliantinsurance.com">dhowell@alliantinsurance.com</a></td>
<td>415-403-1426</td>
<td>415-874-4810</td>
</tr>
</tbody>
</table>
## CSURMA Program Administrators Contact List

<table>
<thead>
<tr>
<th>CONTACT</th>
<th>EMAIL ADDRESS</th>
<th>PHONE NO.</th>
<th>FAX NO.</th>
</tr>
</thead>
</table>
| **INLAND MARINE PROGRAM**  
(All risk property coverage for miscellaneous property such as fine arts, computer equipment, camera equipment) | Van Rin  vrin@alliantinsurance.com  415-403-1408  415-874-4810  
Hsan Htein  hhhtein@alliantinsurance.com  415-403-1452  415-874-4810 |
| **FOREIGN TRAVEL PROGRAM** | Stacey Weeks  sweeks@alliantinsurance.com  415-403-1448  415-874-4810  
Van Rin  vrin@alliantinsurance.com  415-403-1408  415-874-4810 |
| **RISK MANAGEMENT**  
(Inquiries, contract review, insurance quotations, policies and procedures, inspections, audits, property appraisals) | **Campus**  
Robert Leong  rleong@alliantinsurance.com  415-403-1441  415-874-4810  
Daniel Howell  dhowell@alliantinsurance.com  415-403-1426  415-874-4810  
**Auxiliary Orgs**  
Mimi Long  mlong@alliantinsurance.com  415-403-1423  415-874-4810  
Van Rin  vrin@alliantinsurance.com  415-403-1408  415-874-4810  
Hsan Htein  hhhtein@alliantinsurance.com  415-403-1452  415-874-4810  
Robert Leong  rleong@alliantinsurance.com  415-403-1441  415-874-4810  
Daniel Howell  dhowell@alliantinsurance.com  415-403-1426  415-874-4810 |
| **ATHLETIC INJURY PROGRAM (AIME)** | Robert Leong  rleong@alliantinsurance.com  415-403-1441  415-874-4810  
Stacey Weeks  sweeks@alliantinsurance.com  415-403-1448  415-874-4810 |
| **WORKERS’ COMPENSATION CLAIMS CONSULTANT** | Jacki Graf  jgrafi@alliantinsurance.com  415-403-1438  415-874-4810 |
| **WEBSITE**  
(www.csurma.org) | Myron Leavell  mleavell@alliantinsurance.com  415-403-1404  415-874-4810  
Hsan Htein  hhhtein@alliantinsurance.com  415-403-1452  415-874-4810 |
| **CSU CHANCELLOR’S OFFICE** | Charlene Minnick  cminnick@calstate.edu  562-951-4580  562-951-4859  
Zachary Gifford  zgifford@calstate.edu  562-951-4568  562-951-4859  
Rebecca Skidmore  rskidmore@calstate.edu  562-951-4574  562-951-4859  
Leona Ching  lching@calstate.edu  562-951-4580  562-951-4859  
Martha Guiditta  mguiditta@calstate.edu  562-951-4557  562-951-4865  
Alice Kim  akim@calstate.edu  562-951-4627  562-951-4865  
Kelly Cox  kcok@calstate.edu  562-951-4611  562-951-4865  
Rima Tanuwidjaja  rtan@calstate.edu  562-951-4621  562-951-4865  
Mandy Wong  mwong@calstate.edu  562-951-4578  562-951-4865 |
REQUEST FOR CERTIFICATE OF INSURANCE PROCEDURES

PURPOSE AND REQUEST PROCEDURE

Many agreements between the Campus and third parties require the Campus to indemnify and hold harmless a third party for liability arising from the Campus’ acts or omissions. In support of the indemnification agreement, third parties may require that certain insurance be maintained naming the third party as additional insured.

Note that the Insurance Company will indemnify or defend an additional insured third-party only if there is a written agreement executed between the Campus and the third party requiring that the third party be named as an additional insured.

Members are encouraged to refer to the CSURMA’s Insurance Requirements in Contracts Manual (IRIC) which includes information on contract drafting and insurance coverages. Alliant Insurance Services, Inc. staff is available to comment on proposed agreements and assist in drafting indemnification and insurance language. All such agreements should be referred to the Campus’ Legal Counsel prior to execution.

The IRIC manual is available online at www.csurma.org, under the Member Resources / JPA Administration.” You may also request a copy by sending, an e-mail to Hsan Htein at hhtein@alliantinsurance.com.

Request Procedures

The Underwriter has granted authority to the Program Administrator to issue Certificates of Insurance naming third parties as additional insureds only upon receipt, review and approval of the executed agreement in which indemnification by the Campus is required. The Program Administrator is only authorized to issue the certificate prior to commencement of operations to be insured by the agreement.

Requests for Certificates of Insurance can be made by going to CSURMA’s website at www.csurma.org. Complete the online certificate request form. If additional insured coverage is needed, email or fax a copy of the contract recitals, insurance requirements, hold harmless and indemnification sections to the Program Administrator, Alliant Insurance Services, Inc., Attention Hsan Htein, at hhtein@alliantinsurance.com, or fax to (415) 874-4810. Another method for requesting a certificate is by completing the Certificate Request Form included in this manual and faxing it to the Program Administrator.

Evidence of Insurance

Under some circumstances, Evidence of Insurance only will satisfy the third party’s request. In this situation, the third party seeks assurances that the Campus is properly insured, and the third party is not requesting it be indemnified by the Campus.

To request a certificate evidencing coverage only, go to CSURMA’s website at www.csurma.org. Complete the online certificate request form. A copy of a written agreement is not required by the Program Administrator to issue an Evidence of Insurance certificate.
ONLINE CERTIFICATE REQUESTS

Order Certificates of Insurance through CSURMA’s website at www.csurma.org

- GO to www.csurma.org
- SELECT Certificate Request Form (lefthand side of homepage)
- Enter information in each applicable field
- SELECT Request Certificate

Once submitted, you will receive a “Thank you. Your request has been sent. You will be contacted shortly” note at the top of the page.

The request is forward to CSURMA staff at Alliant Insurance Services, Inc.

IMPORTANT NOTE: If Additional Insured coverage is required, copies of the contract recitals, indemnification and insurance requirements sections should be faxed / emailed to:

CSURMA Program Administrator
Alliant Insurance Services, Inc.
Attn: Hsan Htein
Fax: 415-874-4810
Email: hhtein@alliantinsurance.com

If you are unable to submit the required documents, third parties cannot be named as additional insureds.

If the website is unavailable, please complete and fax the Certificate Request Form that follows.
CERTIFICATE OF INSURANCE REQUEST FORM

Use this form ONLY if the website (www.csurma.org) is unavailable.

<table>
<thead>
<tr>
<th>TO:</th>
<th>Hsan Htein, Alliant Insurance Services</th>
<th>EMAIL TO:</th>
<th><a href="mailto:hhtein@alliantinsurance.com">hhtein@alliantinsurance.com</a></th>
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<tbody>
<tr>
<td>DATE:</td>
<td>FAX TO:</td>
<td>415-874-4810</td>
<td></td>
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SECTION I – TYPE OF CERTIFICATE OF INSURANCE REQUESTED

<table>
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<tr>
<th>Coverage Type</th>
<th>Limits</th>
<th>*Refer To Section II-Contractual Requirements</th>
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<tr>
<td>☐ Liability*</td>
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<td>☐ Excess Liability</td>
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<td>☐ Other:</td>
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SECTION II – CONTRACTUAL REQUIREMENTS

CHOOSE ONE:

- Evidence of Insurance Only
- Additional Insured*  ☐  * Additional Insured coverage provided only if contractually obligated.
- Loss Payee**  ☐  ** Attach contract & replacement cost value per equip./property.
- Additional Insured & Loss Payee***  ☐  *** Attach contract & replacement cost value per equip./property.

CERTIFICATE HOLDER (THIRD PARTY) INFORMATION

Name ____________________________________________
Mailing Address ____________________________________________
City, State, Zip Code ____________________________________________
Facsimile No.: ( ) _________________________________
Phone No.: ( ) _________________________________

EVENT INFORMATION - Describe Scope of Operations, Location and Exact Dates:

CONTRACTUAL OBLIGATION INFORMATION - Please fax a copy of the Recitals, Indemnification and Insurance Requirements sections of the contract, with this request, if third parties are to be named as additional insured.
POLICIES AND PROCEDURES

1. **Assessments and Disbursements**  
   Effective August 5, 1999  
   Approved by Executive Committee: August 5, 1999

2. **Resolution of Coverage and Claim Disputes**  
   Effective August 5, 1999 and revised combining No. 8, effective March 26, 2009  
   Approved by Executive Committee: August 5, 1999; July 1, 2000 & March 26, 2009

3. **Records Retention**  
   Effective August 8, 1999  
   Approved by Executive Committee: September 16, 1999

4. **Periodic Actuarial Studies**  
   Effective July 1, 1999  
   Approved by Executive Committee: September 16, 1999

5. **Claims Audits**  
   Effective July 1, 1999  
   Approved by Executive Committee: September 16, 1999

6. **Payment Terms**  
   Effective October 1, 1999  
   Revised May 18, 2007 & May 19, 2010  
   Approved by Executive Committee: September 16, 1999; May 18, 2007 & May 19, 2010

7. **Self-Insured Program Funding**  
   Effective January 1, 2000  
   Approved by Executive Committee: December 16, 1999

8. **Coverage Determination For Claims Designated “Systemwide”**  
   Effective July 1, 2009; October 28, 2009  
   Approved by Executive Committee: May 11, 2009 & October 28, 2009

   Effective April 17, 2006 and Revised March 26, 2009  
   Approved by Executive Committee: April 17, 2006 & March 26, 2009
10. Member Loans
   Effective January 1, 2009; December 11, 2008 & July 1, 2011
   Approved by the Executive Committee: December 11, 2008 & May 13, 2011

11. CSURMA Operating Budget
   Effective July 1, 2009
   Approved by Executive Committee: March 26, 2009

12. CSURMA Committee Members Attendance of Conferences Professional Development
   Effective March 24, 2011
   Approved by Executive Committee: March 24, 2011

13. Campus Risk Pool Programs Target Reserve Funding Goal
   Effective October 28, 2011
   Approved by Executive Committee: October 28, 2011

14. Campus Risk Pool Dividends & Assessments
   Effective October 28, 2011
   Approved by Executive Committee: October 28, 2011

15. Responsibilities of The Treasurer and The Secretary-Auditor
   Effective December 9, 2011
   Approved by Executive Committee: December 9, 2011

16. Use of CSURMA Equipment
   Effective March 22, 2012
   Approved by Executive Committee: March 22, 2012
EFFECTIVE: AUGUST 5, 1999

SUBJECT: ASSESSMENTS AND DISBURSEMENTS

POLICY:

It is the intent of the California State University Risk Management Authority (CSURMA) to properly manage the funds of the Authority. In this regard, both assessments and disbursements of Authority funds will be handled in accordance with generally accepted accounting principles, and in accordance with any governing JPA documents.

PROCEDURE:

If the Treasurer determines that there is a deficiency of funds in any of the CSURMA programs such that the solvency of the program or Authority itself is threatened, the Treasurer shall notify Executive Committee of such deficiency. The Executive Committee shall notify the Board of Directors and provide the Board with a plan to restore the solvency of the threatened program, or Authority as a whole.

Any plan adopted to restore solvency shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.

If the Treasurer determines that there is a surplus of funds in any of the CSURMA programs, or the Authority as a whole, beyond that which is needed to maintain any established actuarial "confidence level" approved by the Authority, the Treasurer shall notify the Executive Committee. The Executive Committee may recommend a plan for the disbursement of excess funds to the Board of Directors, or they may recommend the establishment of a formal dividend policy and procedure to govern such matters.

Any plan adopted to distribute funds shall be in accordance with the Authority's governing documents such as the JPA Agreement, Bylaws, Participation Agreements, and any other policies and procedures or resolutions in effect at the time.
POLICY:

It is the policy of the CSURMA that campuses have an opportunity to communicate their position on coverage for claims in a way that gives them meaningful opportunities to interact with the CSURMA committees and staff. Acknowledging that the CSURMA has a fiduciary duty to make accurate coverage determinations, this Policy and Procedure is intended to provide campuses the broadest opportunity for input in the coverage determination process.

PROCEDURE:

The CSURMA Claims Manager is responsible for making initial coverage determinations for claims. Claims will either be accepted, determined as not recovered or provided coverage subject to a reservation of rights. The Claims Manager will notify the campus of any claim that is not covered or that is being covered subject to a reservation of rights in writing within 90 days of notice of the claim; however, the Claims Manager may request additional information to make a coverage determination.

If a campus disagrees with the Claims Manager's determination, the campus within 45 days of receipt of such determination shall send a written request to the Claims Manager for reevaluation of the coverage determination by the appropriate Program Committee (or Executive Committee, if no Program Committee exists) to which the matter pertains. The Program Committee (or Executive Committee) will make its determination based upon information provided by both the Claims Manager and campus at the Committee's next regularly scheduled meeting.

The Program Committee (or Executive Committee) shall deliberate the matter and communicate with the member and with the adjusting staff to gather information about the claim through the Chair or the Chair's designee. If the claim is reevaluated by a Program Committee, and after careful consideration, the Program Committee believes it cannot support the decision of the claims adjuster or assigned counsel, it shall forward the matter along with a recommendation to the Executive Committee. If the Program Committee does support the decision of the claim adjuster or assigned counsel, it shall communicate its opinion to the member and notify the member that it can appeal the opinion to the Executive Committee by sending a written request within 30 days of receipt of such determination to the Claims Manager asking that the Executive Committee evaluate the claim at the Committee's next regularly scheduled meeting.
On any matter forwarded to the Executive Committee for review, the Executive Committee may also communicate with the member through the Chair or its designee and the adjusting staff to formulate an opinion on the matter. The Executive Committee, the member, or the Program Committee may consult with the Program Administrator, claims adjuster, CSU Executive Vice Chancellor and Chief Financial Officer, CSU Office of General Counsel, and other appropriate parties. The Executive Committee shall make a determination of the matter and communicate its decision to the member. The Executive Committee's determination shall be final as respects the CSURMA's liability to cover the claim.

In all steps of the coverage determination process, the Claims Manager, Program Committee and Executive Committee shall take into consideration the Memorandum of Coverage, practices of the CSU and CSURMA, and the best interests of CSU. Note that the CSURMA coverage extends to its retained limits and CSURMA's excess insurers may provide coverage under different terms than CSURMA’s coverage.

BACKGROUND:

It is the intent of the California State University Risk Management Authority (CSURMA) to adjust and manage claims properly and for standard adjusting practices and any adopted claims handling guidelines to be followed. It is understood that from time to time coverage and/or general claim disputes can arise between members and the Authority. When such a dispute or disputes arise, this Policy and Procedure shall be followed.
EFFECTIVE: AUGUST 8, 1999

SUBJECT: RECORDS RETENTION

POLICY:

The California State University Risk Management Authority (CSURMA) has an obligation to create and maintain records and information in accordance with accepted records management practices and standards. It shall be CSURMA's policy to maintain records in accordance with the following Records Retention Schedule.

RECORDS RETENTION SCHEDULE

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<thead>
<tr>
<th>Type</th>
<th>Title</th>
<th>Retention Period</th>
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CSURMA POLICY AND PROCEDURE NO. 4

EFFECTIVE: JULY 1, 1999

SUBJECT: PERIODIC ACTUARIAL STUDIES

POLICY:

It is the policy of the California State University Risk Management Authority (CSURMA) that its self-funded programs remain financially sound. To assist the CSURMA in projecting self-funded program funding requirements, the CSURMA will conduct periodic actuarial studies.

PROCEDURE:

The CSURMA shall engage the services of a professional actuary to perform actuarial studies on the following basis:

- **Pooled Liability Program** - An actuarial study for the Pooled Liability Program shall be prepared each year, calculating outstanding and projected liabilities as of June 30th of that year.

- **Workers' Compensation** - An actuarial study for the Pooled Workers' Compensation Program shall be prepared each year, calculating outstanding and projected liabilities as of June 30th of that year.

- **Other Programs** - Actuarial reports for other CSURMA programs shall be prepared as directed by the Executive Committee.
POLICY:

It is the policy of the California State University Risk Management Authority (CSURMA) that Third-Party Claims Administrators shall be audited on a periodic basis to ensure that CSURMA is receiving high-quality services.

PROCEDURE:

The CSURMA Program Administrator shall take steps to engage the services of an independent, professional claims auditor to audit the CSURMA's risk pooling programs at the following period intervals:

- **Pooled Liability Program** - The Pooled Liability Program shall be audited in the first quarter of the calendar year in even-numbered years;

- **Pooled Workers' Compensation Program** - The Pooled Workers' Compensation Program shall be audited in the first quarter of the calendar year in odd-numbered years; and

- **Other Risk Pooling Programs** - Other risk pooling programs of the CSURMA shall be audited on a periodic basis determined by the CSURMA Executive Committee.
POLICY:

It is the policy of the California State University Risk Management Authority (the Authority) that all members fairly benefit from investment income accrued by the Authority. This policy is supported by prompt collection of member payments.

PROCEDURE:

The CSURMA Treasurer shall prepare or cause to be prepared transaction documents for premiums, fees, assessments, deductible recoveries and other moneys that are due the Authority from a member. The Authority will utilize Cash Posting Orders (CPO)\(^1\) or invoices for each transaction. The use of a CPO will charge the member immediately while an invoice is a request for the member to remit payment. When CSURMA invoices are generated, they all shall be subject to the following payment terms:

- **Payment Due Date** - Member payments shall be due within thirty (30) days of the invoice date; and

- **Late Payment Penalty** - CSURMA Accounting will calculate and assess a late payment penalty fee of 1% on all receivable(s), outstanding beyond sixty (60) days, whose total program balance is over $1,000 for each month that the receivable is outstanding.

**Disputed Transactions** - Disputed transactions must be reported to the CSURMA Accounting Department within sixty (60) days of the transaction date. Upon receiving notice from a member of a disputed invoice, the CSURMA Accounting Department will suspend late payment penalty assessment for the disputed transaction until further notice and refer the dispute to the CSURMA Program Administrator who shall attempt to resolve the dispute with the member. If the Program Administrator and member cannot resolve the dispute, the dispute shall be referred to the CSURMA Executive Committee for consideration at the Executive Committee's next regularly scheduled meeting. The CSURMA Treasurer shall recommend a proposed resolution of the dispute to the Executive Committee, and the Executive Committee's determination on the disputed transaction shall be final. The Executive Committee at its sole discretion may waive or include late payment penalties as it determines appropriate.

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\(^1\) A Cash Posting Order (CPO) is a mechanism to move Systemwide Investment Fund Trust (SWIFT) dollars between campuses, the Chancellor’ Office (CO) and the Authority. Once the CPO is issued, funds will be transferred to the CSURMA SWIFT account from the campus member’s SWIFT account.
Refunds/Adjustments – If the dispute resolution results in a reduction, the member can elect to:
   1. Request a refund check to be issued within 2 business days of the approved request.
   2. Request a CPO be issued within 2 business days of the approved request.
   3. Request the adjustment be applied towards the next payment.
All requests should be communicated to CSURMA Accounting to ensure compliance with member’s request.

Disputed Late Payment Penalties – Disputed late payment penalties must be reported in writing to the CSURMA Accounting Department. Upon receiving notice from a member of a disputed late payment penalty, the CSURMA Accounting Department shall refer the dispute to the CSURMA Program Administrator to research the dispute with the member. Based on this research, the CSURMA Program Administrator shall recommend a course of action to the CSURMA Treasurer. The CSURMA Treasurer shall have the discretion to waive late payment penalties for charges under $1,000 as determined appropriate. Charges over $1,000 will require Executive Committee approval.
ISSUE:

The CSURMA operate various self-insured coverage programs. Generally, these programs include a primary layer of pooling, with excess and reinsurance coverage. Each program is responsible for all costs generated by that program, as well as a proportionate share of the JPA's general administrative costs. It is important that each self-insured program be properly funded to satisfy its liabilities. This policy and procedure continues the policy adopted by the CSURMA Board of Directors on April 24, 1997.

POLICY STATEMENT:

It is the policy of the CSURMA that each self-insured program shall establish budgets with a goal of full funding, including a reasonable risk margin. Such funding shall be determined by the Executive Committee as a part of each year's annual budget based upon the recommendations of a professional actuary and staff.

PROCEDURE:

CSURMA staff is responsible for developing draft budgets for each of the self-insured programs for each fiscal year. As a part of the budget development, staff will work with the CSU and its actuary to determine projected liabilities for the CSURMA's self-insured programs. The actuary's reports shall be used by staff and the Executive Committee to develop recommended rates and funding for each self-insured program.

It is the policy of the CSURMA to fund fully the self-insured programs. CSURMA recognizes that its self-insured programs are transitioning from a cash funding basis to an accrual funding basis. Adopted funding shall facilitate this transition by including sufficient funds projected to pay the following cost elements:

- Administrative expenses shall be funded on a cash basis for each program year;
- Prior year cash deficits (if any) shall be funded on a cash basis;
- Prior years' claims payable shall be funded on a cash basis to the extent accrued reserves do not amount to full funding;
- Current year expected liabilities shall be funded on an accrual (incurred) basis; and
- At such time as all outstanding liabilities are fully funded, a reasonable risk margin shall be funded.
Staff and the actuary shall perform the calculations needed to establish the funding elements described above. It is expected that all outstanding liabilities will be fully funded by July 1, 2009 and staff shall make an annual report to the Board of Directors, detailing the self-insurance programs' progress toward achieving this funding policy.
POLICY:

It is the policy of the CSURMA that certain claims covered under the Campus Liability Risk Pool may present matters with systemwide implication that should not be treated as campus specific claims that impact a campus’ deductible and loss experience. Such otherwise covered claims that are designated as “Systemwide Claims” shall be funded by the Campus Liability Risk Pool but tracked separately from campus loss history.

PROCEDURE:

The campus or Chancellor’s Office may identify claims that are nominated as “Systemwide Claims.” Without regard to how a claim is filed or plead, Systemwide Claims are defined as those claims that:

- Raise matters of law that go beyond a single campus’ operations;
- Have the potential to create precedent that impacts the University beyond a single campus’ operations; or,
- Arise as a result of allegations that a campus has followed a directive of the Chancellor’s Office.

A campus or the Chancellor’s Office may nominate a claim for treatment as a Systemwide Claim by notifying the Claims Manager. The Claims Manager will work with the CSU’s Chief Risk Officer and Office of General Counsel and/or campus to develop information on which a determination recommendation shall be made by the CSURMA Secretary. The CSURMA’s determination and recommendation shall be presented to the CSURMA Executive Committee for action.

If a campus disagrees with the Executive Committee’s determination action, the campus within 45 days of receipt of such determination will send a written request to the Claims Manager for reevaluation of the coverage determination by the CSURMA Claims & Coverage Committee. The Claims & Coverage Committee will make its determination based upon information provided by both the Claims Manager and campus at the Committee's next regularly scheduled meeting.
If the campus does not agree with the CSURMA Claims & Coverage Committee's determination, the campus within 30 days of receipt of such determination will send a written request to the Claims Manager asking that the CSURMA Executive Committee evaluate the claim at the Committee's next regularly scheduled meeting. The Executive Committee's determination shall be final as respects the CSURMA's liability to cover the claim.

In all steps of the coverage evaluation process, the Claims Managers, Claims & Coverage Committee and Executive Committee shall take into consideration the written Memorandum of Coverage, practices of the CSU and CSURMA and best interests of the CSU. Note that the CSURMA coverage extends to its retained limits. The CSURMA's excess insurers may not cover claims that are covered in the CSURMA's layer.
CSURMA POLICY AND PROCEDURE NO. 9

ADOPTED: March 26, 2009

EFFECTIVE: April 17, 2006 and revised March 26, 2009

SUBJECT: PROPERTY COVERAGE OF STATE-OWNED BUILDINGS LEASED TO AN AUXILIARY ORGANIZATION AND OTHER SPECIFIED STATE-OWNED BUILDINGS

SUPERSEDES: 9-JPA

POLICY:

As a clarification of the insurable interest under the CSURMA property insurance programs, CSURMA has determined that Property Coverage for state-owned buildings is the responsibility of the University including state-owned buildings leased to an Auxiliary Organization, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building. This Policy and Procedure describes the responsibility and procedure for insuring these buildings and other specified state-owned buildings needing special deductibles in accordance with the CSU policy. This policy and procedure is not intended to impact any cost allocation practices among the campuses and auxiliary organizations that may exist or be developed in the future.

PROCEDURE:

As a result of negotiations with insurance companies and accepted by the CSU Office of the Chancellor, the CSURMA Property Coverage program will cover state-owned buildings (real property) that are leased to a CSU Auxiliary Organization as follows:

Effective: December 1, 2005

1. All buildings (real property) owned by the University (State) that are leased to a CSU Auxiliary Organization will be covered by the Campus Property Program, unless there exists a written agreement that the Auxiliary Organization is required to purchase and maintain Property Coverage for the leased building.

2. The University and Auxiliary Organization may agree to apportion that part of the University’s Property Coverage premium covering buildings leased to an Auxiliary Organization. Said premium may be payable by the Auxiliary Organization to the University, or if advised by the Campus and Auxiliary Organization, CSURMA will separately invoice the premium to be paid by the Auxiliary Organization.
3. If the lease agreement does not specify responsibility for deductibles and uninsured losses, the Campus and Auxiliary Organization shall determine responsibility for deductibles and uninsured losses.

4. All buildings which are funded by Public Works Bonds (PWB) or State Revenue Bonds (SRB) have as a maximum deductible the amount required in the applicable bond covenants.

5. If an Auxiliary Organization desires a lower deductible, then that lower deductible can be purchased as approved by the underwriters and invoicing of the additional cost shall be directed by the Campus and Auxiliary Organization.

6. If it is necessary for other University owned buildings to maintain a deductible other than the standard deductible offered maintained by a Campus Member, then that specified building may be insured at a lower deductible as approved by the underwriters and the additional cost shall be invoiced as agreed.
ADOPTED: MAY 13, 2011 (AMENDED)
EFFECTIVE: JULY 1, 2011
SUBJECT: MEMBER LOANS

Should there be any discrepancy between this document and either the JOINT POWERS AGREEMENT or BYLAWS, the JOINT POWERS AGREEMENT and BYLAWS will govern.

POLICY:

It is the policy of CSURMA that, upon recommendation of the Treasurer, the Executive Committee may approve a loan to a Member pursuant to the procedures described herein. No new Member Loan shall be granted without a finding by the Executive Committee that CSURMA has sufficient funds such that the proposed member loan would not impair CSURMA’s ongoing operations. Member Loans shall only be granted upon a finding by the Treasurer that the Member has exhausted alternative sources of funding and that a Member Loan is in the best interests of the University.

PROCEDURE:

The following procedures shall be followed in administration of the CSURMA Member Loan program:

1. **Amount Available for Member Loans** – The amount available for Member Loans shall not exceed 15% of the overall average fund balance for the preceding 12 months and no new Member Loan shall be initiated by the Treasurer without determining that the proposed Member Loan will fall within the 15% limit and that CSURMA will maintain adequate funds to cover its cash needs following the loan. In the interest of fairness, Member Loans to a single Member Campus (and its associated Member Auxiliary Organizations) shall not exceed 5% of the overall average fund balance for the preceding 12 months.

2. **Member Loan Request** – A member seeking a CSURMA Member Loan shall submit to the Treasurer a written request describing the amount, purpose, proposed terms, and repayment for the requested Member Loan. The request shall describe what steps the Member has taken to secure the requested funds through alternate sources and why the Member is seeking the proposed loan from CSURMA. The Member shall describe the collateral and source of repayment funds for the proposed Member Loan. If a general obligation pledge is proposed by an Auxiliary Organization Member, then that Member must also show adequate cash flow from a specific funding source or adequate reserves to make the debt service payments during the term of the loan. Proposed Member Loans for the acquisition of real estate by an Auxiliary organization may not pledge the real estate as collateral for the loan.
3. **Treasurer’s Review and Recommendation** - The Treasurer shall review the Member Loan request and seek additional information as necessary to make a determination. If a favorable determination is made, the Treasurer shall recommend to the Executive Committee the proposed Member Loan including the Treasurer’s recommended terms and conditions. Recommended terms shall require that the frequency of interest payments shall be at least quarterly in arrears and at an interest rate at least equivalent to the investment income rate that CSURMA would have earned if the funds had instead been invested during the same calculation period.

4. **Executive Committee Action** – At duly noticed meeting, the Executive Committee shall take action on the Treasurer’s recommendation. If the proposed Member Loan is to be approved, such approval shall be memorialized by resolution directing the Treasurer to prepare the loan note for review and approval by CSURMA’s General Counsel.

5. **Administration of Member Loans** – The Treasurer shall direct the CSURMA Accountant to transfer funds, calculate interest, collect repayment proceeds and prepare reports on the status of outstanding loans. Any failure to make timely payments or proposed change in terms or conditions shall be reported by the Treasurer to the Executive Committee for review and action.
CSURMA POLICY AND PROCEDURE NO. 11

ADOPTED: March 26, 2009

EFFECTIVE: July 1, 2009

SUBJECT: CSURMA OPERATING BUDGET DEVELOPMENT AND ADOPTION

POLICY:

CSURMA’s fiscal period begins on July 1 each year and ends on June 30 of the following year. Upon the Executive Committee’s recommendation, an annual operating budget is to be approved and adopted by the Board of Directors at its meeting preceding the beginning of the new budget period.

The operating budget for the Auxiliary Organizations coverage programs are developed separately by the AORMA Committee. The AORMA Committee shall develop its operating budget, and recommend to the Executive Committee its inclusion in the CSURMA Operating Budget for adoption by the Board of Directors.

PROCEDURE:

The Chancellor’s Office and the Program Administrators shall work together to develop a draft operating budget for the Executive Committee to review and recommend adoption by the Board of Directors with any changes it deems necessary.

The operating budget shall be composed of a General Fund for General and Administrative Expenses (indirect expenses) and separate Program Funds for direct program expenses. The General Fund shall include an estimate for Non-Operating Revenues such as Investment Income, Loan Interest and Miscellaneous Fee Revenue.

Operating Revenues shall include Members’ Contributions and Dividends. Operating Expenses and Non-Operating Revenues are allocable to each Program Fund as applicable, and shall be distributed in the following general manner:

General and Administrative Expenses shall be allocated to each Program Fund in proportion that each Program Fund Contribution bears to the Total Contribution for the fiscal period as of the start of the fiscal period; i.e., as of July 1. The proportionate share shall be fixed (locked-in) as of the beginning of the fiscal period for the duration of the fiscal period.

Non-Operating Revenues shall be distributed to each Program Fund that generate opportunities for investment income based on each fund’s average monthly balance for Cash and Investments during the fiscal period. For budget development purposes, estimated Non-Operating Revenues
for each applicable fund shall be based on the each fund’s average monthly cash balance of the preceding twelve months at the time the budget is developed.

Direct Program Expenses shall be allocated to each Program Fund as specified for the coverage as applicable (e.g., claims, claim administration, program administration, brokerage, insurance, actuarial, reinsurance, program committee, etc.). Other Direct Program Expenses shall be allocated to each Program Fund in the proportion directed by the respective Program Committee, which shall generally reflect estimated utilization by/for the applicable coverage.
POLICY:

In the best interest of the Authority, individuals who serve on the CSURMA Executive Committee are expected to be knowledgeable of the administrative workings of the Joint Powers Authority and risk management practice, procedures, and insurance trends. It shall be the policy of the CSURMA to annually fund travel for Executive Committee Members to attend professional development conferences.

PROCEDURE:

1. Approval of Professional Development conferences annually for each member of the Executive Committee.

2. Attendance of Professional Development conferences funded annually as established and approved each year. Funds are allocated in the CSURMA budget for travel of the Executive Committee members to attend the PARMA, CAJPA, PRIMA, URMIA, ACUBO or other similar professional conferences as approved by the CSURMA Secretary.

Allowable Expenses

a) **Registration** cost of registering for the Professional Development conference in the amount not to exceed $500.00

b) **Lodging** (not to exceed the Government or discount rate): Room service, movies and mini-bar charges are specifically excluded from reimbursement under this Policy and Procedure.

c) **Meals** (not to exceed $50 per day): When meals are provided by a conference or meeting, members will not be eligible for reimbursement if they choose to dine separately. Alcohol and/or corkage fees are not reimbursable expenses.

d) **Airfare** (coach rates) and any *mandatory* baggage fees when attending Professional Development conferences.
e) Travel by other public conveyance (train, bus, taxi), or by personal auto (reimbursement at current IRS rate): reimbursement for personal auto use shall not exceed the cost of roundtrip coach airfare.

f) Parking – reimbursable for attendance at Professional Development conferences.

3. Receipts are required for each of the items listed above.

4. The Expense Claim Form is to be signed by both the Member Representative and the CSURMA Secretary.

5. The Attendee to provide the Board of Directors with a verbal report of the Professional Development conference attended.
In an effort to assure the long term financial strength of the Campus Risk Pool Programs that include an element of self-insurance, the CSURMA Board of Directors desires to fund the Programs in a responsible manner. Furthermore, in recognition that there is a high degree of uncertainty in actuarial estimates due to the possibility of occasional catastrophic claims and inconsistent or inaccurate case reserving, the Board of Directors desires to establish a Target Reserve Funding Goal that will guide the CSURMA Executive Committee in making annual funding decisions for the Programs.

Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern.

POLICY
The Target Reserve Goal is hereby established to be, at a minimum, the actuarially determined expected liability (approximately 55% confidence level), discounted for investment. In evaluating the Programs’ funding position relative to the Target Reserve Funding Goal as a part of each year's ratemaking process, the Committee shall take into consideration the following ratios: Gross Premium to Unencumbered Reserve Ratio, Unencumbered Reserve to Pool Retention Ratio and Outstanding Reserves to Unencumbered Reserve Ratio.

The Committee may take action to set higher or lower confidence levels based on CSURMA’s goals to retain more or less risk. The Target Reserve Goal and Target Unencumbered Reserve Ratios described in this policy have been selected to take into account the nature of the Campus Risk Pool programs that include a relatively large and stable exposure and a single covered entity with substantial financial capacity.

PROCEDURE
1. Annual Actuarial Study - Each year the Program Director will engage CSURMA’s accredited independent actuary to perform an actuarial analysis of the Workers’ Compensation, AIME and Liability Programs. This analysis shall include estimates of the outstanding losses (including IBNR) at various confidence levels as well as estimates of ultimate losses for the upcoming year(s). The analysis shall also compare the current program funding against the outstanding liabilities and determine the confidence level to which the program is currently funded. Because the Property, SAFECLIP, SPLIP and Crime
Programs have an annual aggregate retention, an actuarial analysis may not be performed. Also, no actuarial study is required for the IDL/NDL/UI Program as that program covers very short tail statutory benefits.

2. **Calculation of Industry Ratios** - The Program Administrator Director will also calculate certain insurance industry ratios to help analyze the Program’s current financial position as follows:

   **Gross Premium to Unencumbered Reserve Ratio:**  Target \(< 3:1\)
   
   This ratio is a measure of how the unencumbered reserves are leveraged against possible pricing inaccuracies. A low ratio is desirable.

   **Unencumbered Reserve to Pool Retention Ratio:**  Target \(> 1:1\)
   
   This ratio is a measure of the maximum amount that unencumbered reserves could decline due to a single loss. A high ratio is desirable.

   **Outstanding Reserves to Unencumbered Reserve Ratio:**  Target \(\leq 5:1\)
   
   This ratio is a measure of how unencumbered reserves are leveraged against possible reserve inaccuracies. A low ratio is desirable.

3. **Application of Target Surplus Criteria** – After an annual review of the Target Unencumbered Reserve Ratios, the Executive Committee will determine whether it is desirable to increase, decrease, or stabilize reserves. Their recommendations will be forwarded to the Board of Directors. If the Board of Directors desires to decrease reserves, it may approve a funding level below the 55% confidence level. Conversely, a funding decision above the 55% confidence level will indicate a bias toward increasing reserves. A determination to fund at the 55% confidence level will reflect the Executive Committee’s desire to keep surplus at the current level.

Because the Property, SAFECLIP, SPLIP and Crime Programs have annual aggregate retentions, and therefore no actuarial study is performed, the Target Reserve Funding shall be the amount of funds that exceed the maximum liability retained by the program for the upcoming program year plus the expected value for all open claims from current and prior years. The Executive Committee will approve the annual funding for each program.

The Program Target Reserve Funding and Dividend Calculation Report will be prepared for each self-funded program and presented to the Executive Committee after the end of each fiscal year.

4. **Dividends** – Dividends may be available from the amount of reserves exceeding the Target Reserve amount established by the Executive Committee. The allocation of any dividend shall be pursuant to the formula approved by the Executive Committee.
5. **Assessments** – Assessments may be required when the Executive Committee determines that the amount of reserves is not sufficient and can best be remedied by an extraordinary assessment. The allocation of any assessment shall be pursuant to the formula approved by the Executive Committee.

**MEMBER APPEAL PROCESS**

If a MEMBER wishes to appeal any decision regarding the application of the Target Surplus Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary within 30 days of the disputed decision. The Secretary shall place the Member’s appeal on the Executive Committee’s agenda at its next regularly scheduled meeting. The Executive Committee will review the appeal and inform the Member of the final decision within 5 business days of the final decision.

If a Member wishes to appeal the Executive Committee’s decision, the Member will notify the CSURMA Secretary in writing within 5 business days of receipt of the Executive Committee’s decision. The CSURMA Executive Committee will then review the appeal at its next meeting or sooner. The CSURMA Executive Committee’s decision will be the final determination.
DEFINITIONS:

CSURMA EXECUTIVE COMMITTEE – The California State University Risk Management Authority Executive Committee, a committee of the CSURMA providing management and oversight to the CSURMA. The Executive Committee is comprised of the Chair, the Vice Chair, and seven “At Large” members.

CSURMA - The California State University Risk Management Authority, a California Joint Powers Authority, comprised of the California State University and its Auxiliary Organizations.

GROSS PREMIUM - Includes pool premium and reinsurance/excess insurance premium but does not include administrative costs.

IBNR – Incurred but Not Reported losses

OUTSTANDING RESERVES - The sum total of unpaid case reserves in the pool layer as determined by the various claims examiners.

POOL RETENTION - The maximum amount of exposure to a single loss retained by the pool over the most recent 5 years.

SURPLUS - The amount of cash equivalent available to pay claims in excess of actuarial expected losses discounted for investment income.

CONFIDENCE LEVEL: A confidence level is the statistical certainty that an actuary believes funding will be sufficient. For example, an 80% confidence level means that the actuary believes funding will be sufficient in eight years out of ten.
Should there be any discrepancy between this document and either the MEMORANDUMS OF COVERAGE or PARTICIPATION AGREEMENTS between the Executive Committee and the MEMBER, the MEMORANDUMS OF COVERAGE and the PARTICIPATION AGREEMENTS will govern. Words in capital letters are defined at the end of this document.

POLICY

It is the policy of Executive Committee that:

- Evaluation of the funding for each Campus Risk Pool Self-Insured Program ("PROGRAM") shall be made based on all coverage periods combined for that particular program rather than on each coverage period on its own. The availability of any dividend or need for any assessment will be determined based on the program’s overall funding relative to the Target Reserve Funding Goal detailed in the separate Policy and Procedure No. 13.
- Assessments and Dividends shall be allocated to the MEMBERS based on participation in “open” policy periods only.
- Unless the Executive Committee takes specific action to the contrary, a coverage period shall be considered “closed” for dividend and assessment purposes five (5) years from the expiration of that period (i.e. 6/30/03 for FY07/08).
- Assessments are a responsibility of membership and shall be allocated to all members who participated in the open policy periods which the assessment is based on, regardless of whether they are current members at the time the assessment is declared.
- Dividends are a privilege of membership and shall be allocated only to the current members in the program at the time the dividend is declared who participated in one or more of the open policy periods which the dividend is based on.

PROCEDURE

1. Annual Funding Analysis – Each year the Program Director will analyze the current funding position of the programs in accordance with the Target Reserve Funding Goal detailed in Policy and Procedure No. 13. This analysis will, in part, determine whether each program’s overall funding is sufficient to consider a dividend or is depleted to the point of considering an assessment. The Program Director’s analysis will be reviewed by the Executive Committee.

2. Closure of Policy Periods - Upon reaching five (5) years of maturity after the end of a coverage period, that period shall be "closed" and there shall be no further dividends or
assessments allocated with respect to those program periods. Notwithstanding the above, the Executive Committee may take action to leave a policy period "open" even though it may otherwise qualify for closure. In addition, the last five (5) policy periods shall always remain "open" unless the Executive Committee takes specific action to declare any of the last five (5) policy periods closed.

3. **Dividends and Assessments** - Dividends and assessments shall be allocated to the MEMBERS based upon the proportion of all premiums paid to the PROGRAM in all "open" periods only. For purposes of allocating dividends and assessments pursuant to this subparagraph, all "open" policy periods shall be considered collectively.

4. **DECLARATION OF ASSESSMENTS** – Based on the recommendation of the Executive Committee, assessments will be declared as needed by the Board of Directors, and will be collected from a MEMBER in accordance with its proportionate funding to the PROGRAM during all “open” policy periods, whether or not they currently participate in the Program at the time of the assessment.

5. **DECLARATION OF DIVIDENDS** – On the recommendation of the Executive Committee, the Board of Directors may declare dividends if overall funding is sufficient to support such action. Upon such a declaration, the dividend shall be allocated to those MEMBERS currently participating in the Program at the time the dividend is payable, based on the proportionate funding of all “open” policy periods.

**MEMBER APPEAL PROCESS**
If a MEMBER wishes to appeal any decision regarding the application of this Dividend/Assessment Policy, the MEMBER must present an appeal in writing to the CSURMA Secretary within thirty (30) days of the disputed decision. The Secretary shall place the MEMBER appeal on the Executive Committee agenda at its next regularly scheduled meeting. The Executive Committee will review the appeal at its next regularly scheduled meeting and inform the MEMBER of the final decision within five (5) business days of its decision.
DEFINITIONS:

EXECUTIVE COMMITTEE – The governing body of CSURMA’s Campus Risk Pool Programs.

MEMBER – Any campus participating in Campus Risk Pool Programs

PROGRAM – For purposes of dividends and assessments, CSURMA’s Campus Risk Pool Programs are the Liability, SAFECLIP, SPLIP, AIME, Workers’ Compensation, Property and Crime Programs.

CSURMA - The California State University Risk Management Authority, a California Joint Powers Authority, comprised of the California State University and its auxiliary organizations.
POLICY: Pursuant to California Government Code Section 6505 et seq. (referenced below) the CSURMA has designated in the governing documents the officer positions of the Treasurer and the Secretary-Auditor. It is the policy of the CSURMA that there shall a designation of the operational responsibilities of the Treasurer and the Secretary-Auditor as described in this Policy & Procedure No. 15.

PROCEDURE: The Treasurer and Secretary-Auditor shall perform the duties specified in California Government Code Section 6505 et seq. and other duties as designated by the Board of Directors, Executive Committee or AORMA Committee. To clarify the roles of the Treasurer and the Secretary-Auditor, the duties and responsibilities of the Treasurer and the Secretary-Auditor are described respectively as follows:

TREASURER
The Treasurer shall serve as a member of the Executive Committee and have the following duties and responsibilities for CSURMA:

1. FUNDS AND ACCOUNTS:

1.1. ACCOUNTS
    1.1.1. The Treasurer shall establish and maintain funds and accounts in compliance with good accounting practice.

1.2. RECEIPT
    1.2.1. The Treasurer shall receive all funds for custody by the entity.
    1.2.2. The Treasurer ensures all funds are deposited to the proper program fund accounts.
    1.2.3. Upon receipt of the approved premium deposit allocation, the Treasurer bills and collects annual premiums, quarterly premiums, and special assessments from all members.

1.3. DISBURSEMENT
    1.3.1. The Treasurer shall pay any sums due out of monies of the Authority, as approved for payment.
2. REPORTING
   2.1. The Treasurer maintains a central accounting system for CSURMA.
   2.2. Unaudited financial statements will be produced as requested by the Executive Committee to show the accounting transactions by fund.
   2.3. The Treasurer shall engage a certified public accountant or public accountant to perform an independent financial audit as provided by law.
   2.4. The Treasurer shall create a quarterly investment report for review by the Executive Committee.

3. CASH AND DEBT MANAGEMENT
   3.1. The Treasurer manages the cash flow of CSURMA which includes investing the excess monies over the required immediate expenditures for the Authority.
   3.2. The Treasurer administers short-term and long-term debt financing, authorized by the Executive Committee.
   3.3. The Treasurer shall maintain a detailed record of every loan, including an entry on the loan register showing each loan and payment.

The duties of the Treasurer vary and play a key fiduciary role in the operation of the Authority.

SECRETARY-AUDITOR
The Secretary-Auditor shall not serve as a member of the Executive Committee and have the following duties and responsibilities for CSURMA:

1. BUDGET
   1.1. The Secretary-Auditor shall ensure that all bills are reviewed and approved for payment before payments are issued by the Treasurer.
   1.2. The Secretary-Auditor may examine the Treasurer’s book on behalf of the CSURMA Executive Committee to check for accuracy.
   1.3. The Secretary-Auditor acts as the CSURMA budget officer and shall be responsible for the preparation and administration of the budget.

2. MISCELLANEOUS DUTIES
   2.1. The Secretary Auditor also conducts the sale of surplus items such as office equipment.
   2.2. The internal audit duties may also fall under the direction of the Secretary-Auditor as directed by the Executive Committee.
   2.3. The Secretary-Auditor serves as Secretary of the CSURMA.

The duties of the Secretary-Auditor are directly accountable to the Executive Committee in the implementation of the policies, procedures and programs of the CSURMA.
ADOPTED: MARCH 22, 2012
EFFECTIVE: MARCH 22, 2012
SUBJECT: USE OF CSURMA EQUIPMENT

PURPOSE:

This policy and procedure outlines the usage policy of Electronic Communication Equipment for the CSURMA Executive Committee members and the CSURMA AORMA Committee members. This policy and procedure addresses the desire of the CSURMA to control access to end users who have legitimate business requirements to access the hardware, the data contained therein and ensure responsible use.

POLICY:

It is the policy of the CSURMA that, in accordance with the Bylaws, the CSURMA shall adopt the procedure outlined in this document for purposes of granting access to Electronic Communication Equipment to facilitate the sharing of vital information related to the business of CSURMA while promoting continuity of leadership, encouraging opportunity for diverse committee representation and participation and continuing effective administration of established insurance programs and services.

PROCEDURE:

The following steps will be taken to affect this policy:

1. If desired by the individual Committee Member, the CSURMA Executive Committee Members and CSURMA AORMA Committee Members will be issued Electronic Communication Equipment for their exclusive use during their term on the Committee for the purpose of accessing information related to the business of the Committee.

2. The CSURMA Executive Committee Member and CSURMA AORMA Committee Member will return the CSURMA owned Electronic Communication Equipment within forty-five (45) days of the end of their term on the Committee. Electronic Communication Equipment will remain the property of the CSURMA unless the Committee Member exercises his/her option to purchase the used equipment at fair market value at the end of his/her term on the Committee.
3. Each CSURMA Executive Committee Member and CSURMA AORMA Committee Member must employ reasonable physical security measures. Users of the Electronic Communication Equipment are expected to secure all such devices used for this activity whether or not they are actually in use and/or being carried. This includes, but is not limited to, passwords, encryption, and physical control of such devices whenever they contain enterprise data. Any non-business computers used to synchronize with these devices will have installed anti-virus and anti-malware software deemed necessary by CSURMA. Anti-virus signature files on any additional client machines – such as a home PC – on which this media will be accessed, must be up to date.

4. Each CSURMA Executive Committee Member and CSURMA AORMA Committee Member agrees to responsible usage of the Internet to further the goals and objectives of the Committee. Individual Internet use shall not interfere with others’ productive use of Internet resources. Users will not violate the network policies of any network accessed through their account. Usage of Electronic Communication Equipment will comply with all Federal and State laws, all CSU and CSURMA policies.

The types of activities that are encouraged include:

a. Communicating with colleagues within the context of an individual’s assigned responsibilities;
b. Acquiring or sharing information necessary or related to the performance of an individual’s assigned responsibilities; and
c. Participating in educational or professional development activities.

5. Equipment will be reviewed and refreshed on a three (3) year schedule, contingent upon resources available.
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JOINT EXERCISE OF POWERS AGREEMENT
FOR THE CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

THIS AGREEMENT is made and entered by and between the Trustees of the California State University (the “University”) and its auxiliary organizations (the “Auxiliary Organizations”) which become signatories to this instrument (the “Agreement”).

Recitals


B. WHEREAS the University is an agency of the State of California;

C. WHEREAS the Auxiliary Organizations are nonprofit public-benefit organizations formed pursuant to the California Nonprofit Corporation Law at § 5110 et seq. and described in California Education Code § 89901, et seq.;

D. WHEREAS the University is permitted to self-insure or purchase Liability insurance pursuant to California Government Code § 11007.4 and purchase Workers’ Compensation insurance pursuant to Labor Code § 3700, et seq., and whereas Auxiliary Organizations are permitted to self-insure, purchase Liability insurance or participate in a pooling arrangement under California Corporations Code § 5005.1, and to self-insure or purchase insurance for Workers’ Compensation liability pursuant to California Labor Code § 3700, et seq.;

E. WHEREAS California Government Code § 6516.9 allows the University and the Auxiliary Organizations to form a Joint Powers Entity ("Entity") to provide insurance programs and self-insurance programs and to provide related services; and

F. WHEREAS the University and Auxiliary Organizations which become signatories find that they will benefit by forming such a Joint Powers Entity, and that it is in their best interest and the public interest that this agreement be executed.

NOW, THEREFORE, In consideration of the foregoing Recitals and the mutual promises of the parties as set forth in the following Terms and Conditions, it is mutually agreed by all of the parties to this Agreement as follows:
Terms and Conditions

SECTION 1: Definitions

The following definitions shall apply to the provisions of this Agreement:

(a) “Agreement” shall mean this joint exercise of powers agreement.

(b) “Auxiliary Organization” shall mean an organization described in California Education Code § 89901 et seq., which is on the approved list of Auxiliary Organizations of the University Chancellor’s Office.

(c) “Board of Directors” or “Board” shall mean the governing body of the Entity.

(d) “Bylaws” shall mean the adopted Bylaws of the Entity as amended in their latest approved form.

(e) “Coverage Program” shall mean the Entity’s programs as defined herein.

(f) “Entity” shall mean the California State University Risk Management Authority created by and existing under this Agreement.

(g) “Executive Committee” shall mean the Executive Committee of the Entity’s Board of Directors.

(h) “Member” shall mean a party to this Agreement. For purposes of this Agreement, each University campus and the Chancellor’s Headquarters shall be considered separate Members, but such University campuses and the Chancellor’s Headquarters shall not be considered parties to this Agreement separate from the University.

(i) “Pooled Coverage Programs” shall consist of Coverages Programs provided directly by the Entity under a Risk Pooling Program pursuant to a memorandum of coverage and/or provided by a purchased insurance program. These may include, but are not limited to, Property, Workers’ Compensation and Liability coverages as may be determined by the Board of Directors.

(j) “Program Director” shall mean the individual or firm retained by the Board of Directors to administer the Entity.

(k) “Purchased Insurance Programs” shall mean those Coverage Programs in which members do not share risk of loss.

(l) “Risk Pooling Programs” shall mean those Coverage Programs in which participating members share risk of loss.

(m) “University” shall mean the Board of Trustees of the California State University.
SECTION 2: Legal Authority For Agreement

(a) This Agreement is entered into pursuant to the provisions of Article 1, Chapter 5, Division 7, Title 1 of the California Government Code (beginning with § 6500) which authorizes the University and Auxiliary Organizations, such as the Members who are parties to this Agreement, to establish and operate pooled coverage programs and to provide related services.

SECTION 3: Purposes

The purposes of this Agreement are to:

(a) Provide for the effective governance of the Entity;

(b) Provide for the effective operation of cooperative programs of risk management and loss prevention so as to reduce or eliminate losses and loss exposures, decrease the expenses of claims and claims administration and improve procedures to manage risks commonly experienced by the parties to this Agreement;

(c) Provide for effective operation of Coverage Programs in the areas of public liability, auto liability, errors and omissions, workers’ compensation and property losses, and in such other coverage areas as the Board of Directors deems appropriate; and

(d) Implement new Coverage Programs and other programs related to the foregoing purposes, which the Entity deems necessary, advisable and beneficial to the parties to this Agreement.

SECTION 4: Parties to the Agreement

Parties to this Agreement may only include:

(a) The California State University; and

(b) The Auxiliary Organizations as defined herein.

SECTION 5: Term of Agreement

Subject to the power to terminate any Member’s membership in the Entity, as provided for in this Agreement, this Agreement shall continue indefinitely, and it shall not be terminated so long as the University and one or more Members agree that the Agreement, and the Entity, be continued. Withdrawal by the University will cause dissolution of the Entity.
SECTION 6: Existence of Entity As Separate Public Entity With Sole Responsibility For Its Obligations

Pursuant to California Government Code § 6500 et seq., a public entity of the State of California known as the California State University Risk Management Authority has been created and does now exist. The Entity exists separately and apart from the Members. Pursuant to California Government Code § 6508.1 the debts, liabilities and obligations of the Entity shall be solely its own and they shall not constitute debts, liabilities or obligations of its officers, Directors, employees, agents, Board of Directors, Executive Committee, Program Director or of any Member.

SECTION 7: Powers of Entity

(a) The Entity shall have all of the powers common to the parties to this Agreement and all additional powers afforded under California law to public entities such as Entity, formed for the purpose of jointly exercising powers common to their members. The Entity is also authorized by this Agreement to do all acts necessary for the exercise of its powers. The Entity’s powers include, but are not limited to, the following:

i. To make and enter into contracts;

ii. To incur debts, liabilities, and obligations;

iii. To acquire, hold, lease or dispose of real or personal property, receive contributions and donations of property, funds, contract for services and other forms of assistance from persons, firms, corporations, and government entities;

iv. To sue and be sued in its own name, and to settle any claim against it;

v. To hire employees and to retain agents, advisors and consultants;

vi. To receive and use contributions and advances from Members as provided in California Government Code § 6505, including contributions or advances of personnel, equipment or property;

vii. To invest any money in its treasury that is not required for its immediate necessities, pursuant to Government Code § 6509.5; and

viii. To carry out all provisions of this Agreement.

(b) Pursuant to California Government Code § 6500 et seq. the Entity’s powers shall be exercised in the manner and according to Procedures provided in the laws applicable to a California State University, as set forth in Sections 66000 et seq. and Sections 89000 et seq. of the California Education Code.
SECTION 8: Board of Directors

There shall be a Board of Directors to manage the activities and affairs of the Entity. It shall be composed of up to thirty (30) Directors appointed by the California State University Executive Vice Chancellor/Chief Financial Officer; and up to ten (10) Directors elected by the Auxiliary Organizations which become members of the Entity. Directors appointed by the University serve at the pleasure of the Executive Vice Chancellor/Chief Financial Officer, and may be replaced by him/her at any time. The Executive Vice Chancellor/Chief Financial Officer may also appoint alternate representatives who shall serve in the absence of the primary representatives. Should the Executive Vice Chancellor/Chief Financial Officer appoint fewer than 30 Directors, the voting power for unfilled appointments shall be retained by the Executive Vice Chancellor/Chief Financial Officer and may be delegated by the Executive Vice Chancellor/Chief Financial Officer to a duly appointed Director(s). Directors elected by the Auxiliary Organizations shall serve subject to terms and conditions of a policy and procedure duly adopted by the Auxiliary Organizations Risk Management Alliance Committee for election and replacement of same. Each Director of the Entity must be an officer, director or employee of the University or officer, director or compensated management employee of an Auxiliary Organization.

SECTION 9: Powers of the Board of Directors

(a) The Board of Directors shall retain overall responsibility for governance of the Entity, including the right to exercise all powers of the Entity not reserved to other persons or bodies of the Entity.

(b) The Board of Directors shall have reserved to itself the following express powers, duties and responsibilities:

i. Election of certain Entity officers and the members of its Executive Committee.

ii. Approval of the annual budget of the Entity.

iii. Approval of amendments to this Agreement and the Bylaws.

iv. Approval of new Coverage Programs of the Entity.

v. Amendment or modification of any prior actions or resolution of the Board of Directors.

vi. The exercise of powers of the Entity, including promulgation of policies, procedures and rules, with respect to all matters reserved to the Board of Directors by this Agreement, the Bylaws or otherwise.
SECTION 10: Meetings of the Board of Directors

(a) The Bylaws of the Entity shall make provision for calling and holding meetings of the Board of Directors, which shall include, in any event, at least one regular meeting annually.

(b) Meetings of the Board of Directors shall be conducted in accordance with this Section, the Bylaws and the Bagley-Keene Open Meeting Act (California Government Code § 11120 et seq.)

(c) The presence of a majority of the Directors of the Board shall constitute a quorum for the conduct of business of the Board except as otherwise provided by this Agreement, the Bylaws or other applicable provisions of law.

SECTION 11: Officers of the Entity

(a) The officers of the Entity shall be a Chair, Vice Chair, Secretary-Auditor and Treasurer whose duties shall be as set forth in this Agreement, the Bylaws or as prescribed by applicable provisions of law.

(b) The Chair and Vice Chair shall be elected by the Board of Directors from the members of the Board and shall serve two year terms. Neither officer shall serve for more than two complete consecutive terms in his or her respective office. The terms of each office will ordinarily commence on July 1st of each even-numbered calendar year except that if an election has not been conducted by that date, the terms shall commence as soon as the election has been held. The terms of each office shall end on June 30th of the succeeding even-numbered calendar year, except that if the election of the officers to serve the next succeeding term has not been conducted, the incumbent officers shall continue to hold their offices until the election has been conducted.

(c) The Secretary-Auditor shall be the person who serves as the University’s Systemwide Director of Risk Management at the Chancellor’s Office or such other person as the Executive Committee appoints.

(d) The Treasurer shall be appointed by the Executive Vice Chancellor/Chief Financial Officer and shall serve at the pleasure of the Executive Vice Chancellor/Chief Financial Officer.

(e) The Entity may have such other officers as provided in the Bylaws.

(f) The Chair or Vice Chair shall be removed from office by reason of no longer being a Director or upon removal from the Executive Committee as set forth in the Bylaws. If this occurs, the Board shall hold an election at its next meeting to fill the vacancy for the remainder of the unexpired term.
SECTION 12: Executive Committee

(a) The day-to-day business of the Entity will be conducted, directed and supervised by an Executive Committee consisting of nine members of the Board of Directors.

(b) The Executive Committee shall be composed of the Chair, Vice Chair, Treasurer, four members elected from among the University-appointed Directors and two members elected from among the Auxiliary Organization Directors. Executive Committee elections and terms of office shall follow the same procedure as set forth in Section 11 above, with University-appointed Directors electing their four representatives and Auxiliary Organization Directors electing their two representatives. Of the four members elected from University appointed Directors, two terms of office shall end on June 30 in odd-numbered years, and two terms of office shall end on June 30 in even-numbered years. At the end of their term limits, the Chair and Vice Chair may run for election to become non-officer members of the Executive Committee. Term limitations shall not apply to the Executive Committee members elected by the University (other than the Chair and Vice Chair). The terms of office for the Auxiliary Organization representatives to the Executive Committee shall be determined by the policies and procedures adopted by the Auxiliary Risk Management Alliance Organization Committee, which may include term limits.

(c) The Executive Committee shall have all powers of the Board of Directors except those powers reserved solely to the Board under Section 9 above, or such powers as the Board may subsequently reserve solely to itself.

SECTION 13: Committees

The Entity shall have standing and other committees as may be provided for in the Bylaws or which are created by the Board of Directors, the Executive Committee or the Chair. Committees of the Entity shall have powers, duties and responsibilities as provided in the Bylaws or as delegated and directed by the appointing authority.

SECTION 14: Program Director, Staff and Consultants

(a) The Board of Directors shall appoint a Program Director who shall be responsible for the general administration of the business and activities of the Entity as directed by the Executive Committee.

(b) The California State University Office of General Counsel shall serve as general legal counsel to the Entity.

(c) Subject to the direction of the Board of Directors, the Executive Committee shall provide for the appointment of such staff or consultants of the Entity as may be necessary for the administration of the Entity.

(d) As determined by the Executive Committee, staff functions including those of Program Director may be performed by employees of the Entity, by officers, Directors and
employees of Members or by agents, advisors and consultants retained under contract by the Entity.

(e) The Program Director and other staff of the Entity shall have such powers, duties and obligations as are established by this Agreement, the Bylaws, the policies, procedures and rules promulgated by the Entity and any contractual arrangements which may exist between the Entity and the respective person.

(f) The Program Director and Legal Counsel shall serve at the will and pleasure of the Board of Directors and all other staff shall serve at the will and pleasure of the Executive Committee.

SECTION 15: Insurance Coverage

The Entity may maintain insurance coverage on its activities as determined by the Executive Committee to be necessary and adequate.

SECTION 16: Accounts and Records

(a) Annual Budget. The Entity shall adopt an annual budget, which shall include a separate budget for each separate Coverage Program under development or adopted and implemented by the Entity. The Executive Committee shall cause to be prepared, shall review and approve and shall recommend a proposed annual budget to the Board of Directors for its consideration.

(b) Funds and Accounts. As directed by the Executive Committee, the Treasurer of the Entity shall establish and maintain such funds and accounts as may be required by law and good accounting practices. Fund accounting shall be established and maintained for each insurance program under development or adopted and implemented by the Entity. Books and records of the Entity in the hands of the Treasurer shall be open to inspection at all reasonable times by authorized representatives of Members. A quarterly unaudited financial statement will be produced. The Entity shall adhere to the standard of strict accountability for funds set forth in Government Code § 6505.

(c) Treasurer’s Report. The Treasurer, within ninety (90) days after the close of each fiscal year, shall give a complete written report of all financial activities for such fiscal year to the Board and to each Member.

(d) Annual Financial Audit. Pursuant to Government Code § 6505, the Entity shall contract with an independent certified public accountant to make an annual fiscal year audit of all accounts and financial statements of the Entity, or shall have the accounts and records audited by the State Controller’s Office, and shall comply with all reporting and filing requirements relating to such audits.
SECTION 17: Responsibilities for Funds and Property

(a) The Treasurer shall have custody of and shall disburse the Entity’s funds. He or she may delegate disbursing authority to such persons as may be authorized by the Executive Committee to perform that function, subject to the requirements of (b) below.

(b) Pursuant to Government Code § 6505.5, the Treasurer shall:

   i. Receive and acknowledge receipt of all funds of the Entity and place them in the treasury of the Treasurer to the credit of the Entity.

   ii. Be responsible upon his or her official bond for the safekeeping and disbursement of all Entity funds so held by him or her.

   iii. Pay any sums due from the Entity, as approved for payment by the Board or Executive Committee or by any body or person to whom the Board has delegated approval authority, making such payments from Entity funds upon warrants drawn by the Treasurer. All warrants of the Entity shall be signed by two persons as designated by the Board; provided, however, that the Board may, by resolution, authorize imprest accounts for expenditures of funds in limited amounts for which only one authorized signatory shall be required on the instrument.

   iv. Verify and report in writing to the Entity and to Members, as of the first day of each quarter of the fiscal year, the amount of money then held for the Entity, the amount of receipts since the last report, and the amount paid out since the last report.

(c) Pursuant to Government Code § 6505.1, the Program Director, the Treasurer and such other persons as the Executive Committee may designate shall have charge of, handle and have access to the property of the Entity.

(d) The Entity shall secure and pay for a fidelity bond or bonds, in an amount or amounts and in form specified by the Executive Committee, covering the Treasurer and all other officers and staff of the Entity who are authorized to hold or disburse funds of the Entity, and all other officers and staff who are authorized to have charge of, handle, and have access to property of the Entity.

SECTION 18: Responsibilities of the Entity

The Entity shall perform the following functions in discharging its responsibilities under this Agreement:

(a) Assist each Member’s designated risk manager with the risk management function;

(b) Provide loss prevention and safety services to the Members;

(c) Provide claims adjusting and claims management services as required;
(d) Provide statistical reports to the Members;

(e) Recommend standard contract clauses relating to indemnity, hold harmless, insurance and other similar matters affecting Members; and

(f) Create Coverage Programs as the Board deems appropriate;

(g) Provide other services consistent with purposes of the Entity as may be deemed necessary, advisable and beneficial to the Members.

SECTION 19: Responsibilities of the Members

(a) Each Member shall appoint one employee or other representative as the Member’s designated Risk Manager to be responsible for the Member’s risk management activities and to serve as liaison between Member Agency and the Entity as respects risk management.

(b) Each Member shall maintain an active safety program through a designated safety officer and/or safety committee.

(c) Each Member shall timely pay all premiums, fees, charges and assessments imposed or levied by the Entity.

(d) Each Member shall provide the Entity with requested information and assistance in order to fulfill the programs under this Agreement.

(e) Each Member shall in all ways cooperate with and assist the Entity in all matters relating to this Agreement and comply with the Bylaws and the policies, procedures and rules promulgated by the Entity.

(f) Each Member shall cooperate fully with the Entity in determining the causes of losses and in the settlement of losses; and shall cooperate with and assist the Entity, and any insurer, claims adjuster or legal counsel retained by the Entity in all matters relating to this agreement, including the defense of claims and/or adjustment of losses.

SECTION 20: Development, Implementation and Funding of Coverage Programs

(a) Program Coverage. The Entity may develop and implement Coverage Programs which the Entity deems necessary, advisable and beneficial to Members. Subject to any Coverage Program’s applicable underwriting rules and other qualifying conditions, each Member shall be eligible to apply for membership and participation in any program conducted by the Entity. The Board may condition participation on approval by a majority vote of other participating Members.
(b) **Program and Entity Funding.** The Members developing or participating in a Coverage Program shall fund all costs of that program, including administrative costs, as hereinafter provided. Costs of staffing and supporting the Entity, hereinafter called Entity general expenses, shall be equitably allocated among the various programs and shall be funded by the Members developing or participating in such programs in accordance with such allocations, as determined by the Board of Directors or Executive Committee.

i. **Development Charge.** Development costs of a Coverage Program shall be funded by a development charge as fixed by the Executive Committee. The development charge shall be paid by each Member which wishes to join in development of the program, after receipt of information as estimated on the cost and scope of the program, and thereby reserve the option to participate in the program following its adoption by the Board of Directors. Development costs are those costs incurred by the Entity in developing a program for review and adoption by the Board of Directors, including but not limited to: research, feasibility studies, information and liaison work among Members, preparation and review of documents, and actuarial and risk management consulting services. The development charge may also include an equitable share of Entity general expense incurred in the development function. Upon the conclusion of program development: any deficiency in development funds shall be billed to all Members which have paid the development charge, on a pro-rata or other equitable basis, as determined by the Executive Committee; and any surplus in such funds shall be refunded to contributing Members on a pro rata basis.

ii. **Annual Premium.** Except as provided in iii. below, all post-development costs of a Coverage Program shall be funded by annual premiums charged to the Members participating in the program each policy year, and by interest earnings on the fund so accumulated. Premiums shall be determined by the Executive Committee upon the basis of a cost allocation plan and rating formula developed by the Entity with the assistance of an actuary, risk management consultant or other qualified person. The premium for each participating Member shall include that Member’s share of expected program losses, program reinsurance costs, and program administrative costs for the year plus that Member’s share of Entity general expense allocated to the program. Annual premiums shall be billed by the Entity at the beginning of each policy year and shall be payable within thirty (30) days of the billing date. At the end of each policy year, program costs shall be audited by the Entity. Any deficiency or surplus in the premium paid by a participating Member, as shown by such audit, shall be adjusted by a corresponding increase or decrease in the premium charge to that Member for the next succeeding year, unless the Member withdraws or is canceled from the program.

iii. **Assessment.** If the Entity experiences unusually large losses under a Risk Pooling Program during a policy year, such that pooled funds for the program may be exhausted or depleted excessively before the next annual premiums are due, the Board of Directors may, upon consultation with an actuary, impose assessments on all Members participating in that program, which, in total amount, will assure adequate funds to the Entity for the payment of all incurred losses.

**SECTION 21:** New Auxiliary Organization Members
An Auxiliary Organization which is not a Member may become a party to this Agreement only upon approval of the Executive Committee and by paying an appropriate entry fee or charge as established by the Executive Committee. The Executive Committee may condition its approval upon the proposed Auxiliary Organization Member’s ability to satisfy the underwriting criteria and other qualifying conditions which may then be in effect for any Coverage Program in which the proposed Auxiliary Organization Member wishes to participate.

SECTION 22: Withdrawal of Auxiliary Organization Members

(a) An Auxiliary Organization may withdraw as a party to this Agreement upon thirty (30) days’ advance written notice to the Entity if it has never become a participant in any Coverage Program, or if it has withdrawn from all Coverage Programs in which it was a participant, pursuant to (b) below.

(b) After becoming a participant in a Coverage Program, an Auxiliary Organization may withdraw from that program only at the end of a policy year for the program, and, unless the Coverage Program’s participation agreement, policies, procedures and rules otherwise provide, only if the Auxiliary Organization has given the Entity at least three (3) months’ advance written notice of such action.

SECTION 23: Termination

(a) Notwithstanding the provisions of Section 22, the Board of Directors may:

i. Terminate any Member from this Agreement and membership in the Entity, on a vote of two-thirds of the Board members present and voting. Such action shall have the effect of terminating the Member’s participation in all Coverage Programs of the Entity as of the date that membership is terminated, unless a later effective date is set by the Board.

ii. Terminate any Member’s participation in a Coverage Program of the Entity, without terminating the Member’s membership in the Entity or participation in other Coverage Programs, on a vote of two-thirds of the Board members present and voting.

(b) Upon the effective date, the Member shall be treated the same as if it had voluntarily withdrawn from this Agreement or from the Coverage Program, as the case may be. A termination procedure will be set forth in the Bylaws of the Entity.

(c) A Member which does not enter one or more of the Coverage Programs of the Entity within 36 months after the Member becomes a party to this Agreement shall be considered to have withdrawn as a party to this Agreement at the expiration of the 36-month period, and its membership in the Entity shall be automatically canceled as of that time without action of the Board of Directors.

(d) A Member which withdraws from all Coverage Programs of the Entity in which it was a participant and does not enter any Coverage Program for a period of six (6) months thereafter shall be considered to have withdrawn as a party to this Agreement at the end of that
period, and its membership in the Entity shall be automatically canceled as of that time, without
action of the Board of Directors.

(e) An Auxiliary Organization no longer on the list of recognized Auxiliary Organizations, as
maintained by the University Executive Vice Chancellor/Chief Financial Officer may, upon
recommendation by the University Executive Vice Chancellor/Chief Financial Officer, to the
Board, be terminated as provided in paragraphs (a) and (b) of this Section 23.

SECTION 24: Effect of Withdrawal or Termination

The withdrawal or termination of any Member from this Agreement shall not terminate
the responsibility of the former Member to continue to contribute to its share of assessments or
other financial obligations incurred by reason of its previous participation, and shall not
terminate the duties to cooperate with and assist the Entity as set forth in Section 19(f) above.
The withdrawal or termination of any Member from this Agreement shall not result in
distribution of or entitle the former Member to any surplus, unencumbered funds, reserves or
other assets of the Entity except as provided under the applicable policies and procedures of the
Entity or its programs or as provided under Section 25 of this Agreement. The effects of this
Section 24 shall apply as respects all assets of the Entity that may have been accrued from its
inception.

SECTION 25: Disposition of Property and Funds

(a) In the event of the dissolution of the Entity or other final termination of the
Agreement, the Board of Directors shall continue to manage the activities and affairs of the
Entity as necessary to conclude the operations of the Entity. The Board may maintain in place
the Executive Committee and any committees, agents or employees necessary to do so. The
dissolution plan adopted by the Board of Directors shall provide for, but not be limited to, the
following:

i. Claims outstanding against, and incurred but not reported to, the Entity
shall be audited and calculated, by an independent auditor and actuary selected by the Board, for
a determination of future liabilities for expenses and costs to bring these claims to a conclusion.

ii. The current fair market value of the Entity’s assets shall be determined by
an independent appraiser selected by the Board.

(b) If the Board of Directors determines a dividend or return of contributions is to be
declared, such dividend or return of contribution shall be computed pursuant to policies and
procedures adopted by the Board of Directors. Return of contributions shall be made pro rata
based on total funding contributions made by each Member over the five (5) years immediately
before the date of dissolution as defined in the dissolution plan.

(c) The Entity may be dissolved by vote of 2/3rds of the Board of Directors.
(d) In the event of the dissolution of the Entity or other final termination of the Agreement, any surplus money remaining in the pool shall be returned in proportion to the contributions made and the claims or losses paid.

SECTION 26: Provision for Bylaws

The Entity shall enact Bylaws and adopt other policies and practices to govern Entity operations. Each Member shall be provided copies of all such materials.

SECTION 27: Amendment of Agreement

This Agreement may be amended at any time by a two-thirds vote of the Board of Directors present and voting, provided, however, that:

(a) Any meeting at which an amendment is to be acted upon shall require thirty (30) days’ prior notice of the proposal, with the subject matter and specific language of the proposed amendment to be set forth in the notice;

(b) No amendment which the Board of Directors determines will increase the liability or financial obligation of a Member Agency shall be approved without:

i. That Member’s consent; or

ii. That Member being given the specific option to withdraw from the Entity; and

(c) The notice provision of this section shall not prohibit the Board from amending any proposed specific language during the noticed meeting, and no further notice shall be required.

SECTION 28: Assumption of Prior Agreements

The Entity may assume the rights and duties from prior agreements entered into by the University for the benefit of the University’s former self-insurance programs by ratification of the Board of Directors.

SECTION 29: Agreement Complete

The foregoing constitutes the full and complete agreement of the parties. There are no oral understandings or agreements not set forth in this instrument.

SECTION 30: Effective Date of Agreement

The effective date of this Agreement shall be the date that the Board of Directors of the Entity duly and regularly adopts a resolution approving the form of this Agreement in the manner provided by Section 26 of this Agreement.
SECTION 31: Contract with Each Signatory  Each party to this Agreement shall be deemed and is a contracting party with each and all of the other parties to this Agreement without regard to the time that a party became a party to the Agreement. The deletion of one or more parties from this Agreement shall not affect the validity, term or continuing effectiveness of this Agreement.

*********

IN WITNESS WHEREOF, each of the parties hereto, by and through their respective duly authorized representatives, has executed this Agreement on the date so indicated.

________________________________________________________
Participant Name

Date:______________________ By: _________________________________

and By: _________________________________
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

BYLAWS

AS AMENDED AND RESTATED

EFFECTIVE October 28, 2011
Bylaws

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of the
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

PREAMBLE

These Bylaws are adopted, amended and restated effective October 28, 2011 pursuant to the “Joint Exercise of Powers Agreement” of the California State University Risk Management Authority (the “Agreement”).

ARTICLE I - THE AUTHORITY

SECTION 1.1. Name of Entity. The name of the Entity created by the Agreement shall be the California State University Risk Management Authority (the “Entity”).

SECTION 1.2. Office of Entity. The principal office of the Entity shall be c/o CSU –Office of Risk Management, 401 Golden Shore Ave., Long Beach, CA, 90802, or at such other location as the Board of Directors may designate by resolution.

SECTION 1.3. Fiscal Year. The fiscal year for the Entity shall commence July 1 of each calendar year and end June 30 of the following calendar year.

ARTICLE II - DEFINITIONS

The following definitions shall apply to the provisions of these Bylaws:

(a) “Agreement” shall mean the joint exercise of powers agreement creating the Entity.

(b) “Auxiliary Organization” shall mean an organization described in California Education Code § 89901 et seq., which is on the approved list of Auxiliary Organizations of the University’s Chancellor’s Office.

© “Auxiliary Organization Risk Management Alliance” or “AORMA” shall mean those Coverage Programs and associated services which are directed primarily at serving the Auxiliary Organization Members.

(d) “Board of Directors” or “Board” shall mean the principal governing body of the Entity.

(e) “Bylaws” shall mean the adopted Bylaws of the Entity as amended in their latest approved form.

(f) “Coverage Program” shall mean the Entity’s programs as defined herein.

Revised October 28, 2011
(g) “Entity” shall mean the California State University Risk Management Authority created by and existing under the Agreement.

(h) “Executive Committee” shall mean the Executive Committee of the Entity’s Board of Directors.

(i) “Member” shall mean a party to the Agreement. For purposes of the Agreement, each University campus and the Chancellor’s Headquarters shall be considered separate Members, but such University campuses and the Chancellor’s Headquarters shall not be considered parties to the Agreement separate from the University.

(j) “Pooled Coverage Programs” shall consist of Coverages Programs provided directly by the Entity under a Risk Pooling Program pursuant to a Memorandum of Coverage and/or provided by a purchased Coverage Program. These may include, but are not limited to, Property, Workers’ Compensation, Liability, and Athletic Injury coverages as may be determined by the Board of Directors.

(k) “Program Director” shall mean the individual or firm retained by the Board of Directors to administer the Entity.

(l) “Purchased Insurance Programs” shall mean those Coverage Programs in which members do not share risk of loss.

(m) “Risk Pooling Programs” shall mean those Coverage Programs in which participating members share risk of loss.

(n) “University” shall mean the Board of Trustees of the California State University.

ARTICLE III - BOARD OF DIRECTORS

SECTION 3.1. Membership. The Entity shall be governed by a Board of Directors as set forth in the Agreement. It shall be composed of up to thirty (30) Directors appointed by the University Executive Vice Chancellor/Chief Financial Officer; and up to ten (10) Directors elected by the Auxiliary Organizations which become members of the Entity. Directors appointed by the University serve at the pleasure of the University Executive Vice Chancellor/Chief Financial Officer, and may be replaced by the University Executive Vice Chancellor/Chief Financial Officer, at any time. Should the Executive Vice Chancellor/Chief Financial Officer appoint fewer than 30 Directors, the voting power for unfilled appointments shall be retained by the Executive Vice Chancellor/Chief Financial Officer and may be delegated by the Executive Vice Chancellor/Chief Financial Officer to a duly appointed Director(s). Directors elected by the Auxiliary Organizations shall serve subject to terms and conditions of a policy and procedure duly adopted by the Auxiliary Organizations Risk Management Alliance Committee for election and replacement of same. Each Director of the Entity must be an officer, director or employee of the University or of an Auxiliary Organization.
All Directors shall comply with the provisions of California law which require certain public officials to file a Statement of Economic Interests, and with any applicable conflict of interest laws.

SECTION 3.2. Powers. The powers of the Board shall be as set forth in Section 9 of the Agreement.

(a) The Board of Directors shall retain overall responsibility for governance of the Entity, including the right to exercise all powers of the Entity not reserved to other persons or bodies of the Entity.

(b) The Board of Directors shall have reserved to itself the following express powers, duties and responsibilities:

i. Election of certain Entity officers and the members of its Executive Committee.

ii. Approval of the annual budget of the Entity.

iii. Approval of amendments to the Agreement and the Bylaws.

iv. Approval of new Coverage Programs of the Entity.

v. Amendment or modification of any prior actions or resolution of the Board of Directors.

vi. The exercise of powers of the Entity, including promulgation of policies, procedures and rules, with respect to all matters reserved to the Board of Directors by this Agreement, the Bylaws or otherwise.

SECTION 3.3. Meetings.

(a) Regular Meetings. A regular meeting of the Board shall be held at least once each year at a time and place to be set by the Board. Except as otherwise provided in Section 27 of the Agreement, the notice of the meeting and agenda for each regular meeting of the Board shall be posted in accordance with the applicable public meeting laws in effect at the time of the meeting.

(b) Special Meetings. Special meetings may be called relating to pending litigation with notice of the meeting and an agenda be provided to each Director at least forty-eight (48) hours in advance of the meeting.

(c) Public Meeting. All meetings of the Board shall be open to the public, except as provided by law, and may include closed sessions where permitted by law. Meetings will be held in compliance with the Bagley-Keene Open Meeting Act, Government Code §11120, et seq.
(d) **Quorum.** The presence of a majority of the Directors of the Board shall constitute a quorum for the transaction of business. Except as otherwise provided in the Agreement, the Bylaws or by law, no action may be taken by the Board except by affirmative vote of not less than a majority of the votes held by those Directors of the Board present and voting. A smaller number may adjourn a meeting.

(e) **Order of Business.** At the regular meetings of the Board, the following shall be the order of business:

i. Roll Call.

ii. Approval of Minutes of the previous meeting.

iii. Agenda Items.

iv. Adjournment

(f) **Manner of Voting.** Voting shall be by acclamation; however a roll call may be requested by a majority of the Directors present, and the ayes and noes, abstentions, and members absent shall be entered in the minutes of the meeting.

(g) **Action by the Board.** All resolutions of the Board shall be in writing, signed by the Chair and attested to by the Secretary-Auditor. All other actions of the Board shall be by motion recorded in written minutes.

ARTICLE IV - EXECUTIVE COMMITTEE

SECTION 4.1. **Membership.**

(a) The membership of the Executive Committee shall be as set forth in Section 12 of the Agreement.

(b) The members of the Executive Committee shall be appointed or elected as individuals and not merely as representatives of a specific Member.

SECTION 4.2. **Term.** The Chair and Vice Chair of the Board, and the Treasurer of the Entity shall serve as Executive Committee members during their tenure as such officers. Terms of office are as set forth in Sections 11 and 12 of the Agreement.

SECTION 4.3. **Powers, Duties and Responsibilities.**

(a) The Executive Committee shall conduct, direct and supervise the day-to-day business of the Entity and in doing so shall exercise the powers expressly granted to it by the Agreement, these Bylaws and as otherwise delegated by the Board of Directors.
(b) The following duties and responsibilities shall be assumed and carried out by the Executive Committee, which shall have all powers necessary for those purposes:

i. Provide general supervision and direction to the Program Director.

ii. Authorize payment of claims against the Entity; provided, however, that with respect to claims arising under Coverage Programs operated by the Entity, claim settlement authority shall be in accordance with the policies and procedures governing the particular Coverage Program.

iii. Enter into contracts, within budget limits.

iv. Make payments pursuant to previously authorized contracts, within budget limits; this authority includes the power to authorize and reimburse expenses incurred for budgeted activities, within budget limits.

v. Review and recommend a budget to the Board

vi. Act as Program Director in the absence of the Program Director.

vii. Establish policies and procedures to implement the Agreement, the Bylaws and the operation of specific programs.

viii. Appoint a nominating committee for each election of officers and Members of the Executive Committee.

(c) Subject only such limitations as are expressly stated in the Agreement, these Bylaws or a resolution of the Board of Directors, the Executive Committee shall have and be entitled to exercise all powers which may be reasonably implied from powers expressly granted and which are reasonably necessary to conduct, direct and supervise the business of the Entity.

SECTION 4.4. Meetings.

(a) Regular Meetings. Regular meetings of the Executive Committee shall be held at least twice a year and at other times as the Executive Committee deems appropriate. The time and place of regular meetings shall be set by the Executive Committee, and the Board of Directors shall be notified of the meeting schedule. The notice of the meeting and agenda for each regular meeting of the Executive Committee shall be posted in accordance with the applicable public meeting laws in effect at the time of the meeting.

(b) Special Meetings. Special meetings may be called relating to pending litigation with notice of the meeting and an agenda to be provided to each Director at least forty-eight (48) hours in advance of the meeting.

(c) Public Meetings. All meetings of the Executive Committee shall be open to the public, except as provided by law, and may include closed sessions where permitted by law.
Meetings will be held in compliance with the Bagley-Keene Open Meeting Act, Government Code §11120, et seq.

(d) **Quorum.** Five (5) members of the Executive Committee shall constitute a quorum for the transaction of business. Except as otherwise provided, no action may be taken by the Executive Committee except by affirmative vote of not less than a majority of those Executive Committee members present and voting. A smaller number may adjourn a meeting.

(e) **Manner of Voting.** Voting shall be by acclamation; however a roll call may be requested by a majority of the Executive Committee members present, and the ayes and noes, abstentions, and members absent shall be entered in the minutes of the meeting.

(f) **Action by the Executive Committee.** All resolutions of the Executive Committee shall be in writing, signed by the Chair and attested to by the Secretary-Auditor. All other actions of the Executive Committee shall be by motion recorded in written minutes.

(g) **Removal From Executive Committee.** A member may be removed from the Executive Committee in the following ways:

i. Death of an Executive Committee member.

ii. Voluntary resignation; an Executive Committee member will be considered to have resigned if no longer qualified to be a Director under Section 3.1.

iii. Absence from three (3) consecutive meetings unless excused by the Chair or his or her designee.

iv. Removal of the Chair or Vice Chair from the Executive Committee shall also constitute removal from office.

(h) **Replacements.** Upon removal of an Executive Committee member, the Board of Directors shall hold an election at its next meeting to fill the vacancy for the remainder of the unexpired term, following the procedures set forth in Section 11 and Section 12 of the Agreement.

**ARTICLE V - OFFICERS**

**SECTION 5.1. Principal Officers.**

The principal officers of the Entity are the Chair, Vice Chair, Secretary-Auditor and Treasurer, as provide in Section 11 of the Agreement.

**SECTION 5.2. Other Officers.**

The Executive Committee may create such other offices and appoint such other officers as it deems necessary and advisable. Officers so appointed shall serve at the pleasure of the Executive Committee and shall exercise such powers, perform such duties and assume such
responsibilities as set forth in a resolution duly adopted by the Executive Committee for that purpose.

**SECTION 5.3. Powers.**

The Chair, and Vice Chair in the Chair’s absence, shall execute and implement directives of the Board of Directors and Executive Committee. They shall have the following duties and responsibilities:

(a) Direct employees, agents and consultants.

(b) Negotiate contracts for services on behalf of the Executive Committee that are not specifically delegated to a committee.

(c) Authorize work assignments under existing contracts that are within the amount budgeted.

(d) Sign documents on behalf of the Executive Committee and/or the Entity.

(e) Recommend agenda topics for meetings of the Board of Directors and Executive Committee.

(f) Coordinate and review progress in attaining the Entity’s annual goals and objectives.

**ARTICLE VI - OTHER STANDING COMMITTEES**

**SECTION 6.1. Establishment of Committees.**

Pursuant to Section 13 of the Agreement, the Entity shall have standing committees as may be appointed from time-to-time by the Board of Directors, Executive Committee or the Chair.

**SECTION 6.2. AORMA Committee.**

(a) The “Auxiliary Organizations Risk Management Alliance Committee or “AORMA Committee” shall be a standing committee of the Entity. The committee shall consist of all Directors elected by Auxiliary Organizations. The term “Officers” shall be used to designate the following seats on the AORMA Committee: Vice-Chair and Chair. The Vice-Chair shall be elected from among the AORMA members and shall assume the seat of the Chair in the following year. Officers shall serve one, one-year term in each Officer seat. If the Chair is unable to complete his/her term, the Vice-Chair shall assume the role of the Chair and shall appoint an interim Vice-Chair from the remaining members of the committee until such time that the committee can meet to elect a new Vice-Chair. If the Vice-Chair is unable to complete his/her term, the Chair shall appoint an interim Vice-Chair from the remaining members of the committee until such time that the committee can meet to elect a new Vice-Chair. An officer
completing a partial term shall be eligible to serve a subsequent full term. The AORMA Committee may also appoint alternates in accordance with the Policy & Procedure developed for the committee and adopted by the Board of Directors.

Effective July 1, 2003, the AORMA Committee members may serve a maximum of three consecutive two-year terms with half of the members’ terms expiring in the odd years and the other half expiring in the even years. After accruing AORMA Committee service of three two-year terms on the AORMA Committee or serving in Officer and alternate roles, an AORMA Committee member shall not be eligible to serve on the Committee for one year, after which time the member will be eligible for re-election.

(b) The purpose of the AORMA Committee shall be to advise the Executive Committee and the Board of Directors of all operational aspects of those Coverage Programs in which Auxiliary Organizations participate and to execute and implement the directions of the Executive Committee with regard to matters within the committee’s powers, duties and responsibilities, which shall be as follows:

(c) Underwriting

i. Advise and report to the Executive Committee on matters relating to prospective new Auxiliary Organization Members.

ii. Solicit information necessary to evaluate Auxiliary Organization membership applications.

iii. Determine adequacy of information provided by prospective Auxiliary Organization Members.

(d) Coverage

i. Make recommendations to the Executive Committee regarding those Coverage Programs in which Auxiliary Organizations participate.

ii. Review and advise on memorandum of coverage matters.

iii. Make recommendations to the Executive Committee concerning coverage issues.

SECTION 6.3. Meetings of Standing Committees. Standing committees shall meet on the call of their respective committee chairs. Minutes of committee meetings shall be recorded. Activities of committees shall be reported upon as directed by the Executive Committee. Meetings of committees shall be conducted in accordance with the applicable open meeting law, except that meetings of the AORMA Committee, shall be conducted in accordance with California Education Code § 89920 et. seq.
ARTICLE VII - PROGRAM DIRECTOR

SECTION 7.1. Appointment. The Board shall appoint a Program Director in accordance with Section 14 of the Agreement.

SECTION 7.2. Powers. In accordance with Section 14 of the Agreement, the Program Director shall administer the business and activities of the Entity. The Program Director shall have such powers, duties and responsibilities as set forth in the Agreement, these Bylaws and as may be provided by agreement between the Program Director and the Entity or as otherwise delegated to the Program Director by the Board of Directors or the Executive Committee.

ARTICLE VIII - REIMBURSEMENT FOR TRAVEL EXPENSES

Subject to the provisions of Article III, Section 3.2(b) ii of these Bylaws, members of the Executive Committee, principal staff designated by the Executive Committee and duly appointed members of standing committees may be reimbursed for all reasonable and necessary travel expenses when required or incurred by those persons in attending meetings of the Executive Committee or a standing committee of the Entity. Reimbursable expenses may include charges for meals, lodging, air fare and costs of travel by automobile at the rate per mile allowed as a business expense by the Internal Revenue Service. If the Board determines that travel expenses shall be reimbursed, the Executive Committee shall adopt a policy and procedure in accordance with this Article VIII. The Treasurer, upon approval of the Chair, shall be authorized to pay all such expenses deemed reasonable and necessary.

Article IX - TERMINATION OF MEMBERSHIP

A Member may be terminated from membership in the Entity or from participation in a program of the Entity, in accordance with Section 23 and Section 24 of the Agreement. The procedures for terminating a Member are as follows:

SECTION 9.1. Initiation. Proceedings for termination of a Member as a participant in a program of the Entity or as a Member of the Entity may be initiated by the Program Director, by any Officer, Director or standing committee of the Entity or by any Member. The person initiating termination proceedings shall do so by a written report and recommendation to the Board of Directors, setting forth in detail the grounds upon which the recommendation is made.
SECTION 9.2. Notice and Hearing by Board. Upon receipt of the report and recommendation, the Board shall hold a hearing on the matter of the termination, at which hearing the affected Member shall have the right to offer written and oral testimony subject to reasonable time constraints. The Board shall give the Member at least thirty (30) days prior written notice of the hearing, and shall provide the Member with a copy of the report and recommendations required to initiate the termination proceedings.

SECTION 9.3. Action of Board. At the close of the hearing on the matter of termination, the Board shall determine whether or not the Member will be terminated. If the Board decides to terminate the Member’s participation, it will set the effective date of termination as well.

ARTICLE X - AMENDMENT

These Bylaws may be amended from time to time by resolution of the Board of Directors duly adopted upon the majority vote of those members present and voting at a regular or special meeting of the Board; provided, however, that no such amendment shall be adopted unless noticed to the members of the Board of Directors under the open meeting law applicable at the time of the proposed meeting. Such notice shall identify the section or sections of the Bylaws proposed to be amended.

ARTICLE XI - COVERAGE DOCUMENTS

Each Member participating in a program of the Entity shall be provided with either a Memorandum of Coverage or an insurance policy, as the case may be, which shall describe in detail the nature of the applicable coverage, including dollar amounts, together with any deductibles, exclusions, limitations or other provisions of the coverage.

ARTICLE XII - RECORDS RETENTION

All records and documents of the Entity shall be retained in accordance with a records retention policy and procedure adopted by the Board of Directors.

ARTICLE XIII - LIABILITY AND INDEMNIFICATION

SECTION 13.1 - INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES - The Entity shall defend and indemnify its Directors, officers and employees to the same extent as any public agency of the State of California is obliged to defend and indemnify its public employees pursuant to California Government Code § 825 et seq. or other applicable provisions of law for actions taken for or on behalf of the Entity.

SECTION 13.2 - INSURANCE - The Entity may insure itself to the extent deemed necessary by the Board of Directors against loss, liability and claims arising out of or connected to the conduct of the Entity’s activities.
SECTION 13.3 - INDEMNIFICATION BY MEMBERS- To the extent any Member’s intentional or negligent acts or omissions are the cause of an injury for which other Members may be, or are sought to be, held liable pursuant to Government Code § 895 et seq., the Member which is legally responsible for the injury shall, at its own expense, defend, indemnify and hold harmless such other Member or Members from any and all legal consequences of the intentional or negligent acts or omissions. Nothing in this Section shall be deemed to preclude a Member having the duty to defend, indemnify and hold harmless, from resorting to any insurance or other form of coverage for losses available to the Member, including insurance or coverage for losses procured through the Entity.

IN WITNESS WHEREOF, each of the parties hereto, by and through their respective duly authorized representatives, has executed this Agreement on the date so indicated.
Coverage Summary

Coverage: General Liability and Errors & Omissions

Coverage Term: July 1, 2012 – June 30, 2013

Provider: California State University Risk Management Authority (CSURMA), a joint powers authority

Named Covered Entity: The California State University

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

Member Campuses (23):
- California State University, Bakersfield
- California State University, Channel Islands
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- California State University, San Bernardino
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

Coverage Limits: $15,000,000 each Occurrence Ultimate Net Loss, No aggregate

Self-Insured Retention: Specific campus deductible ranges from:
- $35,000 minimum each Occurrence to
- $900,000 maximum each Occurrence

All Campuses: $35,000 per Occurrence for Dorm Revenue Fund facilities,
Student Health Center, Parking, and Continuing Education operations.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage Form: Occurrence basis
Coverage Territory: Anywhere
Coverage:
1. Bodily Injury
2. Property Damage
3. Personal Injury
4. Errors & Omissions
5. Employment Practices
6. Medical Malpractice
Coverage Parties:
♦ Named Member
♦ Elected/Appointed Officials: past or present
♦ Employees
♦ Volunteers (appointed), including students in community service programs for college credit – see Conditions in Memorandum of Coverage
♦ Students in nurse training
♦ Additional Covered Party (Additional Insured): automatic if required by contract – see Conditions in Memorandum of Coverage
Special Conditions/Exclusions:
♦ Aircraft: excluded, except static aircraft
♦ Airfield: excluded
♦ Asbestos: covered
♦ Automobiles: excluded, except parking operations (NOTE: auto liability covered separately by the state’s self-insurance plan)
♦ Discrimination: covered
♦ Eminent Domain: covered
♦ Employment Practices: covered, including “back wages” but not including “forward wages”
♦ Fiduciary Liability: excluded, but will defend
♦ Inverse Condemnation: covered
♦ Mobile Equipment: covered
♦ Nuclear Energy & Material: excluded, except use of radioactive materials in an instructional lab or sponsored research activity
♦ Pollution: excluded, except “hostile” fire or if “sudden & accidental”
♦ Sexual Harassment: covered
♦ Trampolines: covered
♦ Watercraft: excluded for boats 50’ or greater
♦ Management of Construction Projects: covered for projects managed by the Chancellor’s Office, campus or both

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Cancellation Notice: Not applicable

Claims Administrator: Office of the Chancellor

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

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

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

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY (CSURMA)

MASTER COVERAGE DOCUMENTS

GENERAL LIABILITY and ERRORS and OMISSIONS

Adopted by Board of Directors
May 26, 2006 – Effective July 1, 2006
# GENERAL LIABILITY and ERRORS and OMISSIONS COVERAGE TERMS

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CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY

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

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

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

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

SECTION I – DEFINITIONS

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

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

B. Aircraft means a vehicle designed for the transport of persons or property principally in the air.
C. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment, but **automobile** does not include mobile equipment.

1. **Owned automobile** - an automobile owned by the **Member**;
2. **Hired automobile** - an automobile used under contract on behalf of, or loaned to the **Member** provided such automobile is not owned by or registered in the name of the **Member** or **Covered Individuals**;
3. **Nonowned automobile** - any other **automobile**.

D. **Bodily Injury** means **bodily injury**, sickness or disease sustained by any person, which occurs during the policy period, including care, loss of service or death at any time resulting therefrom.

E. **Covered Individuals** means persons who are past or present elected or appointed officials, employees or appointed volunteers of the **Member**, whether or not compensated while acting for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include employees of nonmember organizations, including, but not limited to auxiliary organizations, alumni associations and volunteer university support groups.

F. **Covered Party** means the entities or individuals named in Section IV – COVERED PARTIES as being covered by this document.

G. **Deductible** - The amount of each **Ultimate Net Loss** which the **Member** has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the declaration page of this document.

H. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion or transfer of any employee because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

I. **Employee**, as respects **Employment Practices Liability** and when appearing in boldface type in this Memorandum, means any present or former employee of the named **Covered Party** or any applicant for employment by the named **Covered Party**.

J. **Employment Practices Liability** means liability for actual or alleged

1. Wrongful Termination by a **Covered Party** of an **Employee**;
2. Discrimination by any **Covered Party** against an **Employee** of the **Covered Party**;
   or
3. Sexual harassment by a **Covered Party** or an **Employee** of the named **Covered Party**.
K. **Errors and Omissions** means any actual or alleged misstatement or misleading statement or act or omission or neglect or breach of duty or lack of ordinary skill in the performance of a professional act including misfeasance, malfeasance or nonfeasance by covered individuals individually or collectively in the discharge of their duties for the Member, or any matter claimed against them solely by reason of their being or having been public officials.

L. **Medical Malpractice** means injury arising out of the rendering of or failure to render, during the coverage term professional services by the **Covered Individual’s** profession as a physician, surgeon, or dentist or as a nurse, medical technician, hygienist, etc. acting within the control or supervision of a covered physician, surgeon or dentist.

M. **Member** means the Member named in the Declarations.

N. **Occurrence** with respect to **bodily injury** or **property damage** means an accident or event, including continuous or repeated exposure to conditions, which, during the policy period, results in injury or damage to which this coverage applies; provided, such injury or damage is neither expected nor intended from the standpoint of the Member.

1. With respect to **Personal Injury: Occurrence** means any of the following offenses described in the definition of **Personal Injury** in this Section I - Definitions, that is committed during the coverage period.

2. With respect to **Medical Malpractice: Occurrence** means any of the conduct described in the definition of **Medical Malpractice** in this Section I - Definitions, that is committed during the coverage period.

3. With respect to **Errors and Omissions: Occurrence** means any of the conduct described in the definition of **Errors and Omissions** in this Section I - Definitions that is committed during the coverage period.

O. **Personal Injury** means any of the following offenses:

1. False arrest, detention, or imprisonment or malicious prosecution;

2. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual’s right of privacy;

3. Wrongful entry or eviction or other invasion of the right of private occupancy;

4. Discrimination or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Covered Party**;

5. **Employment Practices Liability.**

P. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed. The term **pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users.
Q. **Property Damage** means:

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

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

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

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

7. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

8. With respect to injury to or destruction of property, the work injury or destruction includes all forms of radioactive contamination of property.

SECTION II – COVERAGES

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

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

SECTION III – LIMITATIONS UPON CSURMA’S LIABILITY

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

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

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

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

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

The parties covered by the CSURMA:

A. The Member named in the selected deductible form.

B. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the named Member:
   1. Members of the Board of Trustees.
   2. Officers.
   3. Employees.
   4. Individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university’s requirements for college graduation.

C. Additional covered parties as defined in Section I, A. of this document.

D. Covered individuals as defined in Section I, E of this document.

SECTION V – EXCLUSIONS

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

A. For injuries or damages which do not arise out of an occurrence as defined in this document;

B. For any obligation for which the Member may be held liable under any Workers’ Compensation, Employer’s Liability, health benefits law or disability benefits law or under any similar law, plan or agreement. benefits;

C. For liability for damages arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any Member, but this exclusion does not apply to:
   1. watercraft while ashore on premises owned or rented by Member;
   2. watercraft less than fifty (50) feet in length at the waterline.

D. For any liability arising out of use or entrustment to others of any automobile owned or operated by or rented or loaned to any Member, but this exclusion does not apply to parking an automobile on or on the ways next to premises the Member owns or rents, provided the automobile is not owned by or rented or loaned to the Member.

E. For any liability for damages to or destruction of any automobile owned by, rented to, leased to or in charge of the Member;
F. For any liability:

1. based on the Member’s obtaining of financial gain to which the Member was not legally entitled.

2. arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any Member, Covered Individual or Additional Covered Party; except that any act pertaining to any one Member shall not be imputed to any other Member for the purpose of determining the application of this exclusion;

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

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

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

1. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;

2. Arising out of any claim, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any Covered Party or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or pollutants:

   a. At any premises owned, rented or occupied by the Covered Party;

   b. At or from any site or location used by or for the Covered Party or others for the handling, storage, dispersal, processing or treatment of waste;

   c. Which are at any time transported, handled, stored, treated or disposed of; or processed as waste by or for the Covered Party or any person or organization for whom the Covered Party may be legally responsible; or

   d. At or from any site or location on which the Covered Party or any contractors or subcontractors working directly or indirectly on the Covered Party’s behalf are performing operations:

      1) If the pollutants are brought on or to the site or location in connection with such operation; or

      2) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.

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

As used in this exclusion, a “hostile fire” means one, which becomes uncontrollable or breaks out from where it was intended to be.
Provided, however, that this exclusion does not apply to:

1) Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or

2) personal injury or property damage which is within the product hazard or the completed operations hazard; or

3) a discharge, dispersal, release or escape of pollutants that meets all of the following conditions:
   a) It was accidental and was neither expected nor intended by the Member.
   b) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
   c) Its commencement became known to the Member within seven (7) days.
   d) Its commencement was reported in writing within twenty (20) days of becoming known to the Member.
   e) Reasonable effort was expended by the Member to terminate the situation as soon as conditions permitted.

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

1) Any site or location used by others on the Member’s behalf, principally for the handling, storage, disposal, dumping, processing or treatment of waste material.

2) Any fines, penalties or exemplary damages.

3) Any clean up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;

4) Acid rain;

5) Clean up, removal, containment, treatment, detoxification or neutralization of pollutants situated on premises you currently own, rent or occupy at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or

6) Water pollution caused by oil or by its derivatives.

I. For any liability for damages arising out of the ownership, maintenance, loading or unloading, use or operation of any aircraft capable of flight, airfields, runways, hangars, buildings or other properties in connection with aviation activities. This exclusion does not apply to static aircraft.
J. For liability for damages arising out of in-flight operations of **aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **aircraft** owned or operated by the United States government or the State of California. The term in-flight as used in the foregoing means the period from the time the **aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.

K. For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor’s Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any action or suits brought against any **Member** for such causes of action.

L. To any liability for damages arising out of injury, sickness, disease, death or destruction:
   1. with respect to which a **Covered Party** is insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
   2. resulting from the **hazardous properties** of **nuclear material** and with respect to which:
      a. any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or
      b. the **Covered Party** is, or had such policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization; or
   3. resulting from the hazardous properties of nuclear material, if:
      a. the **nuclear material** is at any **nuclear facility** owned by, or operated by or on behalf of a **Covered Party**, or has been discharged or dispersed therefrom;
      b. the **nuclear material** is contained in **spent fuel** or **waste** at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a **Covered Party**, or
      c. the injury, sickness, disease, death or destruction arises out of the furnishing by a **Covered Party** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations or use of any **nuclear facility**, but if such facility is located within the United States of America, its territories or possessions or Canada, this part c. applies only to injury to or destruction of property at such **nuclear facility**.

   However, this Exclusion shall not apply liability arising from the use of radioactive materials in instructional laboratories operated by the California State University and/or research activities sponsored by the California State University.

M. To any liability for damages for or defense of non-tortious causes of action related to breach of contract proceedings.
N. To any liability for damages arising from any claim, suit or demand arising from allegations related to land use, land planning or land development. However, CSURMA shall defend a **Member** to an amount not exceeding $1,000,000.00 **Ultimate Net Loss** for such liability.

**SECTION VI – CONDITIONS**

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

1. In the event of any **occurrence**, written notice containing particulars sufficient to identify the **Covered Party** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the **Covered Party** and of available witnesses, shall be given by or for the **Covered Party** to the CSURMA or any of its authorized agents as soon as practicable.

2. If claim is made or suit is brought against the **Covered Party**, the **Covered Party** shall be obligated to forward to the CSURMA every demand, notice summons or other process received by it or its representatives.

3. The **Covered Party** shall cooperate with the CSURMA and upon its request, assist in making settlements in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Covered Party** because of all damages with respect to which coverage is afforded under this Memorandum; and the **Covered Party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Covered Party** shall not, except at its own cost, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **Ultimate Net Loss** becomes certain either through trial court judgment or through agreement among the **Covered Party**, the claimant and the CSURMA, then the **Covered Party** may pay the amount of judgment or compromise to the claimant or affect the settlement and, upon such submission of due proof thereof, the CSURMA shall reimburse the **Covered Party** for that part of such payment which is in excess of the **Deductible**, or will, upon request of the **Covered Party** make such payment to the claimant on behalf of the **Covered Party**.

4. The CSURMA shall be entitled to complete access to the **Covered Party**’s claim file, the defense attorney’s complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **Covered Party** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to the CSURMA, and to provide the CSURMA with simultaneous copies of all correspondence provided to the **Covered Party** in which a demand for an amount that is within the CSURMA’s layer of coverage is made.

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

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

Adopted at May 26, 2006 BOD Meeting Page 10 of 12
1. Notwithstanding the terms and conditions of any Other Insurance Clause or Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee, or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro rata, concurring or co-existent.

2. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.

D. **Severability of Interests:** The term **Covered Party** is used severally and not collectively. The limit of liability and **Deductible** as stated in the Declarations apply separately to each **Covered Party**.

E. **Cumulation of Limits:** An **occurrence** with a duration of more than one coverage period shall be treated as a single **occurrence** arising during the coverage period when the **occurrence** ends (which shall be in no event deemed later than the date on which the claimant files suit), and under no circumstances shall the fact that said **occurrence** has a duration of more than one coverage period entitle a **Covered Period** to more than one limit of coverage.

F. **Changes:** This document may not be amended or changed in any respect, nor shall any provision of this document be deemed to have been waived by the CSURMA, unless and until a written endorsement which expressly so amends this document or waives a provision thereof has been duly issued by the CSURMA and made a part of this document.

G. **Subrogation:** In the event of any payment under this document, the CSURMA shall be subrogated and otherwise entitled to all rights of recovery therefore against any person or organization, and, the **Covered Party** shall execute and deliver all instruments and papers and do whatever else is necessary to transfer and secure such rights to the CSURMA. The **Covered Party** shall do nothing at any time to prejudice such rights.

H. **Arbitration:**

1. In the event that a question or dispute arises between CSURMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an occurrence or claim against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
2. If the Covered Party and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.

3. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, et seq.).

I. Action Against CSURMA: No action shall lie against CSURMA unless, as a condition precedent thereto, the Covered Party shall have fully complied with all the terms of this document nor until the amount of the Covered Party's obligation to pay shall have been finally determined whether by judgment against the Covered Party after actual trial or by written agreement of the Covered Party, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the Covered Party to determine such Covered Party's liability.

SECTION VII – DEFENSE AND SETTLEMENT

A. The CSURMA shall not be obligated to investigate or to defend any claim for damages, or to pay for or to take charge of the investigation or defense of any claim for damages against any Covered Party. However, the CSURMA, at its own expense, shall have the right, but not the duty, to associate itself with any Covered Party in the control, negotiation, investigation, defense or appeal of any claim or proceeding which, in the opinion of the CSURMA or the Covered Party, is or may be covered by this document, and for which the Ultimate Net Loss therefrom may exceed the Deductible. The Covered Party shall fully cooperate with the CSURMA in all matters pertaining to such claim or proceeding.

B. No claim shall be settled, whether by out of court settlement, stipulated judgment or otherwise, by a Covered Party wherein the Ultimate Net Loss exceeds the Deductible, without the prior written consent of the CSURMA.
Coverage Summary

Coverage: Property Insurance:
“All perils” except Earthquake, subject to policy conditions

Policy Term: July 1, 2012 – June 30, 2013

Policy Number: PEPIP1213-5

Provider: Public Entity Property Program (PEPIP)

Insured: California State University Risk Management Authority – Campuses

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

Coverages & Limits: $1,000,000,000 Per Occurrence: All Perils, Coverages and Insureds/Members combined, subject to the following per occurrence and/or aggregate sub-limits:

$50,000,000 Flood Limit - Per Occurrence and in the Annual Aggregate (for those Members(s)/Entity(ies) that purchase this optional dedicated coverage)

$50,000,000 Per Occurrence and in the Annual Aggregate for all locations in Flood Zones A, V, and all other 100 year exposures. This Sublimit does not increase the specific flood limit of liability for those Members(s)/Entity(ies) that purchase this optional dedicated coverage.

Not Covered Dedicated Limit for Earthquake Shock - Per Occurrence & Annual Aggregate

$100,000,000 Combined Business Interruption, Rental Income and Tax Interruption and Tuition Income (and related fees) - except $500,000 per Member/Entity subject to maximum of $2,500,000 Per Occurrence limit if specific values for such coverage have not been reported as part of the Member(s)/Entity(ies) schedule of values held on file with Alliant Insurance Services, Inc. Coverage for power generating plants is excluded, unless otherwise specified.

$50,000,000 Extra Expense

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage and Limits:

(continued)

$25,000,000 Miscellaneous Unnamed Locations for existing Members Excluding Earthquake coverage for Alaska and California Members. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

See Policy Provisions

$25,000,000 Automatic Acquisition up to $100,000,000 or a member's Policy Limit of Liability if less than $100,000,000 for 90 days excluding licensed vehicles for which a sublimit of $10,000,000 applies per policy Automatic Acquisition and Reporting Condition. Additionally a sublimit of $2,500,000 applies for Tier 1 Wind Counties, Parishes and Independent Cities for 60 days for the states of Virginia, North Carolina, South Carolina, Georgia, Alabama, Mississippi, Louisiana, Texas and/or situated anywhere within the states of Florida and Hawaii. The peril of EQ is excluded for the states of Alaska and California. If Flood coverage is purchased for all scheduled locations, this extension will extend to include Flood coverage for any location not situated in Flood Zones A or V.

$1,000,000 Unscheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to $25,000 / 25 gallon maximum per item

$5,000,000 Scheduled Landscaping, tees, sand traps, greens and athletic fields and further subject to $25,000 / 25 gallon maximum per item.

$50,000,000 Errors & Omissions - This extension does not increase any more specific limit stated elsewhere in this policy or Declarations.

$25,000,000 Course of Construction and Additions (including new) for projects with completed values not exceeding the sublimit shown.

$2,500,000 Money & Securities for named perils only as referenced within the policy

$2,500,000 Unscheduled Fine Arts

$250,000 Accidental Contamination per occurrence and annual aggregate per member with $500,000 annual aggregate for all insureds / members per declaration

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Coverage and Limits:
(continued)

$500,000 Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)

$25,000,000 Increased Cost of Construction due to the enforcement of building codes/ ordinance or law (includes All Risk and Boiler & Machinery)

$25,000,000 Transit

$2,500,000 Unscheduled Animals; not to exceed $50,000 per Animal, per Occurrence

$2,500,000 Unscheduled Watercraft up to 27 feet

Not Covered Per Occurrence for Off Premises Vehicle Physical Damage

$25,000,000 Off premises services interruption including extra expense resulting from a covered peril at non-owned/operated locations

$5,000,000 Per Occurrence and Annual Aggregate for Earthquake shock on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Earthquake coverage

$5,000,000 Per Occurrence and Annual Aggregate for Flood on Licensed Vehicles, Unlicensed Vehicles, Contractor's Equipment and Fine Arts for all insured/members in this declaration combined that do not purchase Flood coverage

$3,000,000 Contingent Business Interruption, Contingent Extra Expense, Contingent Rental Values and Contingent Tuition Income separately

$500,000 Jewelry, Furs, Precious Metals and Precious Stones Separately

$1,000,000 Claims Preparation Expenses

$50,000,000 Expediting Expenses

$1,000,000 Personal Property Outside of the USA

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage and Limits: $100,000,000 Per Member/Entity Per Occurrence subject to $200,000,000 Annual Aggregate of Declarations 1-14, 18, 19, 20, 21, 26, 27, 28, 29, 30, 32, 33 and 34 combined as respects Property Damage, Business Interruption, Rental Income and Extra Expense Combined for Terrorism (Primary Layer)

$250,000,000 Per Member/Entity for Terrorism (Excess Layer) subject to;

$550,000,000 Per Occurrence, All Members combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34 for Terrorism (Excess Layer) subject to;

$850,000,000 Annual Aggregate shared by all Members/Entities combined in Declarations 1-9, 11, 12, 13, 14, 19, 20, 21, 26, 27, 28, 30, 32, 33 and 34, as respects Property Damage, Business Interruption, Rental Income and Extra Expense combined for Terrorism (Excess Layer)

Not Covered Per Occurrence Per Declaration Upgrade to Green Coverage subject to the lesser of, the cost of upgrade, an additional 25% of the applicable limit of liability shown in the schedule of values or this sub limit.

Included Coverage is provided for Library Books excluding Rare & Collectible Books

Included Unscheduled Research Animals for Universities and Institutions of Higher Learning

Included Business Interruption Coverage is extended to include tuition fees as respects Universities

Included Information Security & Privacy Insurance with Electronic Media Liability Coverage. See attached Cyber Coverage Summary for applicable Limits. (Cyber Liability)

Included See attached Public Entity Pollution Liability 2012 Insurance Summary for applicable limits and deductibles

Valuation:
- Repair or Replacement Cost
- Actual Loss Sustained for Time Element Coverages
- Contractor’s Equipment/Vehicles either Replacement Cost or Actual Cash

Value as declared by each member. If not declared, valuation will default to Actual cash value

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Exclusions (Including But Not Limited To):

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

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

Pool Annual Aggregate Deductible: $2,000,000 (except SDSU & Campus 99) Annual Aggregate Pool Deductible

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

- Earthquake Losses DO erode the Annual Aggregate
- Flood Losses DO erode the Annual Aggregate
- Contactors Equipment DO erode the Annual Aggregate
- Vehicle Losses DO erode the Annual Aggregate
- Animal Losses DO erode the Annual Aggregate
- Scheduled Fine Arts DO erode the Annual Aggregate
- Tees and Greens Losses DO erode the Annual Aggregate
- Watercraft Losses DO erode the Annual Aggregate
- Tax Interruption Losses DO erode the Annual Aggregate
- Wind & Hail Losses DO erode the Annual Aggregate
- Wildfires Losses DO erode the Annual Aggregate
- ISO CAT Losses DO erode the Annual Aggregate
- Wind (Tiers 1 & 2) Losses DO erode the Annual Aggregate

All Risk Basic Deductible: $100,000 (except SDSU & Campus 99) Maintenance Deductible after Annual Aggregate Deductible is reached. Maintenance deductible does not apply to those items listed in the Deductibles for Specific Perils and Coverages or Special Terms section below

Deductibles For Specific Perils And Coverages:

- Per Occurrence for Flood Zones A & V $250,000
- All Flood Zones Per Occurrence excluding Flood Zones A & V $100,000

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<table>
<thead>
<tr>
<th>Not Covered</th>
<th>Earthquake Shock: If the stated deductible is a flat dollar amount, the deductible will apply on a Per Occurrence basis, unless otherwise stated. If the stated deductible is on a percentage basis, the deductible will apply Per Occurrence on a Per Unit basis, as defined in the policy form, subject to the stated minimum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000</td>
<td>Per Occurrence for Specially Trained Animals</td>
</tr>
<tr>
<td>$500,000</td>
<td>Per Occurrence for Unscheduled Tunnels, Bridges, Dams, Catwalks (except those not for public use), Roadways, Highways, Streets, Sidewalks, Culverts, Street Lights and Traffic Signals unless a specific value has been declared (excluding coverage for the peril of Earthquake Shock, and excluding Federal Emergency Management Agency (FEMA) and/or Office of Emergency Services (OES) declared disasters)</td>
</tr>
<tr>
<td>$10,000</td>
<td>Minimum subject to $100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractors Equipment Per Occurrence and Annual aggregate and shared by all members of this Declaration for the peril of Earthquake for members who do not purchase dedicated Earthquake limits</td>
</tr>
<tr>
<td>$50,000</td>
<td>Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Earthquake for members who do not purchase dedicated Earthquake limits</td>
</tr>
<tr>
<td>$10,000</td>
<td>Minimum subject to $100,000 Maximum per Vehicle or Item for Licensed Vehicles, Unlicensed Vehicles and Contractor's Equipment Per Occurrence and Annual Aggregate and shared by all members of this Declaration for the peril of Flood for members who do not purchase dedicated Flood limits</td>
</tr>
<tr>
<td>$50,000</td>
<td>Per Occurrence and Annual Aggregate and shared by all members of this Declaration for Fine Arts for the peril of Flood for members who do not purchase dedicated Flood limits</td>
</tr>
<tr>
<td>24 Hour Waiting</td>
<td>Period for Service Interruption for All Perils and Coverages</td>
</tr>
<tr>
<td>2.5% of Annual Tax Value</td>
<td>Per Location for Tax Interruption</td>
</tr>
<tr>
<td>Not Covered</td>
<td>Vehicle Comprehensive Damage</td>
</tr>
<tr>
<td>Not Covered</td>
<td>Vehicle Collision Damage</td>
</tr>
<tr>
<td>$100,000</td>
<td>Per Occurrence for Primary Terrorism</td>
</tr>
</tbody>
</table>

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Deductibles For Specific Perils And Coverages:

- $100,000 (except SDSU & Campus 99) Per Occurrence for Contractor’s Equipment
- $500,000 Per Occurrence for Excess Terrorism (Applies only if the Primary Terrorism Limit is exhausted)

Included


Same As All Risk

- Coverage is provided for Library Book excluding Rate & Collectible Books. Coverage as respects Universities attaching under Declaration 5 is extended to include Research Animals
- Business Interruption Coverage is extended to include tuition fees as respects Universities attached

Claims Reporting:

Alliant Insurance Services
100 Pine St, 11th Floor
San Francisco CA 94111
Toll Free Voice: (877) 725-7652
Fax: (415) 403-1466

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

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

cc

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

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

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Coverage Summary


Coverage Period: July 1, 2012 to July 1, 2013

Provider: Public Entity Property Insurance Program (PEPIP)

Name Insured: California State University Risk Management Authority – Campuses

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

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

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

Coverage & Limits:

Third Party Liability

A. $20,000,000 Annual Policy and Program Aggregate Limit of Liability (subject to policy exclusions) for all Insureds/Members combined (Aggregate for all coverages combined, including Claims Expenses), subject to the following sub-limits as noted.

Aii. $2,000,000 Annual Aggregate Limit of Liability for each Insured/Member for Information Security & Privacy Liability (Aggregate for all coverages combined, including Claim Expenses) but sublimited to:

B. $500,000 Annual Policy Aggregate Limit of Liability for each Insured/Member Privacy Notification Costs coverage. Limit is $1,000,000 if Beazley vendor services are used.

C. $2,000,000 Annual Policy Aggregate Limit of Liability for each Insured/Member for all Claims Expenses and Penalties for Regulatory Defense and Penalties

D. $2,000,000 Annual Policy Aggregate Limit of Liability for each Insured/Member for all Damages and Claims Expenses for Website Media Content Liability (Occurrence Based)

First Party Computer Security

E. $2,000,000 Policy Aggregate Sublimit of Liability for each Insured/Member for Cyber Extortion Loss

F. $2,000,000 Policy Aggregate Sublimit of Liability for each Insured/Member for Data Protection Loss and Business Interruption Loss

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
G. **First Party Business Interruption Sub-Limits of Liability** for each Insured/Member

<table>
<thead>
<tr>
<th>Sublimit</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Hourly Sublimit</td>
<td>$25,000</td>
</tr>
<tr>
<td>2) Forensic Expense Sublimit</td>
<td>$25,000</td>
</tr>
<tr>
<td>3) Dependent Business Interruption Sublimit</td>
<td>$100,000</td>
</tr>
</tbody>
</table>

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

**Notice:**

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

**Extended Reporting Period:**

For First Named Insured - To be determined at the time of election (additional premium will apply)

**Specific Coverage Provisions:**

A. **Information Security and Privacy Liability** pays on behalf of the Insured/Member damages and claims expenses excess of the retention which the Insured/Member shall become legally obligated to pay because of any claim, including a claim for violation of a privacy law first made against the Insured/Member and reported to underwriters during the policy period for

- theft, loss or unauthorized disclosure of personally identifiable non-public information or third party corporate information that is in the care, custody or control of the Insured/Member, or an independent contractor that is holding, processing or transferring such information on behalf of the Insured/Member.
- Acts or incidents that directly result from the failure of computer security to prevent a security breach including
  - Alteration, corruption, destruction, deletion, or damage to a data asset stored on computer systems
  - Failure to prevent transmission of malicious code from computer systems to third party computer systems
  - Participation in a denial of service attack directed against a third party computer system
- The failure to timely disclose any of the above in violation of any breach notice law
- The failure to comply with a privacy policy involving the disclosure, sharing or selling of personally identifiable non-public information
- The failure to administer an identity theft prevention program
B. **Privacy Notification Costs** pay the Insured/Member for reasonable and necessary costs to comply with a breach notice law because of an incident that first takes place on or after the retroactive date and before the end of the policy period. Privacy Notification Costs means costs incurred within one year of the reporting of the incident or suspected incident to the Underwriters:
   - To hire security experts;
   - Notification provisions,
   - Public relations mitigation up to $50,000 subject to 20% coinsurance
   - Credit monitoring for the purpose of mitigating potential damages and are subject to 20% coinsurance
     - Credit file monitoring,
     - Mailing and third party administrative costs

C. **Regulatory Defense and Penalties** pays on behalf of the Insured/Member claims expenses and penalties which the Insured/Member shall become legally obligated to pay because of any claim in the form of a regulatory proceeding resulting from a violation of a privacy law and caused by an incident described under certain sections of the information security and privacy liability section of the policy.

D. **Website Media Content Liability** (occurrence based) days on behalf of the insured damages and claims expenses resulting from any claim made against the Insured/Member for one or more of the following acts committed in the course of covered media activities:
   - Defamation, libel, slander, trade libel
   - Privacy violation
   - Invasión or interference with publicity
   - Plagiarism, piracy, misappropriation of ideas under implied contract
   - Infringement of copyright
   - Infringement of domain name, trademark
   - Improper deep-linking or framing within electronic content

E. **Cyber Extortion** indemnifies the Insured/Member for costs incurred as a result of an extortion threat by a person other than employees, directors, officers, principals, trustees, governors, managers, members, etc.

F. **First Party Data Protection** indemnifies the Insured/Member for data protection loss as a result of alteration, corruption, destruction, deletion, damage or inability to access data assets.

G. **First Party Network Business Interruption** indemnifies the Insured/Member for business interruption loss as a direct result of the actual and necessary interruption or suspension of computer systems and is directly caused by a failure of computer security to prevent a security breach.
Exclusions (Including but not limited to):

Coverage does not apply to any claim or loss from

- Bodily Injury or Property Damage
- Any employer-employee relations, policies, practices
- Contractual Liability or Obligation
- Any actual or alleged act, error or omission or breach of duty by any director, officer, manager if claim is brought by principals, officers, directors, stockholders and the like
- Anti-Trust violations
- Unfair trade practices
- Unlawful collection or acquisition of Personally Identifiable Non-Public Information
- Distribution of unsolicited e-mails, facsimile, audio or video recording
- Prior knowledge or previously reported incidents
- Incidents occurring prior to retroactive date/continuity date
- Any act, error, omission, of computer security if occurred prior to policy inception
- Collusion
- Securities Act Violations
- Fair Labor Act Violations
- Discrimination
- Intentional Acts with regard to Privacy and Security Breach
- Patent Infringement
- Federal Trade Commission and related state, federal, local and foreign governmental activities
- Insured vs. Insured
- Money/Securities/Funds Transfer
- Broadcasting, Publications and Advertising
- War and Terrorism
- Pollution
- Nuclear
- Radioactive

Retention: $100,000 Per Occurrence for each Insured/Member with TIV greater than $500,000,000 at time of loss

8 Eight hour waiting period for first party claims

Coinsurance for Specific Coverages: 20%

For Public Relations Consultancy

20% For Credit File Monitoring

Notice of Cancellation: 60 days except 10 days for non-payment of premium


Other Services: Unlimited Access to e-Place Solutions as per attached brochure.
Claim notifications need to be sent to Bob Frey, Diana Walizada and Cathryn O’Meara. In the event this is a Cyber loss please include item III contact, for a Pollution loss please include item IV contact in addition to Alliant Insurance Services contacts.

I. During regular business hours (between 8:30 AM and 5:00 PM PST), First Notice of Claim should be reported to Alliant Insurance Services via telephone, fax, mail or e-mail to our San Francisco Office:

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

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

Address:  
Alliant Insurance Services, Inc.  
100 Pine St, 11th Floor  
San Francisco CA 94111  
Toll Free Voice: (877) 725-7652 Fax: (415) 403-1466

II. Please be sure to include PEPIP’s Claim Administrator as a CC on all Claims correspondence:

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

III. Cyber Liability Carrier Beazley NY needs to also be provided with Notice of Claim immediately (if purchased):

Beth Diamond  
Beazley Group  
Address:  
1270 Avenue of the Americas  
New York, NY 10020  
Email: mbclaims@beazley.com

IV. Pollution Liability Carrier ACE Environmental, Risk Claims Manger (for those who have coverage):

David Sutton  
Claims Executive  
Alliant Insurance Services, Inc.  
Address:  
100 Pine Street, 11th Floor  
San Francisco, CA 94111-5101  
Voice: (415) 403-1417 Fax: (415) 402-0773  
Email: dsutton@alliantinsurance.com

Please include the Member /JPA name along with the following information when reporting claims:

- Time, date and specific location of property damaged
- A description of the incident that caused the damage (such as fire, theft or water damage)
- Estimated amount of loss in dollars
- Contact person for claim including name, title, voice & fax numbers
- Complete and return the Property Loss Notice for processing.
- Mortgagee or Loss Payee name, address, and account number
DATA SECURITY RISK MANAGEMENT

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

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

**On-Line Compliance Materials**
Federal and state compliance materials regarding data security, data breaches, and data privacy, including:
- Quick Tips on many subjects; Summaries of federal/state laws
- Links to statutes & regulations; Sample policies & procedures
- Continuing updates and electronic notification of significant changes to the on-line materials

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

**Expert Support On-Line**
Experts support from consultants/attorneys on data security issues; including:
- Health care & HIPAA compliance issues
- Data breach prevention issues
- Data Security best practices
- Computer forensic issues

**Step-by-Step Procedures to Lower Risk**
Procedures and on-line forms help you:
- Understand the scope of “personal information” (“PI”)
- Determine where PI is stored
- Collect and/or retain the minimum amount of PI as required for business needs
- Properly destroy PI that is no longer needed
- Implement an Incident Response Plan

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

**Handling Data Breaches**
Guidance provided to:
- Help prevent data security incidents
- Respond to a data breach
COVERAGE SUMMARY

Coverage: Pollution Liability (with PEPIP)

Insurance Company: ACE-Illinois Union Insurance Company

AM Best Rating: A+, Superior, Financial Category XV ($2 Billion or greater)

Standard & Poor Rating: AA-, Very Strong

Policy No.: PPE G24544837 002

Policy Term: July 1, 2012 to July 1, 2013

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

Covered Operations:
Covered operations means (1) transportation and (2) street construction and repair services, utility construction and repair services, refuse collection, and spraying operations, including but not limited to the application of pesticides, herbicides or fertilizers in liquid or dry form, which are performed by or on behalf of a “named insured” outside the physical boundaries of a covered location.

Retroactive Date: July 1, 2011 for existing members included on the 2011-2012 policy at inception

Coverages:
Coverage A – New Pollution Conditions:
Third party bodily injury and property damage, first party and third party remediation costs and associated legal defense expense arising out of a pollution condition on, at, under, or migrating from a covered location, provided that the pollution condition commences on or after the retroactive date.

Coverage B – New Pollution Conditions From Covered Operations:
Third party bodily injury, property damage, remediation costs and associated legal defense expense resulting from a covered operation, provided that the pollution condition commences on or after the retroactive date.

Blanket Non-Owned Disposal Site (NODS) coverage, third party trigger only.

Claims Made & Reported:
CLAIMS MADE AND REPORTED

Defense Costs and Expenses are within Limits of Liability

Limits:

<table>
<thead>
<tr>
<th>Tier 1</th>
<th>Entity with &lt; $500M TIV</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 500,000</td>
<td>Per Pollution Condition</td>
</tr>
<tr>
<td>$ 500,000</td>
<td>Per Member Aggregate</td>
</tr>
<tr>
<td>$ 200,000</td>
<td>Fungi &amp; Legionella Sublimit</td>
</tr>
</tbody>
</table>

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- Professional Liability
- Regulatory Compliance
- Work Product
- Failure to Follow Fungi and/or Legionella Management Plans
- Use, maintenance or operation of an automobile, aircraft, watercraft or other conveyance beyond the boundaries of a covered location. *This exclusion does not apply to transportation and the loading/unloading of an automobile.*
- War or Terrorism

**Endorsements:**

(Including but not limited to)

- Named Insureds Schedule
- Per Named Insured Aggregate Sublimit
- Per Named Insured SIR
- Automatic Acquisition and Due Diligence – Values in excess of $25,000,000 need to be reported within 90 days
- Schedule of Excluded Members of PEPIP
- Policy Modification – Property / Liability Mold Specific SIR of $10K
- Covered Locations Amendatory
- Definitions Amendatory Endorsement - *Solely with respect to “fungi”, the definition of “remediation costs” shall not include restoration costs*

**Additional Information:**

- The insurance afforded by this Policy shall apply in excess of and shall not contribute with any other such insurance.
- Loss covered pursuant to a Federal, State, County or Municipality administered underground storage tank fund, or any functional equivalent to such fund, shall be considered primary insurance, to which the coverage afforded pursuant to this Policy shall only apply in excess. *This includes storage tank pollution liability insurance.*
- Underlying SIR shall erode the SIR on this policy, in the event there is an underlying policy where the SIR is paid and limits are exhausted there would be no SIR in order to access the PEPIP coverage limits.
- Individual JPA members have an SIR that is reflective of their TIV, as under the SIR listed above
- Coverage for mid-term transactions must be within 90 days of reported property acquisition
- Value-Added Engineering Package
  - **Mold Awareness Training**
    - ACE will offer a single Mold Awareness Training Presentation, provided by ACE ESIS personnel, for little or no additional cost. Must be held at one central location or online.
  - **Due Diligence Program Overview**
    - ACE will provide up to 50 First Search Reports of government environmental databases for no additional charge
  - **Asbestos-Containing Materials (ACM)/Lead Based Paint (LBP) Plan**
    - ACE will assist the member in the creation of a single ACM/LBP plan for a minimal additional cost
  - **Mold Operations & Maintenance (O&M) Plan**

ACE will assist the member in the creation of a single Mold O&M plan for a minimal additional cost
Loss Reporting Requirements: Written notice of any claim or pollution condition, as soon as practicable. Concurrently, please send to:

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

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

3) David Sutton
   Alliant Insurance Services, Inc.
   100 Pine Street, 11th Floor
   San Francisco, CA 94111-5101
   415-403-1417
   415-402-0773 – fax
   dsutton@alliantinsurance.com

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PEPIP USA FORM No. 8
MASTER POLICY WORDING

COVERAGE INCEPTING
FROM JULY 1, 2012 TO JULY 1, 2013
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SECTION I

GENERAL PROVISIONS

A. INSURING AGREEMENT

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

B. NAME OF INSURED

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

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

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

C. MAILING ADDRESS OF INSURED

AS PER DECLARATION PAGE

D. POLICY PERIOD

AS PER DECLARATION PAGE

E. LIMITS OF LIABILITY

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

1. SPECIFIC LIMITS OF LIABILITY

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

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

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

x. Claim Preparation Expenses;

y. Expediting Expenses;

z. Separately as respects furs, jewelry, precious metals and precious stones;

aa. Business Interruption for Power Generation Facilities, which is understood to be part of and not additional to the sublimit of liability set forth in Item 2 c. above;

ab. Terrorism;

ac. Personal Property outside the U.S.A.;

ad. Boiler Explosion and Machinery Breakdown (for those member(s) / entity(ies) that participate in this optional dedicated coverage).

F. OPTIONAL COVERAGE PARTICIPATION

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

OPTIONAL COVERAGES IDENTIFICATION:

1. Earthquake Shock
2. Licensed Vehicles – Off Premises
3. Scheduled Fine Arts
4. Flood
5. Boiler Explosion & Machinery Breakdown

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

G. DEDUCTIBLE PROVISIONS

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

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

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

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

The “JPA/Pool Annual Aggregate Amount” - when applicable is the accumulation of payments made by the JPA or Pool that are categorized as “JPA/Pool Basic Deductibles” above. Once the annual aggregate amount is reached, all subsequent losses in chronological order are subject to the
“JPA/Pool Maintenance Deductible” indicated in the Declaration Page. As with the “JPA/Pool Basic Deductible” this maintenance deductible will be applicable in excess of the applicable JPA or Pool constituent member’s deductible.

H. UNIT OF INSURANCE DEFINED

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

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

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

I. PRIORITY OF PAYMENTS

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

PROPERTY DAMAGE

A. COVERAGE

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

B. EXTENSIONS OF COVERAGE

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

1. PERSONAL EFFECTS

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

2. PROPERTY IN COURSE OF CONSTRUCTION AND ADDITIONS

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

a. Project involves only real property on new or existing locations (excluding dams, roads, and bridges).

b. Value of the project at the location does not exceed USD as per Declaration Page. Projects that exceed this amount are subject to underwriting approval, prior to binding. However, inadvertent failure to report projects within USD as per Declaration Page shall not void coverage of said Project.

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

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

a. Additional Interest Coverage – The Company will pay the additional interest on money the Insured borrows to finance construction or repair.

b. Rent or Rental Value Coverage – The Company will pay the actual loss of net rental income that results from delay beyond the projected completion date. But the
Company will not pay more than the reduction in rental income less charges and expenses that do not necessarily continue.

c. Additional Real Estate Taxes or Other Assessments – The Company will pay the additional real estate taxes or other assessments the Insured incurs for the period of time that construction is extended beyond the completion date.

d. Additional Advertising and Promotional Expenses – The Company will pay the additional advertising and promotional expense that becomes necessary as a result of a delay in the completion of the project.

e. Additional Commissions Expense – The Company will pay the additional expenses, which result from the renegotiating of leases following an interruption in the project.

f. Additional Architectural and Engineering Fees – The Company will pay the additional architectural and engineering fees that become necessary as a result of a delay in the completion of the project.

g. Additional License and Permit Fees – The Company will pay the additional license and permit fees that become necessary as a delay in the completion of the project.

h. Legal and Accounting Fees – The Company will pay the additional legal and accounting fees the Insured incurs as a result of a delay in the completion of the project.

3. FIRE FIGHTING EXPENSES

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

4. OFF PREMISES SERVICES INTERRUPTION

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

5. ARCHITECTS AND ENGINEERS FEES AND LOSS ADJUSTMENT EXPENSES

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

a. Architects and engineers fees

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

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

7. **DEBRIS REMOVAL**

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

8. **BUILDING LAWS**

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

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

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

9. **DEMOLITION COST**

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

10. **INCREASED COST OF CONSTRUCTION**

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

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

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

12. ANIMALS

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

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

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

13. VALUABLE PAPERS

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

14. TRANSIT

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

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

15. VEHICLES WHILE ON INSURED PREMISES

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

16. ASPESTOS CLEAN UP AND REMOVAL

This policy specifically excludes asbestos materials clean up or removal, unless asbestos is itself damaged by a peril covered by this policy, then asbestos cleanup or removal within the damaged area, and applicable time element coverages, will be covered by this policy.
In no event will coverage be extended to cover undamaged asbestos, including undamaged asbestos in any portion of the building mandated by any governmental direction or request declaring that asbestos material present in any undamaged portion of the Insured’s property must be removed or modified, or;

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

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

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

17. PROTECTION AND PRESERVATION OF PROPERTY

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

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

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

18. LEASEHOLD INTEREST

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

(1) If as a result of such loss or damage the property becomes wholly un-tenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Insured for the actual rent payable for the unexpired term of the lease; or

(2) If as a result of such loss or damage the property becomes partially untenantable or unusable and the lease agreement requires continuation of the rent, the Company shall indemnify the Insured for the proportion of the rent applicable thereto; or

(3) If as a result of such loss or damage the lease is cancelled by the lessor pursuant to the lease agreement or by operation of law, the Company shall indemnify the Insured for its Lease Interest for the first three months following such loss or damage and for its Net Lease Interest for the remaining unexpired term of the lease;

provided, however, that the Company shall not be liable for any increase in the amount recoverable hereunder resulting from the suspension, lapse or cancellation of any license, or from the Insured exercising an option to cancel the lease; or from any act or omission of the
Insured which constitutes a default under the lease; and provided further that the Insured shall use any suitable property or service owned or controlled by the Insured or obtainable from another source to reduce the loss hereunder.

The following definitions shall apply to this coverage:

(1) Lease Interest means the excess rent paid for the same or similar replacement property over actual rent payable plus cash bonuses or advance rent paid (including any maintenance or operating charges) for each month during the unexpired term of the Insured’s lease.

(2) Net Lease Interest means that sum which placed at 8% interest compounded annually would equal the Lease Interest (less any amounts otherwise payable hereunder).

19. AUTOMATIC ACQUISITION AND REPORTING CONDITIONS

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

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

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

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

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

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

20. MISCELLANEOUS UNNAMED LOCATIONS

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

21. ACCIDENTAL CONTAMINATION

This Policy covers Accidental Contamination from any source to covered property attached thereto, this Policy is hereby extended to cover Business Interruption and Property Damage loss from accidental contamination from any source to, as covered by this Policy, including expenses necessarily incurred to clean up, remove and dispose of contaminated substances so as to restore the Covered Property as covered by this Policy to the same condition as existed prior to loss, all as a result of accidental contamination, discharge or dispersal in an amount not exceeding the sublimit of liability of USD as per Declaration Page for each occurrence per program declaration unless such contamination or dispersal is itself caused by fire, lightning, impact from aircraft, explosion, riot, civil commotion, smoke, collapse, vehicles, windstorm, hail, vandalism, malicious mischief or leakage and accidental discharge from automatic fire protective systems whereupon this extension shall provide coverage up to full limit of liability provided by this Policy.

For the purposes of this coverage the term “Covered Property” as covered by this Policy, is held to include Land (and Land Values) on which Covered Property is located, as part of the below stated sublimit, whether or not the same are excluded by this Policy. It being specifically understood and agreed that this extension shall not afford coverage to land (including land on which Covered Property is located), and land Values for loss in excess of USD as per Declaration Page per member and USD as per Declaration Page in the aggregate sublimit liability.

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

The sublimit of liability stated above forms part of the limit(s) of liability provided by this Policy and does not increase it (them).

22. TERRORISM COVERAGE

This insurance includes physical loss or damage directly caused by any “act of terrorism”.
Coverage is limited to:

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

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

C. PROPERTY NOT COVERED

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

1. Aircraft, watercraft over 27 feet in length (other than watercraft held for sale by the insured), and rolling stock, except scheduled watercraft, and rolling stock, light rail vehicles, subway trains and related track maintenance vehicles for light rail and subway lines.

2. Standing timber, bodies of water, growing crops.

3. Land (including land on which covered property is located), and land values (except athletic fields, landscaping, sand traps, tees and greens).

4. Property in due course of ocean marine transit.

5. Shipments by mail after delivery into the custody of the United States Post Office.

6. Power transmission lines, feeder lines and underground pipes more than 1,000 feet from the premises of the Insured unless specifically approved by the Company.

7. Unscheduled tunnels, bridges, dams, catwalks (except those not for public use), roadways, highways, streets, sidewalks, culverts, streetlights, and traffic signals, excess of the sublimit terms provided on the Declaration Page.

8. Offshore property, oilrigs, underground mines, caverns and their contents. Railroad track is excluded unless values have been reported by the Insured.

D. LOSS PAYMENT BASIS / VALUATION

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

1. On all real and personal property, including property of others in the care or control of the Insured at the replacement cost (as defined below) at the time of the loss without deduction for depreciation. If property is not replaced within a reasonable period of time, then the actual cash value shall apply.

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

4. On antique, restored or historical buildings, the cost of acquisition, relocation to the site and renovation or reconstruction. In the event of a partial loss, replacement cost for antique, restored or historical buildings shall mean the cost of repairing, replacing, constructing or reconstructing (whichever is less) the property on the same site using materials of like kind and quality necessary to preserve or maintain a buildings’ historical significance without deduction for depreciation.

5. On property of others for which the Insured is liable under contract or lease agreement the Company’s liability in the event of loss is limited to the Insured’s obligation as defined in said contract or lease agreement but not to exceed the replacement cost.

6. On library contents, at replacement cost, or as follows, whichever is greater:

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

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

The figures above do not include the “shelving cost” of each book. Therefore, the formula for adjusting a library contents loss is:
“Number of items in a category that are replaced multiplied by the valuation figure plus associated shelving costs”.

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

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

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

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

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

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

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

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

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

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

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

(i) Until the property is actually repaired, replaced or reconstructed, the maximum amount recoverable shall be the actual cash value of the lost or damaged property;

(ii) Replacement shall be effected by the Insured with due diligence and dispatch;
(iii) Replacement need not be on same site, or of same or similar construction or occupancy provided that the Company shall not be liable for any additional costs that are directly attributable to the inclusion of this provision.

(iv.) For historical buildings as more specifically defined in this Section.

(v.) In no event shall the Company’s liability exceed the amount actually and necessarily expended in repairing or replacing (whichever is less) Covered Property or any part thereof.

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

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

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

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

A. COVERAGE

1. BUSINESS INTERRUPTION

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

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

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

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

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

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

1. Donations and contributions which are a direct result of the interruption of the Insured’s operations and are received by the Insured during the period of interruption.

2. Proceeds for fund raising drives or solicitations which are for the sole benefit of the Insured and occur as a result of interruption of the Insured’s operations.

2. EXTRA EXPENSE

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

B. EXTENSIONS OF COVERAGE

1. INGRESS / EGRESS

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

2. INTERRUPTION BY CIVIL AUTHORITY

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

3. DEMOLITION AND INCREASED TIME TO REBUILD

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

THE COMPANY SHALL NOT BE LIABLE UNDER THIS CLAUSE FOR:

a. More than the limit of liability as shown elsewhere in this Policy.
b. Any greater proportion of any loss to the interest covered by this Policy than the amount covered under this Policy on said interest bears to the total insurance and coverage on said interest, whether all such insurance contains this clause or not.

4. CONTINGENT TIME ELEMENT COVERAGE

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

5. CONTINGENT TAX REVENUE INTERRUPTION

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

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

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

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

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

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

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

6. EXTENDED PERIOD OF INDEMNITY

Business interruption including rental income, tax interruption, tuition income and extra expense coverage provided by this Policy is extended for the additional length of time
required to restore the business of the Insured to the condition that would have existed had no loss occurred commencing on either;

a. the date on which the Company’s liability would otherwise terminate or;

b. the date on which rebuilding, repairing or replacement of such property as has been lost, damaged or destroyed is actually completed, whichever is later.

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

7. EXPENSES TO REDUCE LOSS

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

C. EXCLUSIONS

1. The Company shall not be liable for any increase of loss which may be occasioned by the suspension, lapse, or cancellation of any lease or license, contract or order, unless such suspension, lapse, or cancellation results directly from the interruption of business caused by direct physical loss or damage covered by this policy and, then the Company shall only be liable for such loss as affects the Insured’s earnings during and limited to, the period of indemnity covered under this Policy.

2. With respect to loss resulting from damage to or destruction of media for, or programming records pertaining to, electronic data processing or electronically controlled equipment, including data thereon, by the perils insured against, the length of time for which the Company shall be liable hereunder shall not exceed:

   i. Thirty (30) consecutive calendar days or the time required with exercise of due diligence and dispatch to reproduce the data thereon from duplicates or from originals of the previous generation, whichever is less; or,

   ii. the length of time that would be required to rebuild, repair or replace such other property herein described as has been damaged or destroyed, but not exceeding eighteen (18) calendar months, whichever is the greater length of time.
D. CONDITIONS APPLICABLE TO THIS SECTION

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

1. by complete or partial resumption of operation of the property whether or not such property be lost or damaged, or;

2. by making use of merchandise or other property at the Insured’s location or elsewhere;

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

E. DEFINITIONS

1. GROSS EARNINGS

“Gross Earnings” is defined as the sum of:

a. total net sales and;

b. other earnings derived from the operation of the business

less the cost of;

c. merchandise sold including packaging materials and;

d. materials and supplies consumed directly in supplying the service(s) sold by the Insured, and;

e. service(s) purchased from outside (not employees of the Insured) for resale that does not continue under contract.

No other cost shall be deducted in determining gross earnings.

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

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

2. MERCHANDISE

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

3. EXTRA EXPENSE

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

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

a. the total anticipated gross rental income from tenant occupancy as furnished and equipped by the Insured, and;

b. the amount of all charges which are the legal obligation of the tenant(s) and which would otherwise be obligations of the Insured, and;

c. the fair rental value of any portion of said property which is occupied by the Insured, and;

d. any amount in excess of a., b. and c. (above) which is an obligation due under the terms and conditions of any revenue bond, certificate of participation or other financial instrument.

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

5. **PERIOD OF RESTORATION**

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

A. PERILS COVERED

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

B. EXCLUSIONS

This Policy does not insure against any of the following:

1. Loss or damage caused by or resulting from moths, vermin, termites, or other insects, inherent vice, latent defect, faulty materials, error in design, faulty workmanship, wear, tear or gradual deterioration, contamination, rust, corrosion, wet or dry rot, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss or damage.

2. Physical loss or damage by normal settling, shrinkage or expansion in building or foundation.

3. Delay or loss of markets (this exclusion shall be inapplicable to the extent inconsistent with any time element coverage provided elsewhere herein).

4. Breakdown or derangement of machinery and/or steam boiler explosion, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss.

5. Loss or damage caused by or resulting from misappropriation, conversion, inventory shortage, unexplained disappearance, infidelity or any dishonest act on the part of the Insured, its employees or agents or others to whom the property may be entrusted (bailees and carriers for hire excepted) or other party of interest.

6. Loss or damage caused by or resulting from electrical injury or disturbance from artificial causes to electrical appliances, devices of any kind or wiring, unless physical loss or damage not otherwise excluded herein ensues and then only for such ensuing loss. This exclusion does not apply to data processing equipment or media.

7. Loss or damage to personal property resulting from shrinkage, evaporation, loss of weight, leakage, breakage of fragile articles, marring, scratching, exposure to light or change in color, texture or flavor, unless such loss is caused directly by fire or the combating thereof, lightning, windstorm, hail, explosion, strike, riot, or civil commotion, aircraft, vehicles, breakage of pipes or apparatus, sprinkler leakage, vandalism and malicious mischief, theft, attempted theft, flood or earthquake shock (Earthquake Shock, and Flood, in the states of Alaska, or California shall only apply to locations that are scheduled for Earthquake Shock and Flood).

8. Loss or damage caused by rain, sleet or snow to personal property in the open (except in the custody of carriers or bailees for hire).

9. Loss caused directly or indirectly, by:

   a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack
i. by any government or sovereign power (de jure or de facto), or by any Authority maintaining or using military, naval or air forces; or
ii. by military, naval or air forces; or
iii. by an agent of any such government, power, authority or forces;

b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental Authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

10. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:

a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and

b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured premises.

11. As respects course of construction, the following exclusions shall apply:

a. The cost of making good: faulty or defective workmanship, materials, construction and/or design, but this exclusion shall not apply to damage by a peril not excluded resulting from such faulty or defective workmanship, materials, construction and/or design.

b. The cost of non-compliance of, or delay in completion of contract.

c. The cost of non-compliance with contract conditions.

d. Contractors’ equipment or tools not a part of or destined to become a part of the installation.

12. Loss or damage caused by Earthquake Shock unless a limit is shown on the Declarations for Earthquake Shock this exclusion will apply.

13. Loss or damage caused by Flood unless a limit is shown on the Declarations for Flood this exclusion will apply.

14. Loss, damage, cost, claim or expense, whether preventative, remedial or otherwise, directly or indirectly arising out of or relating to:

a. the recognition, interpretation, calculation, comparison, differentiation, sequencing or processing of data involving one or more dates or times, by any computer system, hardware, program or software, or any microchip, integrated circuit or similar device
in computer equipment or non-computer equipment, whether the property of the Insured or not; or

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

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

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

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

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

This exclusion applies regardless whether there is:

a. any physical loss or damage to covered property;

b. any insured peril or cause, whether or not contributing concurrently or in any sequence;

c. any loss of use, occupancy, or functionality; or

d. any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

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

16. Loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

17. The following additional exclusions apply to animals covered under this Policy:

a. Death of any animal(s) from natural causes.

b. Death of any animal(s) that dies from an unknown cause unless:
i. upon the death of such animal a post-mortem examination conducted on the animal by a licensed veterinarian, and if
ii. the veterinarian’s post-mortem report shows the cause of death to clearly fall within the coverages of this Policy.

c. Death of any animal(s) as a result of surgical operation, including inoculation, unless the necessity for same arises from a loss otherwise covered by this Policy.

d. The death or destruction of any animal(s) caused by, resulting from, or made necessary by physical injury caused by or resulting from the activities of the injured animal or other animals unless such death or destruction is the result of a loss otherwise covered by this Policy.

e. The death of any animal(s) caused directly or indirectly by the neglect or abuse of the Insured, his agent, employees or bailees (carriers for hire excepted) unless such death is a result of a loss otherwise covered by this Policy.

f. The loss by death of any animal(s) as a result of parturition or abortion.

g. Loss resulting from depreciation in value caused by any animal(s) covered hereunder becoming unfit for or incapable of filling the function or duties for which it is kept, employed or intended unless such depreciation is a result of a loss otherwise covered by this Policy.

h. Loss by destruction of any animal(s) on the order of the federal or any state government, or otherwise as a result of having contracted or been exposed to any contagious or communicable disease.

i. The removal or disposal of the remains of any animal(s) or the expense thereof unless such removal or disposal is the result of a loss otherwise covered by this Policy.

j. The loss of any animal(s) that has been unnerved (the term “unnerved” to be considered as meaning the operation of neurotomy for lameness).

k. Any claim consequent upon delay, deterioration, or loss of use or loss of market arising from an event covered by this Policy.

18. Loss, damage, costs or expenses in connection with any kind or description of seepage and/or pollution and/or contamination, direct or indirect, arising from any cause whatsoever.

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

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

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

Notwithstanding the provisions of the preceding exclusions or any provision respecting seepage and/or pollution and/or contamination, and/or debris removal and/or cost of clean up
in the Policy, in the event of direct physical loss or damage to the property covered hereunder, this Policy (subject otherwise to its terms, conditions and limitations, including but not limited to any applicable deductible) also insures, within the sum covered:

(a) expenses reasonably incurred in removal of debris of the property hereunder destroyed or damaged from the premises of the Insured; and/or;

(b) cost of clean up at the premises of the Insured made necessary as a result of such direct physical loss or damage;

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

19. Authorities Exclusion:

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

20. The following exclusion applies to Terrorism:

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

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

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

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

C. STATUTES

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

D. TERRITORIAL LIMITS

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

E. REINSTATEMENT

Any reduction in the amount insured hereunder due to payment of any loss or losses shall be automatically reinstated for the balance of the term of this contract except as respects to the perils of Earthquake Shock and Flood.
F.  FREE ON BOARD (F.O.B.) SHIPMENTS

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

G.  BREACH OF CONDITIONS

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

H.  PERMITS AND PRIVILEGES

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

1. to maintain present hazards and hazards which are consistent with the current operation of insured facilities;

2. to make additions, alterations, extensions, improvements and repairs, to delete, demolish, construct and reconstruct, and also to include all materials, equipment and supplies incidental to the foregoing operations of the property covered hereunder, while in, on and/or about the premises or adjacent thereto;

3. for such use of the premises as usual and/or incidental to the business as conducted therein and to keep and use all articles and materials usual and/or incidental to said business in such quantities as the exigencies of the business require;

4. to be or become vacant or unoccupied. If a building becomes vacant or unoccupied, notice is to be given to the Company prior to the one-hundred twentieth (120th) consecutive day of vacancy or lack of occupancy. The giving, or failure to give such notice will not constitute a condition precedent to the Company’s liability, but the Insured shall make a reasonable effort to comply with such requirement.

This Policy shall not be prejudiced by:

1. any error in stating the name, number, street, or location of any building(s) and contents covered hereunder, or any error or omission involving the name or title of the Insured;

2. any act or neglect of the owner of the building, if the Insured hereunder is not the owner, or of any occupant of the within described premises other than the Insured, when such act or neglect is not within the control of the Insured, named herein; or

3. by failure of the Insured to comply with any of the warranties or conditions endorsed hereon in any portion of the premises over which the Insured has no control.

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

J. NOTICE OF LOSS

In the event of loss or damage insured against under this Policy, the Insured shall give notice thereof to ALLIANT INSURANCE SERVICES, INC., 100 Pine Street, 11th Floor, San Francisco, CA 94111-1073. TEL NO. (415) 403-1486, FAX NO. (415) 402-0773 of such loss. Such notice is to be made as soon as practicable upon knowledge within the risk management or finance division of the insured that a loss has occurred.

K. ARBITRATION OF VALUE

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

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

L. PROOF OF LOSS

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

M. SUBROGATION

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

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

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

N. CANCELLATION

This Policy may be cancelled by the Insured at any time by written notice or surrender of this Policy. This Policy may also be cancelled by or on behalf of the Company by delivering to the Insured or by mailing to the Insured, registered, certified or other first class mail at the Insured’s address as shown in this Policy, written notice, not less than ninety (90) days prior to the effective date of cancellation. The mailing of such notice as aforesaid shall be sufficient proof and this Policy and shall terminate at the date and hour specified in such notice. Notwithstanding what has been stated
above, however, should this Policy be cancelled for non-payment of assessment, the Company shall only be required to give the Insured ten (10) days notice.

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

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

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

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

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

O. ABANDONMENT

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

P. ASSIGNMENT

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

Q. SALVAGE

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

R. OTHER INSURANCE

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

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

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

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

T. **RIGHT TO REVIEW RECORDS FOLLOWING AN INSURED LOSS**

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

U. **CONCEALMENT AND FRAUD**

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

V. **FULL WAIVER**

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

W. **SUIT AGAINST COMPANY**

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

X. **JOINT LOSS ADJUSTMENT – BOILER & MACHINERY**

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

1. Whether such damage or destruction was caused by a peril covered against by this Policy or by an accident covered against by such boiler and machinery insurance policy(ies) or;
The extent of participation of this Policy and of such boiler and machinery insurance policy in a loss that is covered against, partially or wholly, by one or all of said policy(ies).

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

1. The amount of loss which is in disagreement after making provisions for any undisputed claims payable under the said policy(ies) and after the amount of the loss is agreed by the Insured and the Boiler and Machinery Insurer and the Company is limited to the minimum amount remaining payable under either the boiler and machinery insurance policy(ies).

2. The boiler and machinery insurer(s) shall simultaneously pay to the Insured, one-half of the said amount, which is in disagreement.

3. The payments by the Company and acceptance of the same by the Insured signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments:

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

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

5. This agreement shall be null and void unless the Policy of the boiler and machinery Insurer is similarly endorsed.

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

Y. JOINT LOSS ADJUSTMENT – EXCESS PROPERTY

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

1. whether such damage or destruction was caused by a single event or by multiple events or;

2. the extent of participation of this Policy and any excess insurance policy in a loss covered against partially or wholly, by one of said Policy or policy(ies).

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

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

(3) the payments by the Company hereunder and acceptance of the same by the member signify the agreement of the Company to submit to and proceed with arbitration within ninety (90) days of such payments.

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

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

Z. LENDER’S LOSS PAYABLE

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

1. Loss or damage, if any, under this policy, shall be paid to the Payee named on the first page of this policy, its successors and assigns, hereinafter referred to as “the Lender”, in whatever form or capacity its interests may appear and whether said interest be vested in said Lender in its individual or in its disclosed or undisclosed fiduciary or representative capacity, or otherwise, or vested in a nominee or trustee of said Lender.

2. The insurance under this policy, or any rider or endorsement attached thereto, as to the interest only of the Lender, its successors and assigns, shall not be invalidated nor suspended:

(a) by any error, omission, or change respecting the ownership, description, possession, or location of the subject of the insurance or the interest therein, or the title thereto;

(b) by the commencement of foreclosure proceedings or the giving of notice of sale of any of the property covered by this policy by virtue of any mortgage or trust deed;

(c) by any breach of warranty, act, omission, neglect, or non-compliance with any of the provisions of this policy, including any and all riders now or hereafter attached thereto, by the Named Insured, the borrower, mortgagor, trustor, vendee, owner, tenant, warehouseman, custodian, occupant, or by the agents of either or any of them or by the happening of any event permitted by them or either of them, or their agents, or which they failed to prevent, whether occurring before or after the attachment of this endorsement, or whether before or after a loss, which under the provisions of this policy of insurance or of any rider or endorsement attached thereto would invalidate or suspend the insurance as to the Named Insured, excluding here from, however, any acts or omissions of the Lender while exercising active control and management of the property.

3. In the event of failure of the Insured to pay any premium or additional premium which shall be or become due under the terms of this policy or on account of any change in occupancy or increase in hazard not permitted by this policy, the Company agrees to give written notice to the Lender of such non-payment of premium after sixty (60) days from and within one hundred and twenty (120) days after due date of such premium and it is a condition of the continuance of the rights of the Lender hereunder that the Lender when so notified in writing by this Company of the failure of the Insured to pay such premium shall pay or cause to be paid the premium due within ten (10) days following receipt of the Company’s demand in writing therefore. If the Lender shall decline to pay said premium or additional premium, the
rights of the Lender under this Lender’s Loss Payable Endorsement shall not be terminated before ten (10) days after receipt of said written notice by the Lender.

4. Whenever the Company shall pay to the Lender any sum for loss or damage under this policy and shall claim that as to the Insured no liability therefore exists, the Company, at its option, may pay to the Lender the whole principal sum and interest and other indebtedness due or to become due from the Insured, whether secured or unsecured, (with refund of all interest not accrued), and the Company, to the extent of such payment, shall thereupon receive a full assignment and transfer, without recourse, of the debt and all rights and securities held as collateral thereto.

5. If there be any other insurance upon the within described property, the Company shall be liable under this policy as to the Lender for the proportion of such loss or damage that the sum hereby insured bears to the entire insurance of similar character on said property under policies held by, payable to and expressly consented to by the Lender. Any Contribution Clause included in any Fallen Building Clause Waiver or any Extended Coverage Endorsement attached to this contract of insurance is hereby nullified, and also any Contribution Clause in any other endorsement or rider attached to this contract of insurance is hereby nullified except Contribution Clauses for the compliance with which the Insured has received reduction in the rate charged or has received extension of the coverage to include hazards other than fire and compliance with such Contribution Clause is made a part of the consideration for insuring such other hazards. The Lender upon the payment to it of the full amount of its claim, will subrogate the Company (pro rata with all other insurers contributing to said payment) to all of the Lender’s rights of contribution under said other insurance.

6. The Company reserves the right to cancel this policy at any time, as provided by its terms, but in such case this policy shall continue in force for the benefit of the Lender for ten (10) days after written notice of such cancellation is received by the Lender and shall then cease.

7. This policy shall remain in full force and effect as to the interest of the Lender for a period of ten (10) days after its expiration unless an acceptable policy in renewal thereof with loss there under payable to the Lender in accordance with the terms of this Lender’s Loss Payable Endorsement, shall have been issued by some insurance company and accepted by the Lender.

8. Should legal title to and beneficial ownership of any of the property covered under this policy become vested in the Lender or its agents, insurance under this policy shall continue for the term thereof for the benefit of the Lender but, in such event, any privileges granted by this Lender’s Loss Payable Endorsement which are not also granted the Insured under the terms and conditions of this policy and/or under other riders or endorsements attached thereto shall not apply to the insurance hereunder as respects such property.

9. All notices herein provided to be given by the Company to the Lender in connection with this policy and this Lender’s Loss Payable Endorsement shall be mailed to or delivered to the Lender at its office or branch described on the first page of the policy.

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

AA. SEVERAL LIABILITY NOTICE

The subscribing insurers’ obligations under contracts of insurance to which they subscribe are several, not joint and are limited solely to the extent of their individual subscriptions. The subscribing insurers are not responsible for the subscription of any co-subscribing insurer who for any reason does not satisfy all or part of its obligations.
AB. LOSS PAYABLE PROVISIONS

A. LOSS PAYABLE

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

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

B. LENDER’S LOSS PAYABLE

1. The Loss Payee is a creditor, including a mortgage holder or trustee, whose interest in Covered Property is established by such written instruments as:
   a. Warehouse receipts;
   b. A contract for deed;
   c. Bills of lading;
   d. Financing statements or;
   e. Mortgages, deeds of trust or security agreements.

2. For Covered Property in which both the Insured and a Loss Payee have an insurable interest:
   a. We will pay for covered loss or damage to each Loss Payee in their order of precedence, as interests may appear.
   b. The Loss Payee has the right to receive loss payment even if the Loss Payee has started foreclosure or similar action on the Covered Property.
   c. If the Company deny the Insured claim because of the insured act or because the Insured have failed to comply with the terms of the Coverage Part, the Loss Payee will still have the right to receive loss payment if the Loss Payee:
      (1) Pays any premium due under this Coverage Part at our request if the Insured have failed to do so;
      (2) Submits a signed, sworn proof of loss within sixty (60) days after receiving notice from us of the Insured failure to do so, and;
      (3) Has notified us of any change in ownership, occupancy or substantial change in risk known to the Loss Payee.
   d. If the Company pays the Loss Payee for any loss or damage and deny payment to the Insured because of the Insured acts or because the Insured have failed to comply with the terms of this Coverage Part:
      (1) The Loss Payee’s rights will be transferred to us to the extent of the amount the Company pays and;
      (2) The Loss Payee’s rights to recover the full amount of the Loss Payee’s claim will not be impaired.

At our option, the Company may pay to the Loss Payee the whole principal on the debt plus any accrued interest. In this event, the Insured will pay the insureds’ remaining debt to us.
3. If the Company cancels this policy, the Company will give written notice to the Loss Payee at least:
   
a. Ten (10) days before the effective date of cancellation if the Company cancels for the insured non-payment of premium or;

b. Thirty (30) days before the effective date of cancellation if the Company cancels for any other reason.

4. If the Company elects not to renew this policy, the Company will give written notice to the Loss Payee at least ten (10) days before the expiration date of this policy.

C. CONTRACT OF SALE

1. The Loss Payee is a person or organization the Insured have entered a contract with for the sale of Covered Property.

2. For Covered Property in which both the Insured and the Loss Payee have an insurable interest the Company will:

   a. Adjust losses with the Insured and;

   b. Pay any claim for loss or damage jointly to the Insured and the Loss Payee, as interests may appear.

3. The following is added to the OTHER INSURANCE Condition:

   For Covered Property that is the subject of a contract of sale, the word “the Insured” includes the Loss Payee.
AC. ELECTRONIC DATA

1. Electronic Data Exclusion

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

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

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

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

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

Listed Perils
Fire Explosion

2. Electronic Data Processing Media Valuation

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

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

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

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

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

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

1. Messrs Mendes and Mount of 750 Seventh Avenue, New York NY 10019-6829 (applicable to all markets except as noted below)
2. Counsel, Legal Department, Lexington Insurance Company, 100 Summer Street, Boston, Massachusetts, 02110-2103 (applicable to Lexington Insurance Company)
3. Ms. Karen Harris, AXIS Specialty, 2730 Gateway Oaks Drive, Suite 100, Sacramento, CA 95833. In the event the Commissioner of Insurance of the State of California receives service of process on behalf of the Company, said service shall be forwarded to the Company at: AXIS Specialty Europe Limited, Attention Claims Admitter, Mount Herbert Court, 34 Upper Mount Street, Dublin 2, Ireland (applicable to AXIS Specialty Europe Limited)

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

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

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

NMA1998 (amended)
AF. DEFINITIONS

1. OCCURRENCE

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

a. Windstorm

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

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

b. Flood

Each loss by flood shall constitute a single loss hereunder.

1. If any flood occurs within a period of the continued rising or overflow of any river(s) or stream(s) and the subsidence of same within the banks of such river(s) or stream(s) or;

2. If any flood results from any tidal wave or series of tidal waves caused by any one disturbance;

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

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

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

Flood shall mean a general condition of partial or complete inundation of normally dry land area from:
1. overflow of inland or tidal water;

2. unusual and rapid accumulation or run off of surface waters from any natural source.

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

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

c. **Earthquake Shock**

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

The Company shall not be liable for any loss caused by an earthquake shock occurring before the effective date and time of this Policy. The Company will be liable for any losses occurring for a period of up to one hundred sixty eight (168) hours after the expiration of this Policy provided that the first earthquake shock loss or damage within that one hundred sixty eight (168) hours occurs prior to the date and time of the expiration of this Policy.

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

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

2. **PERSONAL PROPERTY OF OTHERS**

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

- Articles of Clothing
- Jewelry
- Sound Equipment
- Fine Arts (up to the sub-limit of unscheduled fine arts)
- EDP Media & Hardware
- Valuable Papers
3. IMPROVEMENTS AND BETTERMENTS

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

4. VALUABLE PAPERS AND RECORDS

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

5. TERRORISM

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

6. TIER I WINDSTORM COUNTIES

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

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

A. COVERAGE

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

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

1. PROPERTY COVERED

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

2. “WALL TO WALL” (“NAIL TO NAIL”) COVERAGE

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

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

1. Loss or damage occasioned by: wear and tear, gradual deterioration, insects, vermin, inherent vice or damage sustained due to and resulting from any repairing, restoration or retouching process;

2. Loss or damage caused by or resulting from:
   a. War, hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending or expected attack;
      i. by any government or sovereign power (de jure or de facto), or by any authority maintaining or using military, naval or air forces or;
      ii. by military, naval or air forces; or
      iii. by an agent of any such government, power, authority or forces;
   b. Any weapon of war employing atomic fission or radioactive force whether in time of peace or war;
   c. Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

3. Nuclear reaction or nuclear radiation or radioactive contamination from any cause, all whether direct or indirect, controlled or uncontrolled, proximate or remote, or is contributed to or aggravated by a Covered Cause of Loss. However:
   a. If fire not otherwise excluded results, the Company shall be liable for the direct physical loss or damage by such resulting fire, but not including, any loss or damage due to nuclear reaction, nuclear radiation, or radioactive contamination, and
   b. This Policy does insure against physical loss or damage caused by sudden and accidental radioactive contamination, including resultant radiation damage, from material used or stored or from processes conducted on the Insured premises, provided that, at the time of such loss or damage, there is neither a nuclear reactor nor any new or used nuclear fuel on the Insured premises.

4. Any dishonest, fraudulent or criminal act by the Insured, a partner therein or an officer, director employee or trustee thereof, whether acting alone or in collusion with others.

For the purpose of this exclusion an act of vandalism or malicious damage by an employee shall not constitute a dishonest, fraudulent or criminal act.
C. LOSS PAYMENT BASIS / VALUATION

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

a. Property of the Insured shall be covered for and valued at the current fair market value of each article indicated on the books and records of the Insured prior to loss, according to the Insured’s valuation of each object covered.

b. Property of others loaned to the Insured and for which the Insured may be legally liable, or which the Insured has been instructed to insure, shall be covered for and valued at the amount agreed upon for each article by the Insured and owner(s) as recorded on the books and records of the Insured prior to loss.

c. Otherwise, in the absence of recorded current fair market values or agreed values for each article covered, the Company shall not be liable beyond the fair market value of the property at the time any loss or damage occurs. Said value shall be ascertained by the Insured and the Company or, if they differ, then the amount of value or loss shall be determined as provided in the following appraisal clause.

D. SPECIAL CONDITIONS

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

2. Notice of Loss: The Insured shall as soon as practicable report in writing to the Company or its agent every loss, damage or occurrence which may give rise to a claim under this Section and shall also file with the Company or its agent within ninety (90) days from the date of discovery of such loss, damage or occurrence, a detailed sworn proof of loss.

3. Examination under Oath: The Insured, as often as may be reasonably required, shall exhibit to any person designated by the Company all that remains of any property herein described, and shall submit, and insofar as is within its power cause its employees, Insured and others to submit to examination under oath by any person named by the Company and subscribe the same; and, as often as may be reasonably required, shall produce for examination all writings, books of account, bills, invoices and other vouchers, or certified copies thereof if originals be lost, at such reasonable time and place as may be designated by the Company or its representative and shall permit extracts and copies thereof to be made. No such examination under oath or examination of books or documents, nor any act of the Insured or any of its employees or representatives in connection with the investigation of any loss or claim hereunder, shall be deemed a waiver of any defense which the Insured might otherwise have with respect to any loss or claim, but all such examinations and acts shall be deemed to have been made or done without prejudice to the Company’s liability.

4. Settlement of Loss: All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Company. No loss shall be paid or made good if the Insured has collected the same from others.

5. No Benefit to Bailee: This Section shall in no way inure directly or indirectly to the benefit of any carrier or other bailee.

6. Subrogation or Loan: If in the event of loss or damage the Insured shall acquire any right of action against any individual, firm or corporation for loss of, or damage to, property covered
hereunder, the Insured will, if requested by the Company, assign and transfer such claim or right of action to the Company or, at the Company’s option, execute and deliver to the Company the customary form of loan receipt upon receiving an advance of funds in respect of the loss or damage; and will subrogate the Company to, or will hold in trust for the Company, all such rights of action to the extent of the amount paid or advanced, and will permit suit to be brought in the Insured’s name under the direction of and at the expense of the Company.

7. Loss Clause: Any loss hereunder shall not reduce the amount of this Section, except in the event of payment of claim for total loss of an item specifically scheduled hereon.

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

9. Appraisal: If the Insured and the Company fail to agree as to the amount of loss, each shall on the written demand of other, made within sixty (60) days after receipt of proof of loss by the Company, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested umpire, and failing for fifteen (15) days to agree upon such umpire, then on the request of the Insured or the Company, such umpire shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the fair market value at the time of loss and the amount of loss, and failing to agree shall submit their differences to the umpire. An award in writing of any two shall determine the amount of loss. The Insured and the Company shall each pay their chosen appraiser and shall bear equally the other expenses of the appraisal and umpire. The Insured shall not be held to have waived any of its rights by any act relating to appraisal.

10. Civil Authority: Property covered under this Section against the peril of fire is also covered against the risk of damage or destruction by Civil authority during a conflagration and for the purpose of retarding the same; provided that neither such conflagration nor such damage or destruction is caused or contributed to by a peril otherwise excluded herein.

11. Changes: Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Section or stop the Insured from asserting any right under the terms of this Section, nor shall the terms of this Section be waived or changed except by endorsement issued to form a part of this Section.

12. Additional Covered Party(ies): Corporations, associations, firms, institutions, museums, persons and others who own or control collections, objects or articles who make them available to the Insured, and temporary borrowers or custodians (but not carriers, packers or shippers) of property covered, are additional Insured(s) hereunder, but only as respects coverage afforded to said Insured’s property.

13. Packing: It is agreed by the Insured that the property covered hereunder be packed and unpacked by competent packers.

14. Other Insurance: This fine arts floater Section is excess coverage over any other valid and collectible insurance which may apply to any objects of art for which coverage would apply under this Policy.
15. Pair And Set: In the event of the total loss of any article or articles which are a part of a set, the Company agrees to pay the Insured the full amount of the value of such set and the Insured agrees to surrender the remaining article or articles of the set to the Company.
SECTION VI

CONTRACTORS EQUIPMENT

A. COVERAGE

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

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

B. PERILS EXCLUDED

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

1. Loss or damage due to wear, tear, rust, corrosion, latent defect, mechanical breakage or improper assemblage.

2. Loss or damage due to the weight of the load imposed on the machine exceeding the capacity for which such machine was designed.

3. Loss or damage to crane or derrick boom(s) and jib(s) of lattice construction while being operated unless directly caused by fire, lightning, hail, windstorm, earthquake shock, explosion, riot, riot attending a strike, civil commotion, actual physical contact with an aircraft or airborne missile including objects falling therefrom, collision with other vehicles or other contractors equipment whether or not such other equipment is covered hereunder, landslide, or upset of the unit of which it is a part (but only when and to the same extent that such other perils are covered by the Policy).

4. Loss or damage due to explosion arising from within steam boilers.

5. Loss or damage to dynamos, exciters, lamps, switches, motors or other electrical appliances or devices, including wiring, caused by lightning or other electrical currents (artificial or natural) unless fire ensues and then for the loss by fire only.

6. Loss or damage due to dishonesty of Insured’s employees or persons to whom the Insured’s property is entrusted.

7. Loss or damage caused by or contributed to failure of the Insured to keep and maintain the property in a thorough state of repair.

8. Loss or damage caused by or resulting from:

   a. War, hostile or warlike action in time of peace or, including action in hindering, combating or defending against an actual, impending or expected attack;

      i. by any government or sovereign power (de jure or de facto) or by any authority maintaining using military, naval or air forces or;

      ii. any military, naval or air forces or;
iii. by an agent of any such government, power, authority or forces;

b. any weapon of war employing atomic fission or radioactive force whether in time of peace or war;

c. insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade;

9. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) covered against in this endorsement; however, subject to the foregoing and all provisions of this Policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is covered against by this Policy.

C. PROPERTY EXCLUDED

1. Automobiles, motorcycles, motor trucks, or parts thereof.

2. Buildings

3. Machinery or equipment or building materials to be installed in any building for the purpose of becoming a part thereof; nor on any property which has become a permanent part of any structure.

4. Property that is located underground.

5. Property while waterborne except while being transported on any regular ferry.

6. The storage risk of property not owned or required to be insured by the Insured at premises controlled or leased by the Insured, except where incidental to the regular or frequent use of the equipment or property.

7. Plans, blue prints, designs or specifications.

D. LOSS PAYMENT BASIS / VALUATION

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

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

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

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

ACCOUNTS RECEIVABLE

A. COVERAGE

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

B. EXCLUSIONS

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

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

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

2. To loss due to bookkeeping, accounting or billing errors or omissions.

3. To loss, the proof of which as to factual existence, is dependent upon an audit of records or an inventory computation; but this shall not preclude the use of such procedures in support if claim for loss which the Insured can prove through evidence wholly apart therefrom, is due solely to a risk of loss to records of accounts receivable not otherwise excluded hereunder.

4. To loss due to alteration, falsification, manipulation, concealment, destruction or disposal of records of accounts receivable committed to conceal the wrongful giving, taking, obtaining or withholding of money, securities or other property, but only to the extent of such wrongful giving, taking, obtaining or withholding.

C. LOSS PAYMENT BASIS / VALUATION

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

a. Determine the amount of all outstanding accounts receivable at the end of the same fiscal month in the year immediately proceeding the year in which the loss occurs;

b. Calculate the percentage of increase or decrease in the average monthly total of accounts receivable for the twelve (12) months immediately preceding the month in which the loss occurs as compared with such average for the months of the preceding year;

c. The amount determined under (a) above, increased or decreased by the percentage calculated under (b) above, shall be the agreed total amount of accounts receivable as of the last day of the fiscal month in which said loss occurs;

D. The amount determined under (c) above shall be increased or decreased in conformity with the normal fluctuations in the amount of accounts receivable during the fiscal month involved, due consideration being given to the experience of the business since the last day of the last fiscal month for which statement has been rendered.
There shall be deducted from the total amount of accounts receivable, however established, the amount of such accounts evidenced by records not lost or damaged or otherwise established or collected by the Insured, and an amount to allow for probable bad debts which would normally have been uncollectible by the Insured. All unearned interest and service charges shall be deducted.

D. DEFINITIONS:

ACCOUNTS RECEIVABLE

a. All sums due the Insured from customers provided the Insured is unable to effect collection thereof as the direct result of loss or damage to records of accounts receivable.

b. Interest charges on any loan to offset impaired collections pending repayment of such sums made uncollectible by such loss or damage.

c. Collection expense in excess of normal collection cost and made necessary because of such loss or damage.

d. Other expenses, when reasonably incurred by the Insured, in re-establishing records of accounts receivable following such loss or damage.
SECTION VIII

BOILER AND MACHINERY BREAKDOWN EXTENSION

1. Perils Insured

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

2. Additional Coverage

(a) Hazardous Substance

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

(b) Ammonia Contamination

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

(c) Water Damage

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

(d) Media Coverage

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

i. For “Media” that are mass-produced and commercially available, at the replacement cost.

ii. For all other “Media”, at the cost of blank material for reproducing the records.

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

(f) Utility Interruption

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

(g) CFC Refrigerants and Halon

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

(h) Ordinance or Law

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

i. Loss to the Undamaged Portion of the Building, meaning loss to the undamaged portion of the building caused by enforcement of any ordinance or law that:

a. Requires the demolition of parts of the same building not damaged by the Accident to an Object; or
b. Regulates the construction or repair of buildings, or establishes zoning or land use requirements at the location of the building.

ii. Demolition Cost meaning the cost to demolish and clear the site of undamaged parts of the building, caused by the enforcement of building, zoning, or land ordinance or use.

iii. Increased Cost of Construction, meaning the increased cost to:

a. Repair or reconstruct damaged portions of the building; and
b. Reconstruct or remodel undamaged portions of the building whether or not demolition is required;

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

Insurance under this section only applies with respect to ordinance or law that is in force at the time of the Accident to an Object. Insurance under this section does not apply to:
a. Costs associated with the enforcement of any ordinance or law which requires any Insured or others to test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of substances declared to be hazardous to health by a governmental agency; or

b. Loss due to any ordinance or law that:

   i. The Insured was required to comply with before the Accident to an Object even if the building was undamaged; and

   ii. The Insured failed to comply with.

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

3. Definition of Accident

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

a. depletion, deterioration, corrosion, or erosion of material;

b. wear and tear;

c. leakage at any valve, fitting, shaft seal, gland packing, joint or connection;

d. the breakdown of any vacuum tube, gas tube or brush;

e. the breakdown of any structure or foundation supporting the Object or any part thereof;

f. the functioning of any safety device or protective device.

4. Definition of Object

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

a. Any boiler, any fired vessel, any unfired vessel subject to vacuum or internal pressure other than static pressure of contents, any refrigerating and air conditioning vessels, or any piping and its accessory equipment, but such Object shall not include:

   1. Any boiler setting, any insulating or refractory material,

   2. Any sewer piping, any underground gas piping, any piping forming a part of a sprinkler system or any water piping other than

      (a) Feed water piping between any boiler and its feed pumps or injectors

      (b) Boiler condensate returning piping

b. Any mechanical or electrical machine or electrical apparatus used for the generation, transmission or utilization of mechanical or electrical power, but Object shall not include

   1. Any structure or foundation other than a bedplate of a machine,

   2. Any vehicle, elevator, crane, hoist, power shovel or drag line, but not excluding any electrical equipment used with said machine or apparatus,

   3. Any refractory material, or

   4. Any penstock or draft tube.
5. **Covered Cause of Loss**

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

6. **Covered Property**

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

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

7. **Special Provisions**

a. As respects any boiler, fired or unfired vessel, refrigerating system or piping, the Company shall not be liable for loss from an Accident while said Object is undergoing a hydrostatic, pneumatic or gas pressure test that exceeds manufacturers recommended limits.

b. As respects any boiler of fired vessel, the Company shall not be liable for loss from an explosion of gas or unconsumed fuel within the furnace of such Object or within the passages from the furnace to the atmosphere, whether or not such explosion (a) is contributed to or aggravated by an Accident to any part of said Object that contains steam or water, or (b) is caused in whole or in part, directly or indirectly, by any Accident to any Object, or part thereof, nor shall the Company be liable for any loss from an Accident caused directly or indirectly by such explosion.

c. As respects any unfired vessel which is used for the storage of gas or liquid and which is periodically filled, moved, emptied and refilled in the course of its normal service, such vessel shall be considered as “connected ready for use” within the terms of this Extension of the Policy.

d. As respects any Object or part of an Object that is being dismantled, reassembled or is in storage, will be considered as “connected ready for use” within the terms of this Extension of the Policy.

e. As respects any gas turbine of the internal combustion type, (a) the combustor or such Object shall not be considered to be a “furnace” as the word is used in the Definition of Accident or in Special Provision 2 above and (b) the Definition of Accident shall not mean the cracking of any part of the Turbine exposed to the production of combustion.

f. As respects new turbine generator units, coverage shall not apply until the unit has been contractually accepted by the Insured, that all tests required by the contractor have been performed and satisfied and the unit has been placed in commercial operation.

8. **Valuation**

a. The Company will pay the Insured the amount the Insured spends to repair or replace the property directly damaged by an Accident. The Company payment will be the smallest of:

1) The Limit of Insurance;

2) The cost at the time of the Accident to repair the damaged property with property of like kind, capacity, size and quality;
3) The cost at the time of the Accident to replace the damaged property on the same site with other property:
   a) Of like kind, capacity, size and quality; and
   b) Used for the same purpose
4) The amount the Insured actually spends that is necessary to repair or replace the damaged property.

b. As respects any Object if the cost of repairing or replacing only a part of the Object is greater than:
   1) the cost of repairing the Object; or
   2) the cost of replacing the entire Object on the same site;

The Company will pay only the smaller of (1) or (2). The repair parts or replacement Object must be:
   1) of like kind, capacity, size and quality; and
   2) used for the same purpose.

c. The Company will not pay:
   1) if the loss or damage is to property that is obsolete or useless to the Insured; or
   2) for any extra cost if the Insured decides to repair or replace the damaged property with property of a better kind or quality or of larger capacity,

d. If the Insured does not repair or replace the damaged property within 18 months after the date of the Accident then the Company will pay on the smaller of the:
   1) cost it would have taken to repair; or
   2) actual cash value;

at the time of the “accident”.

Paragraph (d) does not apply to any time period beyond the 18 months that the Company agrees to in writing.
e. As respects CFC (chlorofluorocarbon) refrigerant or Halon, the following valuation basis is applicable:
   1) If the CFC refrigerant or Halon is replaceable, the Insured may, at their option, elect to:
      a) Repair or replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system and replace the lost CFC refrigerant or Halon subject to it being of like kind, capacity, size and quality and used for the same purpose; or
b) Change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to:

   i. Refrigeration or air conditioning equipment that uses an approved non-CFC refrigerant; or

   ii. A fire suppression system that uses an approved non–Halon agent.

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

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

a) The Limit of Insurance;

b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non–CFC refrigerant or non–Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;

c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non–CFC refrigerant or non–Halon fire suppressant;

d) The amount that the Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non–CFC refrigerant or non–Halon fire suppressant; or

e) One hundred twenty-five percent (125%) of the amount the Company otherwise would have paid for loss to the refrigeration equipment, air conditioning equipment or fire suppression system.

f. If the CFC refrigerant or Halon is not replaceable and:

   (1) The Insured repairs or replaces the damaged equipment within 18 months after the date of the Accident or within any extended time that the Company agrees to in writing, the Company will pay the least of the following amounts:

       (a) The Limit of Insurance;

       (b) The cost at the time of the Accident to repair the damaged refrigeration equipment, air conditioning equipment or fire suppression system, retrofit the equipment or system to accept non–CFC refrigerant or non–Halon fire suppressant, and charge the equipment or system with that refrigerant or fire suppressant;

       (c) The cost at the time of the Accident to replace the damaged refrigeration equipment, air conditioning equipment or fire suppression system with equipment or a system that is functionally equivalent and uses an approved non–CFC refrigerant or non–Halon fire suppressant;
(d) The amount that the Insured actually spend that is necessary to change the refrigeration equipment, air conditioning equipment or fire suppression system, through modification or replacement, to equipment or a system that uses an approved non–CFC refrigerant or non–Halon fire suppressant.

(2) If the Insured does not replace the damaged equipment within 18 months after the date of the Accident or within the extended time period that the Company agrees to in writing, the Company will not pay more than the lesser of:

(a) The amount that the Company would have paid if repair or replacement of the damaged equipment had been made as determined in F 1 above; or

(b) The actual cash value of the damaged equipment at the time of the Accident.

g. As respects Insurance under Ordinance and Law, the most the Company will pay as a result of any one Accident for:

a) Loss to the Undamaged portion of the building is included in the Limit of Insurance that otherwise applies to the damaged building. But in no event will the amount the Company pay for loss to the building, including the loss in value of the undamaged portion of the building due to enforcement of an ordinance or law to which this coverage applies, exceed:

i. The amount that the Insured actually spend to repair, rebuild or replace the building, but not more than the amount it would cost to restore the building on the same premises and to the same height, floor area, style and comparable quality of the original property insured; or

ii. The actual cash value of the building at the time of loss if the building is not repaired or replaced.

b) Demolition and Increased Cost of Construction is USD as per Declaration Page, subject to the following:

i. With respect to the coverage provided for Demolition Cost, the Company will not pay more than the amount the Insured actually spend to demolish and clear the site of the undamaged parts of the building;

ii. With respect to the coverage provided for Increased Cost of Construction:

   (a) We will not pay for the Increased Cost of Construction:

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

       Unless the repairs or replacement are made as soon as reasonably possible after the loss or damage, not to exceed 18 months. We may extend this period in writing during the 18 months.

   (b) If the building is repaired or replaced at the same location, or if the Insured elect to rebuild at another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the same location.
(c) If the ordinance or law requires relocation to another location, the most the Company will pay for the increased cost of construction is the increased cost of construction at the new location.

h. If a claim or “suit” is brought against the Insured alleging that the Insured is liable for damage to property of another that was caused by an Accident to an Object, the Company will either:

1. Settle the claim or “suit”, or
2. Defend the Insured against the “suit” but reserve the right for themselves to settle at any point.

9. **Exclusions**

a. **To loss:**

1) from explosion of an Object other than:

   a) Any steam boiler, steam piping, steam turbine, gas turbine, steam engine, or

   b) Any machine when such loss is caused by centrifugal force or mechanical breakdown,

b. Nuclear reaction or radiation or radioactive contamination however caused, however this exclusion shall not apply to nuclear medicine at covered hospitals,

c. From fire concomitant with or following an Accident.

d. From an Accident caused directly or indirectly by fire

e. From a combustion explosion outside the Object concomitant with or following an Accident,

f. From an Accident caused directly or indirectly by a combustion explosion outside an Object

10. **Conditions:**

a. **Inspection**

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

b. **Suspension**

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

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

d. Deductible

In the event of an Accident to an Object as insured under this Extension that is concomitant with or followed by physical loss or damage incurred under the All Risks policy that this Extension attaches to, the deductible to be applied to the total loss shall be the applicable Boiler & Machinery deductible.
ENDORSEMENT 1
CANCELLATION CLAUSE AMENDMENT
DUE TO FINANCIAL STRENGTH DOWNGRADE ENDORSEMENT

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

This endorsement modifies insurance provided by the policy:

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

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

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

The following definitions apply to this endorsement:


2. First Named Insured means the first Named Insured as shown on the Declarations page of this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.
**Coverage Summary**

<table>
<thead>
<tr>
<th>Coverage:</th>
<th>Boiler &amp; Machinery</th>
</tr>
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<tbody>
<tr>
<td>Policy Term:</td>
<td>July 1, 2012 – June 30, 2013</td>
</tr>
<tr>
<td>Insurers:</td>
<td>CNA Insurance Company</td>
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<tr>
<td>Named Insured:</td>
<td>California State University Risk Management Authority – Campuses</td>
</tr>
<tr>
<td>Headquarter:</td>
<td>Office of the Chancellor</td>
</tr>
<tr>
<td></td>
<td>Systemwide Risk Management</td>
</tr>
<tr>
<td></td>
<td>401 Golden Shore, 5th Floor</td>
</tr>
<tr>
<td></td>
<td>Long Beach, CA 90802-4210</td>
</tr>
<tr>
<td>Coverages &amp; Limits:</td>
<td>$100,000,000 Boiler Explosion and Machinery Breakdown, (for those Member(s)/Entity(ies) that purchase this optional dedicated coverage) as respects Combined Property Damage and Business Interruption/Extra Expense (Including Bond Revenue Interest Payments where Values Reported and excluding Business Interruption for power generating facilities unless otherwise specified). Limit includes loss adjustment agreement and electronic computer or electronic data processing equipment with the following sub-limits:</td>
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<tr>
<td>Included</td>
<td>Inspection Services</td>
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<td>$10,000,000</td>
<td>Per Occurrence for Utility Interruption for Utilities owned by others</td>
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<td>$10,000,000</td>
<td>Per Occurrence for Ammonia Contamination</td>
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<td>$10,000,000</td>
<td>Per Occurrence for Water Damage</td>
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<tr>
<td>$10,000,000</td>
<td>Per Occurrence for Consequential Damage</td>
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<tr>
<td>$10,000,000</td>
<td>Per Occurrence for Electronic Data Processing Media</td>
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<tr>
<td>$2,000,000</td>
<td>Per Occurrence, Per Member/Entity and in the Annual Aggregate per declaration for Earthquake Resultant Damage for Members who purchase Dedicated Earthquake Coverage</td>
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<td>Per Occurrence for Hazardous Substance</td>
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<td>$25,000,000</td>
<td>Per Occurrence for Building Ordinance Coverages</td>
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<td>Included</td>
<td>Per Occurrence for Machine or Apparatus used for Research, Diagnosis, Medication, Surgical, Therapeutic, Dental or Pathological Purposes</td>
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</table>

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

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
| Newly Acquired Locations: | $25,000,000 | Automatic Acquisition for Boiler & Machinery values at newly acquired locations. Values greater than $25,000,000 or Power Generating Facilities must be reported within 90 days and must have prior underwriting approval prior to binding |
| Valuation:               | Repair or Replacement except Actual Loss sustained for all Time Element coverages |
| Exclusions (Including but not limited to): | • Testing |
|                         | • Explosion, except for steam or centrifugal explosion |
|                         | • Explosion of gas or unconsumed fuel from furnace of the boiler |
| Objects Excluded: (Including but not limited to): | • Insulating or refractory material |
|                         | • Buried Vessels or Piping |
|                         | • Furnace, Oven, Stove, Incinerator, Pot Kiln |
| Notice Of Cancellation: | 90 days except 10 days for non-payment of premium |
| Deductibles:            | $100,000 | Except as shown for Specific Objects or Perils |
|                         | $100,000 | Electronic Data Processing Media |
|                         | $100,000 | Consequential Damage |
|                         | $100,000 | Objects over 200 hp, 1,000 KW/KVA/Amps or Boilers over 5,000 square feet of heating surface |
|                         | $100,000 | Objects over 350 hp, 2,500 KW/KVA/Amps or Boilers over 10,000 square feet of heating surface |
|                         | $100,000 | Objects over 500 hp, 5,000 KW/KVA/Amps or Boilers over 25,000 square feet of heating surface |
|                         | $250,000 | Objects over 750 hp, 10,000 KW/KVA/Amps or Boilers over 75,000 square feet of heating surface |
|                         | $350,000 | Objects over 25,000 hp, 25,000 KW/KVA/Amps or Boilers over 250,000 square feet of heating surface |
|                         | $10 per foot / $2,500 Minimum Deep Water Wells |
|                         | 24 Hours | Business Interruption/Extra Expense Except as noted below |
|                         | 30 Days | Business Interruption – Revenue Bond |
|                         | 24 Hour Waiting Period – Utility Interruption |

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.

Deductibles (cont’d):

5 x 100% of Daily Value – Business Interruption – All Objects over 750 hp or 10,000 KW/KVA/Amps or 10,000 Square feet Heating Surface

5 x 100% of Daily Value – Business Interruption – All Objects at Waste Water Treatment Facilities and All Utilities

Claims Reporting:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA  94111-5101

Robert (Bob) Frey, Vice President
Tel: (415) 403-1445
Cell: 415-518-8490
Fax: (415) 403-1466
E-mail: rfrey@alliantinsurance.com

cc

David Sutton, Claims Account Executive
Tel: (415) 403-1417
Fax: (415) 403-1466
E-mail: dsutton@alliantinsurance.com
Coverage Summary

Coverage: Workers’ Compensation & Employer’s Liability
Insurer: CSURMA WC (Primary)
          Safety National Casualty Corporation (Excess)
Policy Term: July 1, 2012 – June 30, 2013
Named Insured: The California State University
Headquarters: Office of the Chancellor
             Systemwide Risk Management
             401 Golden Shore, 5th Floor
             Long Beach, CA 90802-4210
Member Campuses (23):
California State University, Bakersfield
California State University, Channel Islands
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Long Beach
California State University, Los Angeles
California Maritime Academy
California State University, Monterey Bay
California State University, Northridge
California State Polytechnic University, Pomona
California State University, Sacramento
California State University, San Bernardino
San Diego State University
San Francisco State University
San Jose State University
California Polytechnic State University, San Luis Obispo
California State University, San Marcos
Sonoma State University
California State University, Stanislaus

Coverage Limits:

Primary (CSU) $2,500,000  Workers’ Compensation – each accident
               $2,500,000  Employer’s Liability – each accident
               $2,500,000  Employer’s Liability – each employee for disease

Excess (Safety National Casualty Corporation) Statutory $2,500,000  Workers’ Compensation – each accident
                   $2,500,000  Employer’s Liability – each accident
                   $2,500,000  Employer’s Liability – each employee for disease

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Claims Reporting: The Insured has the duty to give immediate (within 30 days) notice to the Company as soon as the risk manager or the individual responsible for claims handling at the office of the Insured has knowledge of any of the following:

1. Any serious injury involving two or more employees;
2. A fatality;
3. An amputation of a major extremity;
4. Any serious head injury (including skull fracture or loss of sight of either or both eyes);
5. Any injury to the spinal cord;
6. Any disability likely to be of more than one year;
7. Any second or third degree burn of 25% or more of the body;
8. The reopening of any case which may involve the Company.

Claims Reporting Administrator: Sedgwick CMS  
PO Box 14629  
Lexington, KY 40512-4629  
Fax: 916-851-8089

Note: Please refer to attached for your Campus’ Claim Representative.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Sedgwick CMS – CSU Team

Cindy Parker, CSU Program Manager
Tel: 916-771-2907
Email: cindy.parker@sedgwickcms.com

Patricia Daniels, Operations Manager
Tel: 916-771-2981
Cell: 916-580-8473
Email: patricia.daniels@sedgwickcms.com

Send SHC Bills to: Virginia.Potter@sedgwickcms.com or Fax to 916-851-8079

Rancho Cordova Office
Brian Montagnese, Claims Manager
Tel: 916-851-8060
Email: brian.montagnese@sedgwickcms.com

<table>
<thead>
<tr>
<th>Claim Representative</th>
<th>Campus:</th>
<th>Tel:</th>
<th>Email:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Stephen Purves</td>
<td>CSU Chico</td>
<td>916-851-8024</td>
<td><a href="mailto:Stephen.purves@sedgwickcms.com">Stephen.purves@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU Fresno</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SDSU FM</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Steven Gallegos</td>
<td>CSU Bakersfield</td>
<td>916-851-8022</td>
<td><a href="mailto:Steven.gallegos@sedgwickcms.com">Steven.gallegos@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU Sacramento</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ginger Pierce</td>
<td>CPSU, San Luis Obispo</td>
<td>916-851-8032</td>
<td><a href="mailto:Ginger.pierce@sedgwickcms.com">Ginger.pierce@sedgwickcms.com</a></td>
</tr>
<tr>
<td>Megan Warren</td>
<td>CSU Fullerton</td>
<td>916-851-8057</td>
<td><a href="mailto:Megan.warren@sedgwickcms.com">Megan.warren@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU Los Angeles</td>
<td></td>
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</tr>
<tr>
<td>Susan Neville</td>
<td>CSU Northridge</td>
<td>916-851-8054</td>
<td><a href="mailto:Susan.neville@sedgwickcms.com">Susan.neville@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU San Bernardino</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Joanne Michaels</td>
<td>CSU Chancellor’s Office</td>
<td>916-851-8003</td>
<td><a href="mailto:Joanne.michaels@sedgwickcms.com">Joanne.michaels@sedgwickcms.com</a></td>
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<tr>
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<tr>
<td></td>
<td>San Diego State University</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Janel Walencik</td>
<td>CSU Dominguez Hills</td>
<td>916-851-8016</td>
<td><a href="mailto:Janel.walencik@sedgwickcms.com">Janel.walencik@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU East Bay</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sadie White</td>
<td>All- high exposure desk</td>
<td>916-851-8018</td>
<td><a href="mailto:Sadie.white@sedgwickcms.com">Sadie.white@sedgwickcms.com</a></td>
</tr>
</tbody>
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This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Oakland Office  
Carmen Angeles, Claims Manager  
Tel: 510-302-3167  
Email: carmen.angeles@sedgwickcms.com

<table>
<thead>
<tr>
<th>Claim Representative</th>
<th>Campus:</th>
<th>Tel:</th>
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</thead>
<tbody>
<tr>
<td>Daniel Lee</td>
<td>CSU Long Beach</td>
<td>510-302-3164</td>
<td><a href="mailto:Daniel.Lee@Sedgwickcms.com">Daniel.Lee@Sedgwickcms.com</a></td>
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<tr>
<td></td>
<td>SJSU FM</td>
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</tr>
<tr>
<td>Yvonne Rivera</td>
<td>San Jose State University</td>
<td>510-302-3041</td>
<td><a href="mailto:Yvonne.Rivera@sedgwickcms.com">Yvonne.Rivera@sedgwickcms.com</a></td>
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<tr>
<td></td>
<td>CSU Stanislaus</td>
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<tr>
<td>Ginger Pennington</td>
<td>San Francisco State University</td>
<td>866-484-1920</td>
<td><a href="mailto:Ginger.Pennington@sedgwickcms.com">Ginger.Pennington@sedgwickcms.com</a></td>
</tr>
<tr>
<td>Angela Crossley</td>
<td>CSU Monterey Bay</td>
<td>510-302-3139</td>
<td><a href="mailto:Angela.Crossley@sedgwickcms.com">Angela.Crossley@sedgwickcms.com</a></td>
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<tr>
<td></td>
<td>CSPU, Pomona</td>
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<td>CSU San Marcos</td>
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<tr>
<td>Adrienne Ward-Lewis</td>
<td>Humboldt State University</td>
<td>510-302-3195</td>
<td><a href="mailto:Adrienne.Ward-Lewis@sedgwickcms.com">Adrienne.Ward-Lewis@sedgwickcms.com</a></td>
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<tr>
<td></td>
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<tr>
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<table>
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<tbody>
<tr>
<td>Virginia Potter</td>
<td>CSU Chico</td>
<td>916-851-8020</td>
<td><a href="mailto:Virginia.Potter@sedgwickcms.com">Virginia.Potter@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU Dominguez Hills</td>
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<td></td>
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</tr>
<tr>
<td>Brian Wood</td>
<td>CSU Bakersfield</td>
<td>916-851-8025</td>
<td><a href="mailto:Brian.Wood@sedgwickcms.com">Brian.Wood@sedgwickcms.com</a></td>
</tr>
<tr>
<td></td>
<td>CSU Chancellor’s Office</td>
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CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY
(CSURMA)

MASTER COVERAGE DOCUMENTS

WORKERS COMPENSATION and
EMPLOYER’S LIABILITY
WORKERS’ COMPENSATION and EMPLOYERS’ LIABILITY
COVERAGE TERMS

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<td>Workers’ Compensation</td>
<td>2</td>
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<td>Employers’ Liability</td>
<td>2</td>
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<tr>
<td>Other States</td>
<td>4</td>
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<tr>
<td>SECTION III - CSU’S LIMIT OF INDEMNITY</td>
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<tr>
<td>A. Limit of Indemnity by CSU</td>
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<tr>
<td>B. How the Limit of Indemnity Applies</td>
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<td>SECTION IV - EXCLUSIONS</td>
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<td>A. Workers’ Compensation</td>
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<tr>
<td>B. Employers’ Liability</td>
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</tr>
</tbody>
</table>
CALIFORNIA STATE UNIVERSITY
RISK MANAGEMENT AUTHORITY

WORKERS’ COMPENSATION & EMPLOYERS’ LIABILITY
COVERAGE TERMS

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

SECTION I - DEFINITIONS

A. **Accident** means each accident or occurrence or series of accidents or occurrences arising out of any one event.

An accident is deemed to end 72 hours after the event commences. Each subsequent 72 hours is deemed to be a separate accident period.

Disease is an accident only if it results directly from bodily injury by accident.

B. **Claim Expenses** of the **Member** mean its litigation costs, interest as required by law on awards or judgments, and its claim investigation legal expenses which can be directly allocated to a specific claim. Claim expenses exclude salaries and travel expenses of employees of the **Member**, annual retainers, overhead and any fees it paid for claim administration.

C. **Employers’ Liability** means coverage for the **Member** against the claims for damages, which arise out of the injuries to employees in the course of their work. Employers’ Liability provides protection in cases not covered by the **Workers’ Compensation Law**.

D. **Member** means the **Member** named in the Declarations.

E. **Qualified Self-Insurer** means the **Member** represents that it is a member of a duly qualified self-insurer under the **Workers’ Compensation Law** of California and will continue to maintain such qualifications during the term this **Coverage** is in effect. If the qualification of the **Member** as a member of a self-insurer is cancelled or revoked while this **Coverage** is in force, the amounts payable under this **Coverage** will not exceed the amounts which would have been payable if such qualifications had been maintained in full force and effect.

F. **Workers’ Compensation Law** means the Workers’ Compensation Law and Occupational Disease Law of the State of California. It includes any amendments to that law which are in effect during the term of this **Memorandum of Coverage**. It does not include provisions of any law that provides non-occupational disability benefits.
SECTION II - COVERAGES

A. WORKERS’ COMPENSATION COVERAGE

The CSURMA agrees to provide the following Workers’ Compensation coverage:

1. To indemnify the Member for loss as a qualified self-insurer under the Workers’ Compensation Law but not for more than the limit of indemnity stated in the Declarations.
   
   (a) Workers’ Compensation Law includes the Jones Act (46 USC Section 688) and any amendment to that act that is in effect during the coverage period.
   
   (b) Workers’ Compensation Law includes the United States Longshoremen and Harbor Workers’ Act (33 USC Section 901-950) and amendment to that act that is in effect during the coverage period.

2. Loss means amounts actually paid by the Member as a self-insurer under the Workers’ Compensation Law for bodily injury by accident or bodily injury by disease including resulting death, provided:
   
   (a) the bodily injury accident occurs during the period this Coverage is in force; or
   
   (b) the bodily injury by disease is caused or aggravated by the conditions of employment by the Member. The employee’s last day of last exposure to those conditions of that employment causing or aggravating such bodily injury by disease must occur during the period this Coverage is in force.

3. Loss includes claims expenses as defined in Section I - DEFINITIONS

B. EMPLOYERS’ LIABILITY COVERAGE

The CSURMA agrees to provide the following Employers’ Liability Coverage:

1. The CSURMA shall indemnify the Member as a qualified member of a self-insurer of employers liability for loss but not for more than the limits of indemnity stated in the Declarations.

2. Indemnity by the CSURMA shall be made only if the original suit and any related legal actions for damages for bodily injury by accident or disease was brought in the United States of America, its territories or possessions, or Canada.
3. Loss means amounts which the **Member** is legally obligated to pay or has paid in cash as damages, because of bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death. Loss also includes **claims expenses** as defined in Section I - **DEFINITIONS**

4. This coverage applies to losses paid by the **Member** for employers liability for bodily injury which arises out of and in the course of the injured employee’s employment by the **Member**, provided:

   (a) the bodily injury by accident occurs during the period this coverage is in force; or

   (b) the bodily injury by disease is caused or aggravated by the conditions of employment by the **Member**.

   (c) the employment is necessary or incidental to work conducted by the **Member**.

5. **DAMAGES INCLUDE:**

   (a) damages for which the **Member** is liable to a third party by reason of a claim, suit or proceeding against the **Member** to recover damages suffered by the third party;

   (b) damages for care and loss of services of an injured employee of the **Member**; and

   (c) damages for consequential bodily injury to a spouse, child, parent, brother, or sister of the injured employee of the **Member**; provided such damages in 1, 2 and 3 above are the direct consequence of bodily injury that arises out of and in the course of the injured employee’s employment by the **Member** arising out of and in the course of the injured employee’s employment by the **Member**; and

   (d) damages because of bodily injury to an employee of the **Member** arising out of and in the course of employment, claimed against the **Member** in a capacity other than as employer.

C. **WORKERS’ COMPENSATION - OTHER STATES COVERAGES**

1. This **Coverage** applies to states other than California if an employee of the **Member** is injured in such a state and if the work of such injured employee of the **Member** was within the scope of such employee’s employment, at the direction of the **Member**, and was temporary and transitory in such other state provided the **Member** is not insured or self-insured in such other state, and

   (a) such injured employee was regularly employed in California;

   (b) the work in the other state was incidental to work in California; and
(c) the work of such injured employee was not a permanent or fixed location of the Member subject to the Workers’ Compensation Law in such other state.

SECTION III The CSURMA’s LIMIT OF INDEMNITY

A. Limit of Indemnity by The CSURMA:

The CSURMA shall indemnify the Member for loss subject to the limit of indemnity stated in the Declarations. The limit of indemnity for Employers’ Liability coverage shall not exceed the limit stated in the Declarations. The total indemnity for Workers’ Compensation and Employers’ Liability coverage combined shall not exceed in any event the maximum limit stated in the Declarations for California Workers’ Compensation.

B. How the Limit of Indemnity Applies:

The CSURMA’s Limit of Indemnity stated in the Declarations apply to losses paid by the Member as a member of a qualified self-insurer of Workers’ Compensation and Employers’ Liability as follows:

1. To one or more employees because of bodily injury or death in any one accident.
2. To any one employee for bodily injury or death by disease.

The inclusion of more than one legal entity as Member in the Declarations shall not increase the CSURMA’s limit of liability.

SECTION III - EXCLUSIONS

A. WORKERS’ COMPENSATION

The CSURMA shall not indemnify the Member for any payments made by the Member in excess of benefits regularly required by the Workers’ Compensation Law if such excess payments are required because:

1. of serious and willful misconduct of the Member;
2. the Member or an Executive official thereof knowingly employed an employee in violation of law;
3. the Member knowingly failed to comply with a health or safety law or regulation;
4. in violation of the Workers’ Compensation Law, the Member discharged, coerced, or knowingly otherwise discriminated against any employee; or
5. the Member violated or failed to comply with an Workers’ Compensation Law.
B. EMPLOYERS’ LIABILITY COVERAGE

The CSURMA shall not indemnify the Member for any payments made by the Member in connection with any claim made against a Member as follows:

1. Liability assumed under a contract;
2. punitive or exemplary damages;
3. bodily injury to an employee while knowingly employed in violation of law;
4. bodily injury intentionally caused or aggravated by or at the direction of the Member;
5. bodily injury occurring outside the Untied States of America, its territories or possessions, or Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily working outside these countries for the Member;
6. damages arising out of the Member’s violation of law in the discharge of, coercion of, or discrimination against any employee;
7. any obligation imposed by a Workers’ Compensation, occupational disease, unemployment compensation or disability benefits law, or any similar law; or
8. damages arising out of operations for which the Member:
   a) has violated or failed to comply with any Workers’ Compensation Law, or
   b) has rejected any Workers’ Compensation Law.
This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Waiting Period: Normally, there is a three (3) day waiting period (including weekends) before the income for lost wage payments are effective under Workers’ Compensation Temporary Disability (TD) benefits.

Payment Options: Payments will be made for the first three (3) days if an employee is hospitalized during the period or if an employee must stay off work for more than 14 days (if IDL) is selected or 21 days if (TD is selected).

Temporary Disability (TD)
Two-thirds of gross salary up to a statutorily defined maximum per week for injuries on or after January 1, 1994. These payments are based on current statutory benefits. There is no time limit; benefits are payable until the medical disability becomes permanent and stationary. No retirement contributions or voluntary deductions are made. Employees may “direct pay” for health/dental/vision plans.

Industrial Disability Leave (IDL)
Full pay for the first 22 work days of disability, two-thirds thereafter for the balance of 52 weeks. For disability beyond the expiration of IDL benefits, an employee may be eligible to receive Temporary Disability (TD) benefits. While IDL is being paid, normal retirement contributions and voluntary deductions including health/dental/vision plans continue. In addition, sick leave and vacation credits accrue.

Non-Industrial Disability Leave (NDL)
During the period that the claim for Workers’ Compensation benefits is being evaluated by the third-party claims administrator, Sedgwick CMS, an employee may submit an application for NDL leave benefits. The claim form must be prepared by the employee and Human Resources, and forwarded to the employee’s physician for completion and submission to the California Employment Department for determination of eligibility and benefits.

Sedgwick CMS shall notify the employee of the benefit determination. Within 15 days of receipt of the benefit determination the employee must notify Human Resources of their option selection. If Human Resources is not notified, the employee will automatically receive IDL benefits.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage Summary

Coverage: CSU Builder’s Risk Insurance Program (BRIP)

Policy Number: I20799754 008

Policy Term: July 1, 2012 – June 30, 2013

Coverage: “All Risk” Builder’s Risk Insurance, including Property Damage, Property in Transit, Off-Site Storage, Expediting Expense, Flood (including tidal waves), Terrorism*, and Earthquake**

* Terrorism Risk Insurance Program Reauthorization Act, 2007

** CSU maintains a self-fund for losses in excess of the deductible caused by earthquakes as defined in CA Public Contracts Code, section 7105 (b) (2).

Insurer: Illinois Union Insurance Company (ACE)

Named Insured: The Trustees of the California State University (CSU)

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

Additional Insured(s): All owners, all contractors and subcontractors of every tier, tenants of the Insured Project, and any other individual or entity specified in such contract, are recognized as Additional Insured hereunder to the extent required by any contract or subcontract for the Insured Project, and then only as their respective interests may appear.

Coverage Description: “ACE Builders Risk XTRA Coverage Form” covering direct physical loss to Insured Project(s) while in the course of construction, reconstruction or renovation.

Covers CSU construction projects whose:
1. Construction begins within the Policy Period,
2. Project Enrollment form is completed and approved by underwriting, and
3. Notice to Proceed is issued by the CSU to the General Contractor;

Until completion up to 42 months from start date of construction.

Policy Limits: $50,000,000 per Occurrence

Sub-limits: $25,000,000 Wood-Frame Construction
$ 1,000,000 Temporary Structures

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
$1,000,000  Property in Transit
$1,000,000  Property in Temporary Storage or Staging Areas
25% of Loss  Debris Removal ($1,000,000 maximum)
  $250,000  Protection of Property
  $250,000  Protection Service Charge
  $25,000  Fire Protection Systems
  $10,000  Valuable Papers & Records
  $100,000  Installed Trees & Shrubs
  $100,000  Expediting Expense
  $50,000  Loss Data Preparation Costs
$10,000,000 / 365 days  Loss of Rents (optional for additional premium)
$10,000,000  Flood – no coverage for Zone A
$1,000,000  Pollutant Clean-up
  105%  New Construction Escalation Clause

Deductible:  $25,000  Per occurrence
            $100,000  Per occurrence – Flood
            $100,000  Per occurrence – Water Damage
            $100,000  Per occurrence – Earthquake**

Major Exclusions:  Flood - Zone A
                  Earth Movement**
                  Pollution/Contamination
                  Electronic Data/Cyber Risk
                  Mold/Fungus
                  Nuclear, Biological, Chemical

                  ** Excluded by carrier; self-funded by CSU

Loss Valuation:  Replacement Cost if replaced, otherwise Actual Cash Value

Coinsurance:  None

Notice of Cancellation:  60 days, except 10 days for nonpayment of premium

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Comments:

1. Projects to be reported quarterly.
2. Projects that are reported during the policy term are held covered for up to 42 months from project start date.
3. Projects whose initial reported value is less than $5,000,000 are not required to be reported at completion.
4. Projects whose initial value is $5,000,000 or more shall report final contract values and term during the next quarterly reporting period following project completion.

Claims Reporting:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Bob Frey, Claims Manager
Email: rfrey@alliantinsurance.com
Phone: 415-403-1445
Cell: 415-518-8490
Fax: 415-402-1466

David Sutton, Claims Specialist
Email: dsutton@alliantinsurance.com
Phone: 415-403-1417
Fax: 415-402-1466

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Policy No. 120799754 008 | Renewal of: 120799754 007

**NAMED INSURED & MAILING ADDRESS**
California State University Office of the Chancellor  
401 Golden Shore  
Long Beach CA United States

| POLICY PERIOD |  
|---------------|-------------------------------------------------------------------|
| When Coverage Begins: | 07/01/2012 12:01 A. M. Local Time At Named Insured's Address  
| When Coverage Ends: | 07/01/2013 12:01 A. M. Local Time At Named Insured's Address |

**INSURING COMPANY**  
Illinois Union Insurance Company

**Producer's Name & Address:**  
ALLIANT INSURANCE SERVICES INC  
701 B STREET  
6TH FLOOR  
SAN DIEGO CA 92101

Producer No: 304192

See Form SL CA 2009 on the following page

**ATTACHED FORMS**
This policy is completed by the following: and forms and endorsements attached thereto.

**Authorization Information**
Dated:  
Authorized Representative

SLPD (03/08)
NOTICE TO INSURED:

NOTICE:
1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.
2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.
3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.
4. 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, OR VIEW THAT LIST AT THE WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: www.insurance.ca.gov.
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: 1-800-927-4357.
6. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR
SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER'S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.
Common Policy Declarations

Policy Number: 120799754 008
Named Insured & Mailing Address
California State University
Office of the Chancellor
401 Golden Shore
Long Beach CA United States

Company Name: Illinois Union Insurance Company
Producer's Name & Address
ALLIANT INSURANCE SERVICES INC
701 B STREET
6TH FLOOR
SAN DIEGO-CA 92101
304192-120799754 007

General Policy Information
Policy Period: 12 months
Business Description: University
When Coverage Begins: 07/01/2012 12:01 A.M. Local Time at Named Insured's Address
When Coverage Ends: 07/01/2013 12:01 A.M. Local Time at Named Insured's Address

In return for the payment of premium, and subject to all the terms and conditions of this policy, we agree to provide the insurance as stated in this policy.

The premium for this policy is indicated below next to the applicable Coverage Form(s).

Coverage Form

ACE Builder's Risk Xtra
Terrorism

Total Premium: $ ______________
Total Assessments, Fees, Surcharges, Taxes: $ ______________
Total Amount Due: $ ______________
Minimum Earned Premium: $ ______________

Attached Forms Information

Authorization Information

See Forms Schedule CPfs2

Date: ____________________________
Authorized Representative: ____________________________

These Declarations together with the Coverage Declarations, Common Policy Conditions and Coverage Conditions (if applicable), Coverage Form(s) and Forms and Endorsements, if any, issue to form a part thereof, complete the above numbered policy
### Forms Schedule

**Company:** Illinois Union Insurance Company  
**SYM:** IMC  
**Policy ID:** 20799754 008

<table>
<thead>
<tr>
<th>When Coverage Begins:</th>
<th>07/01/2012</th>
<th>12:01 A.M. Local Time At Named Insured's Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>When Coverage Ends:</td>
<td>07/01/2013</td>
<td>12:01 A.M. Local Time At Named Insured's Address</td>
</tr>
</tbody>
</table>

**Applicable to all Coverage Parts**
- SLPD (03/08) - Policy Declarations
- BB-5W58a (03/08) - Common Policy Declarations
- CPfs2 (03/08) - Forms Schedule
- ACE0443 (02/09) - Builders Risk Xtra Declarations
- CC-3R19A (07/97) - General Endorsement-Schedule Of Rates Endorsement
- ACE0216 (12/04) - Flood Coverage Endorsement
- BB-5W66 (01/05) - ACE Builders Risk Rental Income Coverage
- ACE0670 (05/11) - Minimum Earned Premium Endorsement
- ALL-21101 (11/06) - Trade Or Economic Sanctions Endorsement
- ACE0444 (02/09) - Builders Risk XTRA Coverage Form
- ACE0223 (10/11) - Common Policy Conditions
- ALL-10753 (10/01) - Electronic Data Amendment Endorsement
- ACE0208 (01/08) - Limited Exclusion of Certified Acts of Terrorism
- ACE0210 (01/08) - Nuclear, Biological, Chemical, Radiological Exclusion Endorsement
- TRIA11b (01/08) - Disclosure Pursuant To Terrorism Risk Insurance Act
- ACE Inland Marine – Important Notice Notification of Claims
- LD-5S23g (02/05) - Signature Endorsement
- ILP 001 (01/04) – US Treasury Department (OFAC)
- ALL-20887 (10/06) – ACE Producer Compensation Practices & Policies

**Commercial Inland Marine**
BUILDERS RISK XTRA DECLARATIONS

Policy Number: 120799754 008

Named Insured and Mailing Address
California State University
Office of the Chancellor
401 Golden Shore
Long Beach CA United States

Company Name: Illinois Union Insurance Company
Producer's Name & Address
ALLIANT INSURANCE SERVICES INC
701 B STREET
6TH FLOOR
SAN DIEGO CA 92101
304192-120799754 007

I. General Policy Information

Business Description: University
When Coverage Begins: 07/01/2012 12:01am Local Time at the
When Coverage Ends: 07/01/2013 Named Insured's Address

In return for the payment of premium and subject to all the terms and conditions of this policy, we agree to provide the insurance as stated in the policy.

II. Project Description

Description: Master Builder's Risk Program
Project Site: Various California State University Campuses

III. Limits of Insurance

Occurrence Limit of Insurance

The most we will pay for all loss resulting from all Covered Causes of Loss in any one occurrence is:

$50,000,000

Sub-limits of Insurance

The Sub-limits of Insurance below are the most we will pay for loss in any one occurrence for the coverage or Coverage Extension. The Sub-limits of Insurance are part of and not in addition to the Occurrence Limit of Insurance shown above.

Sub-limits of Insurance

New Construction
Temporary Structures
Property in Transit
Property in Temporary Storage or Staging Areas
Existing Buildings or Structures
Frame Construction

ACE0443 (02/09) Copyright © 2008
### Coverage Extensions

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Sub-limits of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Debris Removal</td>
<td>25% with $1,000,000 Max</td>
</tr>
<tr>
<td>Protection of Property</td>
<td>$250,000</td>
</tr>
<tr>
<td>Protection Service Charges</td>
<td>$250,000</td>
</tr>
<tr>
<td>Fire Protection Systems</td>
<td>$25,000</td>
</tr>
<tr>
<td>Valuable Papers and Records</td>
<td>$10,000</td>
</tr>
<tr>
<td>Installed Trees and Shrubs</td>
<td>$100,000</td>
</tr>
<tr>
<td>Expediting Expense</td>
<td>$100,000</td>
</tr>
<tr>
<td>Loss Data Preparation Costs</td>
<td>$50,000</td>
</tr>
<tr>
<td>Contract Penalty</td>
<td>$Excluded</td>
</tr>
<tr>
<td>Furniture and Fixtures</td>
<td>$Excluded</td>
</tr>
<tr>
<td>Construction and Office Trailers</td>
<td>$Excluded</td>
</tr>
</tbody>
</table>

### Ordinance or Law Coverage

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Sub-limits of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Coverage A</td>
<td>$Excluded</td>
</tr>
<tr>
<td>Coverage B</td>
<td>$Excluded</td>
</tr>
<tr>
<td>Coverage C</td>
<td>$Excluded</td>
</tr>
<tr>
<td>All Ordinance or Law Coverages in any one occurrence</td>
<td>$Excluded</td>
</tr>
</tbody>
</table>

### Soft Costs

<table>
<thead>
<tr>
<th>Soft Costs Categories</th>
<th>Sub-limit of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>The most we will pay for all Soft Costs in any one occurrence is</td>
<td>$Excluded</td>
</tr>
</tbody>
</table>

However, we will not pay more than the Sub-limit of Insurance shown below for each covered category of Soft Costs:

1. Advertising and promotional expenses;  
2. Architectural and/or engineering supervisory services and consulting fees;  
3. Audit and bookkeeping services;  
4. Commissions or fees for the renegotiation of leases;  
5. Fees for licenses and permits;  
6. Insurance premiums for the Builders Risk, Workers' Compensation and General Liability Insurance;
7. Interest on the construction loan; $ Excluded
8. Realty taxes and other assessments; $ Excluded
9. Rental or lease expense of construction equipment; $ Excluded
10. Legal and accounting fees. $ Excluded
11. Other $ Excluded
12. Other $ Excluded

The Period of Indemnity for Soft Costs is: Excluded

**Business Income**

The most we will pay for loss of Business Income in any one occurrence is: $ Excluded

The Period of Indemnity for Business Income is: N/A

**Loss of Rents**

The most we will pay for Loss of Rents in any one occurrence is: $ 10,000,000

The Period of Indemnity for Loss of Rents is: 365 days

**Annual Aggregate Sub-limits of Insurance**

If a Sub-limit of Insurance is shown below for the peril(s) of earth movement or flood, the exclusion(s) for the specific peril(s) contained in the Builders Risk XTRA Coverage Form is(are) deleted.

The Aggregate Sub-limits of Insurance below for the perils of earth movement and flood are the most we will pay for loss in any one occurrence and during a policy year for all coverage(s) and coverage extensions, including Soft Costs, Business Income and Loss of Rents, in or endorsed on this policy.

The aggregate Sub-limit of Insurance below for Pollutant Clean Up is the most we will pay for loss in any one occurrence and during a policy year.

<table>
<thead>
<tr>
<th></th>
<th>Per Occurrence</th>
<th>Annual Aggregate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Flood</td>
<td>$ 10,000,000</td>
<td>$ 10,000,000</td>
</tr>
<tr>
<td>Earth Movement</td>
<td>$ Excluded</td>
<td>$ Excluded</td>
</tr>
<tr>
<td>Pollutant Clean Up</td>
<td>$ 1,000,000</td>
<td>$ 1,000,000</td>
</tr>
</tbody>
</table>

**Escalation Clauses**

- New Construction Escalation Clause 105%
- Soft Costs Escalation Percentage Not Covered
IV. Premium

Premium
Minimum Premium

Reporting
Reporting Period
Adjustment Period
Reporting Basis
Completed Value
Values at Risk
Values Installed
Other
Deposit Premium
Minimum Premium

V. Deductible

The deductible applicable to all losses in any one occurrence:

$ 25,000

Except:

Earth Movement

% $ Excluded

Flood

% $ 100,000

Named Windstorm
Water Damage

$ 25,000
$ 50,000

Where a percentage amount is shown in the earth movement or flood deductibles, the deductible amount shall be the greater of the dollar amount shown or the stated percentage of the total insured values at risk at time of loss.

Other

$ Not Covered

Other

$ Not Covered

Soft Costs

$ Excluded

Dollar amount
Number of days
Excluded

Business Income

Dollar amount
$ Excluded

Number of days
Excluded

Loss of Rents

Dollar amount
$ Not Applicable

Number of days
30 Days

VI. Mortgage & Loss Payee

Name & Address
Interest in Covered Property

VII. Attached Forms

These declarations, the forms attached and all endorsements attached and issued on or after the effective date constitute the Policy.

Date: __________________________

Authorized Representative
General Endorsement

General Policy Information

Named Insured: California State University
Office of the Chancellor
Policy Symbol: IMC
Policy Number: L20799754 008
Endorsement Number: A
Effective date of Endorsement: 07/01/2012
Policy Period: 07/01/2012 to 07/01/2013

Issued by: Illinois Union Insurance Company
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully
This endorsement modifies insurance provided under the following:

ACE Builder’s Risk Xtra

SCHEDULE OF RATES

“Construction Classes”

<table>
<thead>
<tr>
<th>New Construction and Non-Seismic Renovation of the following:</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wood Frame Construction – over $10M</td>
</tr>
<tr>
<td>Wood Frame Construction - $10M &amp; Under</td>
</tr>
<tr>
<td>Masonry Construction</td>
</tr>
<tr>
<td>All Other Types of Construction, except Site work</td>
</tr>
<tr>
<td>Site work</td>
</tr>
<tr>
<td>Loss of Rents</td>
</tr>
</tbody>
</table>

Seismic Renovation of the Following:

| Wood Frame Construction – Over $10M                          | 0.567 |
| Wood Frame Construction - $10M & Under                       | 0.464 |
| Masonry Construction                                         | 0.121 |
| All Other Types of Construction                              | 0.08  |
| Loss of Rents                                                | 0.472 |

The rates shown above are only valid for projects whose initial contract term is 36 months or less. Frame rates/coverage is project $25,000,000 and under. Frame projects over $25,000,000 require prior approval from the underwriters.
Flood Coverage Endorsement

Named Insured: California State University  
Office of the Chancellor  
Policy Symbol: IMC  
Policy Number: I20799754 008

Endorsement Number:

Policy Period: 07/01/2012 to 07/01/2013

Effective date of Endorsement: 07/01/2012

Issued by: Illinois Union Insurance Company  
(Name of Insurance Company)

This Endorsement changes the policy – Please read it carefully

1. Coverage

We will pay for the direct physical loss or damage caused by Flood. Flood means the overflow from a stream or any other body of water. Flood also means surface water, waves, tidal waves or movements or spray from any of these, whether driven by wind or not.

Exclusion B. 1. d. of this policy is deleted.

2. Limits of Insurance

The most we will pay for all loss in all occurrences caused by or resulting from Flood in any policy year is $10,000,000. This amount is part of and not in addition to the Limit of Insurance shown on the Declarations of this policy.

3. Special Deductible applying to Flood

We will not pay for loss covered by this endorsement in any one occurrence until the amount of the adjusted loss exceeds the applicable deductible set forth below:

☒ $100,000.

☐ $ or % of the total values installed and/or stored at the location of the Insured Project or Projects suffering loss at the time of the loss, whichever is greater, subject to a maximum deductible of $  

☐ $ or % of the total values installed and/or stored at the location of the Insured Project or Projects suffering loss at the time of the loss, whichever is greater.

We will then pay the amount of the adjusted loss in excess of your Deductible, up to the Limit of Insurance shown in 2. above.

4. Additional Exclusions

We will not cover your loss caused by or resulting from any Flood occurring before the effective date of this policy nor any Flood occurring after the expiration date of this policy.
ACE Builders Risk
Rental Income Coverage

General Policy Information

Named Insured: California State University
Office of the Chancellor

Endorsement Number: IMC

Policy Symbol: IMC

Policy Number: 120799754 008

Policy Period: 07/01/2012 to 07/01/2013

Effective date of Endorsement: 07/01/2012

Issued by: Illinois Union Insurance Company

This Endorsement changes the policy – Please read it carefully
This endorsement changes your policy as follows:

1. Coverage

We will pay for the actual loss of Rental Income sustained by you as a result of a delay in the completion date of the Covered Property described in the Builders Risk Policy Declarations. This delay must be caused by or be the result of a Covered Cause of Loss. All Exclusions and Conditions applicable to the Builders Risk Coverage form also apply to this coverage.

2. Extensions of Coverage

a. EXPENSES FOR REDUCING YOUR LOSS
We will also pay any expenses you have that actually reduce your loss (except expenses for putting out a fire). But, the amount we pay for these expenses may not total more than the amount by which they reduce in loss.

b. CIVIL AUTHORITY
We will pay for actual loss of Rental Income you sustain caused by action of civil authority that prohibits access to the location(s) described in the Declarations due to direct physical loss to property, other than at the location(s) described in the Declarations, caused by or resulting from a covered cause of loss. This coverage will apply for a period of up to two consecutive weeks from the date of that action.

3. Limits of Insurance

The most we will pay for loss for reduction of Rental Income is $ per endorsement. This amount is part of and not in addition to the policy Limit of Liability shown in Section II of the Declarations.
4. Deductible

We will not pay for any loss of Rental Income until the adjusted claim exceeds the deductible.

☐ We will determine the amount to pay you by subtracting the deductible amount of $____ from the amount of adjusted claim. This is done separately for each occurrence of loss.

☒ 30 consecutive days must expire beginning with the date the loss occurs before we will cover your Loss of Rents loss. Any reduction of Rental Income during those days is not included as part of the calculation of your loss.

5. Additional Exclusions

We will not cover your loss caused by or resulting from:

a. Delay caused by strikers, or anyone else at a covered location, interfering with efforts to repair damage or resume business;

b. Damages for breach of contract, late or non-completion of orders, or for any penalties of any nature;

c. The suspension, lapse or cancellation of any lease, license, contract or order; or

d. The unavailability of funds for repair or reconstruction; or

c. The unavailability of subcontractors.

f. The enforcement of any ordinance or law that:
   (1) Regulates the construction, use or repair, or requires the tearing down of any property; or
   (2) Requires any insured or others to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

6. Additional Conditions

a. YOUR RESPONSIBILITY FOR REDUCING YOUR LOSS

It is a condition of this coverage that you will make every attempt, in the event of a loss, to reduce the resultant start-up delay of business by:

(1) Making complete or partial use of the Covered Property or other properties at the scheduled location or another location;

(2) Making use of other machinery, equipment, supplies;

(3) Minimizing any interference with the construction schedule to avoid or reduce any resulting delay; or

(4) Doing everything you reasonably can to minimize the loss.

7. Definition

"Completion date" means the later of the original scheduled completion date in the construction contract or the date the structure would have been completed if a loss hadn't occurred. In no circumstance will the completion date predate the original scheduled completion date in the construction contract.
BUILDERS RISK XTRA
COVERAGE FORM

General Information

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us", and "our" refer to the Company providing the insurance.

Other words and phrases that appear in italics have special meanings. Refer to the DEFINITIONS section in this Coverage Form.

A. Coverage

We will pay for direct physical loss to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this coverage form means:

   The project described on the Declarations during the course of construction, reconstruction or renovation at the project site.

   Covered Property includes:

   a. Property of every kind and description intended to become a permanent part of the building or structure described in the Declarations. This may be your property or the property of others for which you are liable and in your care, custody or control. This property includes building excavations and foundations; grading and filling; permanent fencing; sidewalks, curbs, gutters, streets, parking lots and other paved surfaces; and other permanent structures;

   b. If not covered by other insurance and if values are reported to us for premium calculation, temporary structures on site, including cribbing, scaffolding and construction forms.

   c. Property in transit, including in transit via the inland waterways of the United States and Canada, that is intended to become a permanent part of the building or structure described in the Declarations, provided a separate Sub-limit of Insurance is shown for such coverage in the Declarations.

   d. Property in temporary storage or staging areas, away from the project site intended to become a permanent part of the building or structure described in the Declarations, provided a separate Sub-limit of Insurance is shown for such coverage in the Declarations.

   e. Existing building(s) or structure(s) if the project is a renovation or reconstruction, provided a separate Sub-limit of Insurance is shown for such coverage in the Declarations.

2. Property Not Covered

   Covered Property does not include:

   a. Land (including land on which the project is located) or water;

   b. Accounts, bills, currency, deeds, evidences of debt, money, notes or securities;
c. Property while airborne except while in transit;
d. Property while waterborne except while in transit;
e. Machinery, tools or equipment not intended to become a permanent part of the project described on the Declarations;
f. Property in storage that is not specifically designated or identified for the project described on the Declarations;

3. Covered Causes of Loss

This policy covers risks of direct physical loss to the Covered Property, except those causes of loss listed in the Exclusions.

4. When Coverage Begins and Ends

Coverage will begin on the date shown on the Builders Risk Declarations and will end on the earliest of the following:

a. When your financial interest in the project ends;
b. When the purchaser accepts the project as complete;
c. The expiration date shown on the Declarations;
d. The date the policy is cancelled;
e. The date you abandon the construction;
f. 60 days after a certificate of occupancy is issued.

5. Occupancy

You may occupy up to 50% of the square footage of the project for the purpose originally intended without our written consent. We may require additional premium if the hazard is increased. You agree that all planned fire protection and security systems will be installed and operational prior to and during such occupancy. You may also install and store machinery and equipment within a project and this will not be considered occupancy.

6. Coverage Extensions

The limit of insurance for each Extension of Coverage is a sub-limit and is part of and not in addition to the Occurrence Limit of Insurance shown on the Declarations.

a. Debris Removal Expense

We will pay your expenses to remove debris of Covered Property after a loss. Debris removal expenses will be paid only if they are reported to us within 180 days after the date of direct physical loss.

The most we will pay for expense for Debris Removal Expense in any one occurrence is the Sub-limit of Insurance for Debris Removal shown on the Declarations.

Debris Removal Expense does not apply to expense for:

1) The cost to extract pollutants from land, water or Covered Property;
2) The cost to remove, restore or replace polluted land, water or Covered Property;
3) The cost to transport polluted land, water or Covered Property to storage or decontamination sites.
b. Pollutant Clean Up

We will pay your expense to extract pollutants from land, water or Covered Property at the project site listed on the Declarations if the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date on which the Covered Cause of Loss first occurs. This Coverage Extension does not apply to costs to test for, monitor or assess the existence, concentration or effects of pollutants. But we will pay for testing which is performed in the course of extracting the pollutants from the land or water.

The most we will pay for expense is the Sub-limit of Insurance shown on the Declarations for Pollution Clean Up for the sum of all covered expenses arising out of Covered Causes of Loss occurring during each separate 12 month period of this policy.

c. Protection of Property

If it is necessary to remove Covered Property from a project site, temporary storage, or staging area to preserve it from loss by a Covered Cause of Loss, we will cover direct physical loss to that property while it is being moved or while temporarily stored at another location.

You must tell us about the removal within ten (10) days of first moving such property or else no coverage will apply to the removed property.

The most we will pay for loss in any one occurrence is the Sub-limit of Insurance shown on the Declarations for the project site from which Covered Property was removed.

We will also pay up to $25,000 for necessary additional expenses incurred as a result of moving the Covered Property to a temporary location to preserve Covered Property from a Covered Cause of Loss.

d. Protection Service Charges

We will pay up to the Sub-limit of Insurance shown on the Declarations in any one occurrence when a fire department, police department or other governmental authority is called to a project because of a loss by a Covered Cause of Loss to Covered Property, when these services charges are.

1) Assumed by contract or agreed to prior to loss; or
2) Required by local ordinance.

e. Fire Protection Systems

We will pay the actual expense you incur to recharge or refill any fire protection systems discharged in an attempt to save or protect Covered Property from loss by fire or explosion.

The most we will pay in any one occurrence for Fire Protection Services is the Sub-limit of Insurance shown on the Declarations.
f. **Valuable Papers and Records**

We will pay for loss to your valuable papers or records, such as blueprints, plans, drawings or data processing media caused by or resulting from a Covered Cause of Loss.

The most we will pay for loss in any one occurrence to research, replace or restore those valuable papers or records is the Sub-limit of Insurance shown on the Declarations.

g. **Installed Trees and Shrubs**

We will pay for loss to installed or planted trees and shrubs if they are damaged or destroyed by fire, lightning, explosion, riot or civil commotion, or an aircraft.

The most we will pay for loss in any one occurrence is the Sub-limit of Insurance for Installed Trees and Shrubs shown on the Declarations. The amount includes the cost of debris removal.

h. **Expediting Expenses**

We will pay the reasonable extra costs to make temporary repairs, and to expedite the permanent repair or replacement of the Covered Property which is damaged by a Covered Cause of Loss. The amount we will pay includes additional wages for overtime, night work, and work on public holidays and the extra costs of express freight or other rapid means of transportation.

The most we will pay in any one occurrence is the Sub-limit of Insurance for Expediting Expense shown on the Declarations.

i. **Loss Data Preparation Costs**

We will pay the reasonable and necessary costs or expenses you incur to prepare loss data required by policy conditions after a loss by a Covered Cause of Loss. This includes the cost of taking inventory, making appraisals and preparing other data to determine the extent of your covered loss.

This Additional Coverage does not include costs or expenses for:

1) Public Adjusters or any firm or entity acting in the capacity of a public adjuster, including their employees, agents, or representatives;
2) Legal and paralegal fees;
3) Claim consultants, insurance brokers or agents, or any person acting on behalf of a claim consultant or insurance broker or agent;
4) Costs associated with the negotiation or presentation of any claim or part of a claim that we have told you is in dispute or that we have denied;
5) Costs or expenses which are your normal overhead or operating expense;
6) Costs or expenses associated with trying to establish that a claim or part of a claim is covered by the policy.

The most we will pay in any one occurrence is the Sub-limit of Insurance for Loss Data Preparation Costs shown on the Declarations.
j. **Contract Penalty**

We will pay the contract penalties for non-completion of the project you are required to pay as a direct result of a Covered Cause of Loss to Covered Property. The penalties must be specified in the construction contract, signed prior to the start of construction.

The most we will pay in any one occurrence is the Sub-limit of Insurance for Contract Penalty shown on the Declarations.

k. **Furniture and Fixtures**

We will pay for loss to furniture and fixtures you place or install in the project. This property is covered while awaiting installation, during installation and after installation but only on the project site.

The most we will pay for loss in any one occurrence is the Sub-limit of Insurance for Furniture and Fixtures shown on the Declarations.

l. **Office and Construction Trailers/Semi-trailers and their Contents**

We will pay for loss to office and construction trailers/semi-trailers, and their contents that you own or are in your care, custody or control while in, on or within 1000 feet of the project site covered by this policy.

This coverage includes furniture and fixtures, but does not apply to loss of tools or other contractors equipment, jewels, jewelry, watches, stamps, deeds, letters of credit, documents, tickets, plans, blueprints, specifications or other valuable papers.

This insurance is excess over any other valid and collectible insurance available to the owner of the property.

The property covered by this Extension of Coverage will be valued at its Actual Cash Value.

The most we will pay for loss in any one occurrence is the Sub-limit of Insurance for Office and Construction Trailers shown on the Declarations.

m. **Limited Coverage For Fungus, Wet Rot, Dry Rot or Bacteria**

1) The coverage described below only applies when *fungus*, wet rot, dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further loss at the time of and after the occurrence.

- Explosion; windstorm or hail; smoke; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

To the extent that limited coverage is provided for *fungus*, wet rot, dry rot or bacteria with respect to loss or damage by a Cause of Loss other than fire or lightning, we will not pay for loss or damage caused by or resulting from continuous or repeated seepage or leakage of water, or the presence or condensation of humidity, moisture or vapor, that occurs over a period of 14 or more consecutive days.
2) The term loss or damage under this Coverage Extension for fungus, wet rot, dry rot or bacteria means:
   a) Direct physical loss or damage to Covered Property caused by fungus, wet rot, dry rot or bacteria, including the cost of removal of the fungus, wet rot, dry rot or bacteria;
   b) The cost to tear out and replace any part of Covered Property as needed to gain access to the fungus, wet rot, dry rot or bacteria; and
   c) The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that fungus, wet rot, dry rot or bacteria are present.

3) The most we will pay for loss or damage under the coverage provided in m.1. is $25,000. Regardless of the number of claims, this Sub-limit of Insurance is the most we will pay for the total of all loss or damage arising out of all occurrences described in m.1. which take place during the policy term. We will not pay more than a total of $25,000 even if the fungus, wet rot, dry rot or bacteria continues to be present or active, or recurs, after the policy expiration.

4) The Limited Coverage provided does not increase the applicable Limit of Insurance on any Covered Property nor the Occurrence Limit of Insurance shown on the Declarations. If a particular occurrence results in loss or damage from fungus, wet rot, dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

   If there is covered loss to Covered Property, not caused by fungus, wet rot, dry rot or bacteria, loss payment will not be limited by the terms of this limited coverage, except to the extent that fungus, wet rot, dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of the Limited Coverage.

5) 5(a) or 5(b), set forth below apply only if Business Income and/or Loss of Rents and/or Soft Cost coverage is provided in the Policy and applies to the described premises and only if the suspension of operations satisfies all terms and conditions of the applicable Business Income and/or Loss of Rents and/or Soft Cost endorsement(s).
   a) If the loss which resulted in fungus, wet rot, dry rot or bacteria does not in itself necessitate a suspension of operations, but such suspension is necessary due to loss to property caused by fungus, wet rot, dry rot or bacteria, then any payment, if applicable under Business Income and/or Loss of Rents and/or Soft Cost is limited to the amount of loss and/or expense sustained in a period of not more than 30 days. The days need not be consecutive.

   b) If a covered suspension of operations was caused by loss or damage other than fungus, wet rot, dry rot or bacteria but remediation of fungus, wet rot, dry rot or bacteria prolongs the "period of restoration", we will pay for loss and/or expense sustained during the delay (regardless of when such a delay occurs during the "period of restoration"), but such coverage is limited to 30 days. The days need not be consecutive.

   c) If the policy is endorsed to provide Ordinance Or Law Coverage with respect to property damage, Business Income or Loss of Rents or Soft Cost, we will not pay under the Ordinance Or Law Coverage for:
   (1) Loss or damage sustained due to the enforcement of any ordinance or law that requires the demolition, repair, replacement, reconstruction, remodeling or remediation of property due to the presence, growth, proliferation, spread or any activity of fungus, wet rot, dry rot or bacteria;
   (2) The costs associated with the enforcement of any ordinance or law that requires any insured or others to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of fungus, wet rot, dry rot or bacteria.
ELECTRONIC DATA AMENDMENT ENDORSEMENT

Named Insured
California State University Office of the Chancellor

Policy Symbol
IMC

Policy Number
120799754 008

Policy Period
07/01/2012 to 07/01/2013

Endorsement Number

Effective Date of Endorsement
07/01/2012

Issued By (Name of Insurance Company)
Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy the term Coverage Part in this endorsement is replaced by the term Policy.

B. This endorsement replaces and supersedes any and all contrary policy provisions. This policy does not insure against loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of:

1. "Electronic Data" by any cause whatsoever (including but not limited to "Computer Virus"); and/or
2. "Electronic Media" caused by or resulting from the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of "Electronic Data";

regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of "Electronic Data" or "Electronic Media".

This exclusion does not apply to loss or dam-age to "Electronic Data" or "Electronic Media" caused by or resulting from the Perils of Fire; Lightning; Explosion; Windstorm or Hail; Smoke; Aircraft or Vehicles; Riot and Civil Commotion; Wilful or malicious physical loss or damage by a means other than computer virus; Leakage from fire extinguishing equipment; Sinkhole collapse; Falling Objects, Weight of snow, ice or sleet, Water, Damage; Building glass breakage; Sonic Boom; Flood, Earth Movement or Volcanic Action, if and to the extent such Perils are already covered by this or by any underlying policy.

C. As respects the Commercial Property Coverage Part, the Valuation Loss Condition is replaced by the following with respect to "Electronic Media" or "Electronic Data":

"Electronic Media" or "Electronic Data" shall be valued at the cost of the blank media plus the costs of copying or restoring "Electronic Data" from back-up or from originals of a previous generation, and including all reasonable and necessary amounts, not to exceed $2,500 any one occurrence, incurred in recreating, gathering and assembling such "Electronic Data".

ALL-10753 (10/01)
B. Exclusions

1. We will not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

   a. **Governmental Action**
      
      Seizure or destruction of property by order of governmental authority.
      
      But we will pay for loss caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this Coverage Form.

   b. **Nuclear Hazard**
      
      1) Any weapon employing atomic fission or fusion; or
      
      2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss caused by that fire if the fire would be covered under this Coverage Form.

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

   d. **Pollution**
      
      Loss caused by or resulting from the presence, release, discharge or dispersal of pollutants.

   e. **Earth Movement**
      
   f. **Flood**
      
   g. **Utility Services**
      
      The failure of power or other utility services supplied to the project, provided the failure occurs off of the project site.
      
      But we will pay for loss which results from that failure.

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area.

h. **Fungus**

   We will not pay for loss caused directly or indirectly by the presence, growth, proliferation or spread of fungus, wet rot, dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.
   
   But if fungus, wet rot, dry rot or bacteria results in:
Fire, lightning; explosion; windstorm or hail; smoke; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage, we will pay for loss caused by that peril.

This exclusion does not apply:

1) When fungus, wet rot, dry rot or bacteria results from fire or lightning; or
2) To the extent that coverage is provided in the Coverage Extension – Limited Coverage For Fungus, Wet Rot, Dry Rot or Bacteria with respect to loss by a cause of loss other than fire or lightning.

2. We will not pay for loss caused by or resulting from the following:

a. Delay, loss of market, loss of use or consequential loss of any kind.

b. Shortage found upon taking inventory.

c. Mysterious Disappearance.

d. Unexplained loss.

e. Dishonest or criminal act committed by:
   1) You, any of your partners, employees, directors, trustees, or authorized representatives;
   2) A manager or a member if you are a limited liability company;
   3) Anyone else with an interest in the property, or their employees or authorized representatives; or
   4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

f. Asbestos, including loss or clean-up caused by or resulting from asbestos or asbestos containing materials.

g. Rain, sleet, ice or snow, all whether drive by wind or not, entering the interior of any Covered Property, unless:

1) The exterior of Covered Property is complete; and
2) Only if the exterior of Covered Property first sustains loss by a Covered Cause of Loss, through which rain, sleet, ice or snow enters.

The exterior of Covered Property is complete only when it has been constructed to a point that it is fully weather resistant and all of the final components of the exterior of the structure and its systems have been completely and permanently installed. The final components include but are not limited to:

1) The roof and roof drainage systems;
2) Exterior walls including siding;
3) Windows;
4) Doors;
5) Vents and ventilation systems;
6) Mechanical and electrical systems.

3. We will not pay for loss caused by or resulting from any of the following. But if a loss from a Covered Cause of Loss results, we will pay for the resulting loss:
   a. Wear and tear, inherent vice, hidden or latent defect, gradual deterioration, marring or scratching
   b. Settling, subsidence, cracking, shrinking, or expansion;
   c. Dryness or dampness of atmosphere;
   d. Extremes or changes in temperature;
   e. Animals and insects.

4. We will not pay for loss caused by or resulting from any of the following. But if a loss from a Covered Cause of Loss results, we will pay for the resulting loss:
   a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph B.1. Exclusions, to produce the loss.
   b. Acts or decisions, including the failure to act or decide, of any person, group, organization or government body.
   c. Faulty, inadequate or defective:
      (1) Planning, zoning, development, surveying, siting;
      (2) Design, process, construction methods, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
      (3) Materials used in repair, construction, renovation, or remodeling; or
      (4) Maintenance;
      of part or all of any property on or off the described premises.

C. Limits of Insurance

The most we will pay for loss in any one occurrence is the applicable Limit of Insurance shown on the Declarations.

The aggregate Sub-limits of Insurance on the Declarations for the perils of earth movement and flood are the most we will pay for loss in any one occurrence and during a policy year for all coverage(s) and coverage extensions, including Soft Costs, Business Income and Loss of Rents, in or endorsed on this policy.

The aggregate Sub-limit of Insurance shown on the Declarations for Pollutant Clean Up is the most we will pay for loss in any one occurrence and during a policy year.

The existence of one or more Additional Insureds will not increase any Limit or Sub-limit of Insurance.

D. Deductible

We will not pay for loss in any one occurrence until the amount of the adjusted loss exceeds the applicable deductible shown on the Declarations and/or any endorsements to this policy. We will then pay the amount of the adjusted loss in excess of the deductible up to the applicable Limit of Insurance.
If more than one deductible amount applies in a single occurrence, we will adjust loss in excess of the highest deductible amount.

If a percentage amount is shown for the deductible(s) of earth movement or flood, the percentage shall be applied against the values at risk at time of loss.

Deductibles for Business Income, Loss of Rents, or Soft Costs, if these coverages are endorsed on this policy, always apply separately and in addition to the deductible(s) for the other coverages provided in this policy.

E. Additional Conditions

The following conditions apply in addition to the Common Policy and Inland Marine Conditions.

1. Valuation

   If the lost or damaged Covered Property is new construction, we will pay the actual cost of repairing, replacing, or rebuilding the property with materials of similar kind and quality.

   If the lost or damaged Covered Property is in the process of renovation or reconstruction, we will pay:

   a. The actual cash value of the existing building(s) or structure(s) if covered by this policy; and
   b. The cost of labor and materials that have been added up to the time of loss.

   We will include an additional 15% of the amount(s) above or the percentage for contractor profits and overhead included in the total value of the job you furnish us in calculating your premium, whichever is less. This does not apply to determining the value of existing structures, if covered.

   We will pay the least of the following for loss to Covered Property valued at actual cash value:

   a. The actual cash value of Covered Property;
   b. The cost of reasonably restoring Covered Property to its condition immediately prior to the loss;
   c. The cost of replacing the property with substantially identical property.

2. Coinsurance Agreement

   No coinsurance agreement applies to the coverage provided by this form.

   You are required to submit the final completed value of the project to us within 60 days of the policy expiration date. If the final completed value varies by more than 5% of our Occurrence Limit of Insurance, we will charge you or return to you the appropriate additional or return premium. Additional or return premiums of less than $250 will be waived.

3. Mortgage Holders

   The entities listed on the Declarations and designated as mortgage holders are added to this policy for the project covered by this policy, subject to the following terms and conditions:
The term mortgage holder includes trustee.

a. We will pay for covered loss to buildings or structures to each mortgage holder shown in the mortgage holder schedule in their order of precedence, as interests may appear.

b. The mortgage holder has the right to receive loss payment even if the mortgage holder has started foreclosure or similar action on the building or structure.

c. If we deny your claim because of your acts or because you have failed to comply with the terms of this policy, the mortgage holder will still have the right to receive loss payment if the mortgage holder:

1) Pays any premium due under this policy at our request if you have failed to do so.
2) Submits a signed, sworn proof of loss within 60 days after receiving notice from us of your failure to do so; and
3) Has notified us of any change in ownership, occupancy, or substantial change in risk known to the mortgage holder.

All terms of this policy will then apply directly to the mortgage holder.

d. If we pay the mortgage holder for any loss and deny payment to you because of your acts or because you have failed to comply with the terms of this policy:

1) The mortgage holder’s rights under the mortgage will be transferred to us to the extent of the amount we pay; and
2) The mortgage holder’s right to recover the full amount of the mortgage holder’s claim will not be impaired.

At our option, we may pay to the mortgage holder the whole principal on the mortgage plus any accrued interest. In this event, your mortgage and note will be transferred to us and you will pay your remaining mortgage debt to us.

e. If we cancel this policy, we will endeavor to give written notice to the mortgage holder at least:

1) 15 days before the effective date of cancellation, if we cancel for your non-payment of premium; or
2) 60 days before the effective date of cancellation, if we cancel for any other reason.

f. If we do not renew the policy, we will endeavor to give written notice to the mortgage holder at least 60 days before the expiration date of this policy. Our failure to provide notice to the mortgage holder will not invalidate our non-renewal.

4. Transfer of Rights of Recovery to Us

If we pay a claim under this policy, we are assigned, to the extent of our payment, your related rights of recovery against all other liable people and/or entities. You have an obligation to fully cooperate with us in enforcing these assigned rights. You may not waive these rights you assign to us after the loss occurs. You agree to sign any papers, deliver them to us, and do anything else that is necessary to help us exercise our rights.

You have a limited right to waive your rights against another party before the loss occurs. With the exception of the liability of Architects and Engineers for professional errors and omissions, and the liability of manufacturers, suppliers and sellers of goods for product liability, defects in
design and manufacture, warrantees and guarantees, you may otherwise waive your rights
against another party in writing prior to loss to Covered Property.

Waivers pre-loss that are in accordance with these terms will not restrict or limit your insurance.

5. **Loss Payees**

The entities listed on the Declarations and designated as a Loss Payee are added to this policy
for the project covered by this policy, subject to the following terms and conditions:

We will adjust a loss by a Covered Cause of Loss with you and the Loss Payee(s) shown on the
Declarations and we will pay you and the Loss Payee(s), up to their interest in Covered property,
the amount we owe, if anything.

6. **Contractual Additional Insureds**

The following are added as Additional Insureds under this policy but only to the extent required by
a written contract or sub-contract for the project covered by this policy, executed prior to the date
of loss, and only as their respective interests may appear in Covered Property:

a. Owners;
b. Contractors and sub-contractors of every tier; and
c. Any other individual or entity specified in such contract or sub-contract.

F. **Definitions**

1. *Loss* means accidental loss or damage.

2. *Occurrence* means all loss attributable directly or indirectly to one cause, event,
incident or repeated exposure to the same cause, event or incident, or to one series of similar
causes, events, incidents or repeated exposures to the same cause, event or incident first
occurring in the policy period. All such loss will be treated as one occurrence irrespective of
the period of time or area over which such loss occurs, unless a specific period of time is
included in this policy. The most we will pay for loss in any one occurrence is the applicable
Limit of Insurance shown on the Declarations.

Each physical loss caused by *earth movement* and/or *flood*, if these are covered perils, will
constitute a single occurrence. If more than one earth movement and/or flood occurs within any
period of (72) hours during the term of this policy, you may elect the moment when the (72) hours
of coverage will begin.

We will not pay for loss caused by or resulting from any *earth movement* or *flood* first occurring
before the inception date and time of this policy, or for any loss first occurring after the expiration
date and time of this policy.

3. *Pollutant* means any solid, liquid, gaseous or thermal irritant or contaminant, including vapor,
fumes, acids, soot, alkalis, chemicals and waste. Waste includes materials to be recycled,
reconditioned or reclaimed.

4. *Earth movement* means earthquake, landslide, mudslide, mudflow, volcanic eruption, earth
sinking (other than sinkhole collapse), rising, shifting, mine subsidence, or other earth
movement, whether observable or not observable, and whether man-made or caused by
natural phenomena.
5. *Flood* means a general and temporary condition during which the surface of normally dry land is partially or completely inundated, which arises from:

   a. Rain and resultant runoff
   b. The rising, overflow or breach of any boundary of a natural or man-made body of water;
      or
   c. Waves, tides, tidal waves or movements, storm surge, tsunami, or spray from any of these,
      whether driven by wind or not.

   *Flood* does not mean the accumulation of water from any source on a roof or other surface of a building, dwelling or structure.

6. *Actual cash value* means the replacement cost at the time of *loss*, of the property damaged or destroyed, less depreciation.

7. *Project site* means the legal address on which Covered Property is being built, renovated, or reconstructed.

8. *Temporary structure* means cribbing, scaffolding, construction forms and other similar property.

9. *Water damage* means any *loss* from water except *loss* caused by or resulting from *flood*.

10. *Named windstorm* means any windstorm or weather disturbance assigned a name by the National Weather Service, Insurance Service Offices, or any other recognized meteorological authority.

11. *Fungus* means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or byproducts produced or released by fungi.

12. *Specified cause of loss* means: fire, lightning, explosion, windstorm or hail, smoke, aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice, or sleet; *water damage*.

13. *Values at risk at time of loss* means the value of all Covered Property, at the location(s) damaged in the *loss*, on the date of *loss*. 
TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

Named Insured
California State University Office of the Chancellor

Policy Symbol
IMC

Policy Number
120799764 008

Policy Period
07/01/2012 to 07/01/2013

Effective Date of Endorsement
07/01/2012

Issued By (Name of Insurance Company)
Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims. All other terms and conditions of the policy remain unchanged.

Authorized Agent
MINIMUM EARNED PREMIUM ENDORSEMENT

Named Insured
California State University Office of the Chancellor

Policy Symbol | Policy Number | Policy Period | Effective Date of Endorsement
IMC | 120789754 008 | 07/01/2012 to 07/01/2013 | 07/01/2012

Issued by (Name of Insurance Company)
Illinois Union Insurance Company

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL INLAND MARINE COVERAGE PART

If you cancel this policy before the expiration date of the policy, we will charge you a minimum earned premium, as set forth below. If we cancel the policy, no minimum earned premium applies.

The minimum earned premium for this policy is

If you cancel the policy, we will calculate the return premium as set forth in the Common Policy Conditions, the policy Reporting Endorsement, if any, and amendatory endorsements, if any, attached to this policy. After we determine your return premium we will subtract it from the policy term premium to determine the earned premium.

We will then compare our earned premium to the minimum earned premium above. If the earned premium is less than the minimum earned premium, we will return to you the difference between the policy term premium and the minimum earned premium. If the earned premium is more than the minimum earned premium, we will return to you the difference between the policy term premium and the earned premium determined as set forth in the Common Policy Conditions, the policy Reporting Endorsement, if any, and amendatory endorsements, if any, attached to this policy.

All other terms and conditions remain unchanged.
COMMON POLICY CONDITIONS

These Conditions apply to the entire policy, including any endorsements. However, endorsements can also change these Conditions, so be sure to read carefully any endorsements attached to or made part of this policy.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 15 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 45 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

Notice to any producer or knowledge possessed by any such producer will not:

1. Change any part of this policy;

2. Remove any provisions from the policy; or

3. Keep us from enforcing any of the rights this policy gives us.

C. Examination of Your Books and Records

We can also, at any reasonable time, examine and audit your books and records for anything we believe might relate to this insurance. We have the right to examine and audit your books and records for three years after your policy expires.

D. Inspections and Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

You agree to pay the premium shown in the Declarations on the first day this policy takes effect. If you are paying the premium in installments, you agree to pay the first installment on this day and the remainder of the installments when they are due.

F. Transfer of Your Rights and Duties under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

COMMERCIAL PROPERTY COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART

A. When this endorsement is attached to the Standard Property Policy the term Coverage Part in this endorsement is replaced by the term Policy.

B. This endorsement replaces and supersedes any and all contrary policy provisions. This policy does not insure against loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of:

1. "Electronic Data" by any cause whatsoever (including but not limited to "Computer Virus"); and/or
2. "Electronic Media" caused by or resulting from the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of "Electronic Data".

regardless of any other cause or event that contributes concurrently or in any sequence to the loss, damage, destruction, distortion, erasure, corruption, alteration, diminishment in value, or loss of use or usefulness of "Electronic Data" or "Electronic Media".

This exclusion does not apply to loss or damage to "Electronic Data" or "Electronic Media" caused by or resulting from the Perils of Fire; Lightning; Explosion; Windstorm or Hail; Smoke; Aircraft or Vehicles; Riot and Civil Commotion; Willful or malicious physical loss or damage by a means other than computer virus; Leakage from fire extinguishing equipment; Sinkhole collapse; Falling Objects, Weight of snow, ice or sleet, Water Damage; Building glass breakage; Sonic Boom; Flood, Earth Movement or Volcanic Action, if and to the extent such Perils are already covered by this or by any underlying policy.

C. As respects the Commercial Property Coverage Part, the Valuation Loss Condition is replaced by the following with respect to "Electronic Media" or "Electronic Data":

"Electronic Media" or "Electronic Data" shall be valued at the cost of the blank media plus the costs of copying or restoring "Electronic Data" from back-up or from originals of a previous generation, and including all reasonable and necessary amounts, not to exceed $2,500 any one occurrence, incurred in recreating, gathering and assembling such "Electronic Data".
This Policy does not insure any amount pertaining to the value of such "Electronic Data" to the insured or any other party, even if such "Electronic Data" cannot be recreated, gathered or assembled. If not repaired, replaced or restored, "Electronic Media" shall be valued at the cost of the blank media.

D. As respects the Commercial Inland Marine Coverage Part, the Valuation General Condition is replaced by the following with respect to "Electronic Media" or "Electronic Data":

"Electronic Media" or "Electronic Data" shall be valued at the cost of the blank media plus the costs of copying or restoring "Electronic Data" from back-up or from originals of a previous generation, not including research and engineering or the costs or expense of recreating, gathering or assembling such "Electronic Data".

This Policy does not insure any amount pertaining to the value of such "Electronic Data" to the insured or any other party, even if such "Electronic Data" cannot be recreated, gathered or assembled. If not repaired, replaced or restored, "Electronic Media" shall be valued at the cost of the blank media.

E. Definitions

1. "Electronic Data" means facts, concepts, information or data, including compilations thereof, in a form useable or intended for use or processing by "Computers" or for storage on "Electronic Media". "Electronic Data" includes but is not limited to files, programs, applications, operating systems, and other coded instructions for the processing, calculation and storage of facts, concepts and information by "Computers".

2. "Electronic Media" means any physical device that holds, stores, contains or transfers "Electronic Data", and includes but is not limited to disks, drives, films, tapes, records, drums, or cells.

3. "Computers" includes but is not limited to mainframes, servers, workstations and portable "Computers", personal information managers, wide and local area network hardware, electronic and electromechanical equipment, data processing equipment, electronic controls for machinery, electronically programmed memory chips, and electronically controlled communication equipment.

4. "Computer Virus" means instructions, code, applications or any software program that has the ability or is suspected to have the ability to damage, destroy, erase, corrupt, alter, or prevent access to "Electronic Data", "Electronic Media" or "Computers" or to disrupt or interfere with the operations of "Computers".
LIMITED EXCLUSION OF CERTIFIED ACTS OF TERRORISM

Named insured
California State University Office of the Chancellor

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Issued By (Name of Insurance Company)
Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL INLAND MARINE COVERAGE PART

A. Any other provision of this Policy notwithstanding, we will not pay any portion of a loss resulting from or arising out of a Certified Act of Terrorism for which we are not responsible under the terms of the federal Terrorism Risk Insurance Act because the aggregate insured losses of all insurers resulting from or arising out of Certified Acts of Terrorism during the Program Year (January 1 through December 31) provided in the Terrorism Risk Insurance Act exceed $100 billion.

B. Regardless of whether the terms of any exclusion or limitation of coverage pursuant to this Endorsement applies to a particular Act of Terrorism, coverage of such Act of Terrorism under this Policy or Coverage Part is subject to all other terms, conditions, exclusions and coverage limitations under the Policy or Coverage Part, including, but not limited to, the Nuclear, Biological, Chemical, and Radiological Exclusion Endorsements in the policy.

C. As used in this Endorsement:

"Act of Terrorism" means a Certified Act of Terrorism.

"Certified Act of Terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an "act of terrorism" pursuant to the federal Terrorism Risk Insurance Act. The Terrorism Risk Insurance Act includes the following criteria for a Certified Act of Terrorism:

1. The act resulted in aggregate property and casualty insurance losses in excess of $5 million; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
## NUCLEAR, BIOLOGICAL, CHEMICAL, RADIOLOGICAL EXCLUSION ENDORSEMENT

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Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

**THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.**

This Endorsement modifies insurance provided under the following:

- BOILER AND MACHINERY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART

The following exclusions are added to your Policy or Coverage Part.

This insurance does not apply to:

A. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this Policy.

B. Loss or damage arising directly or indirectly from the dispersal, application or release of, or exposure to, chemical, radiological, or biological materials or agents, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy or Coverage Part, however such dispersal, application, release or exposure may have been caused.

C. If this endorsement is attached to a Commercial Inland Marine Policy or Coverage Part, the term loss or damage is changed to *Loss*.
**DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT**

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Issued By (Name of Insurance Company)

Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

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**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

**Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

**Cap On Insurer Participation In Payment Of Terrorism Losses**

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Terrorism Risk Insurance Act premium:

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TRIA11b (1/08)
ACE INLAND MARINE - IMPORTANT NOTICE
NOTIFICATION OF CLAIMS

To our Brokers/Agents-To Be Kept With Policy

What to do when Loss Occurs:

1. Upon knowledge of any occurrence likely to give rise to a claim hereunder, “you” must give immediate notice to:

   ACE USA Property Claims
   One Beaver Valley Road, Suite 4E
   Wilmington, Delaware 19803

   E-Mail: propertyfirstnotices@acegroup.com

   Fax: (302) 476-7855

   Phone: (800) 433-0385

2. ACE Inland Marine claims cannot be processed through any other facility and must be reported as indicated above.

3. Adjustors can only be assigned by or with the specific authorization of the ACE USA Property Claims Department.
SIGNATURE ENDORSEMENT

Named Insured
California State University Office of the Chancellor

Policy Symbol IMC
Policy Number 120799754 008
Policy Period 07/01/2012 to 07/01/2013
Effective Date of Endorsement 07/01/2012

Issued By (Name of Insurance Company)
Illinois Union Insurance Company

Insert the policy number. The remainder of the information is to be completed only when this endorsement is issued subsequent to the preparation of the policy.

THE ONLY SIGNATURES APPLICABLE TO THIS POLICY ARE THOSE REPRESENTING THE COMPANY NAMED ON THE FIRST PAGE OF THE DECLARATIONS.

By signing and delivering the policy to you, we state that it is a valid contract when countersigned by our authorized representative.

ILLINOIS UNION INSURANCE COMPANY
525 W. Monroe Street, Suite 700, Chicago, Illinois 60661

George D. Mulligan, Secretary

JOHN J. LUPICA, President

WESTCHESTER SURPLUS LINES INSURANCE COMPANY
500 Colonial Center Parkway, Suite 200, Roswell, GA 30076

George D. Mulligan, Secretary

DENNIS A. CROSBY, JR., President

Authorized Agent

LD-5S23g (2/05) Ptd. in U.S.A.
U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – http://www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.
Coverage Summary

Coverage: Fidelity Crime Insurance Program
Policy Term: July 1, 2012 - June 30, 2013
Policy Number: B0146ERUSA1200114
Insurer: Lloyd’s, London
Named Insured: California State University
Headquarter: Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210
Member Campuses (23): California State University, Bakersfield
California State University, Channel Islands
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Long Beach
California State University, Los Angeles
California Maritime Academy
California State University, Monterey Bay
California State University, Northridge
California State Polytechnic University, Pomona
California State University, Sacramento
California State University, San Bernardino
San Diego State University
San Francisco State University
San Jose State University
California Polytechnic State University, San Luis Obispo
California State University, San Marcos
Sonoma State University
California State University, Stanislaus

Coverage Description: Commercial Crime Insurance:
  a. Employee Dishonesty
  b. Theft
  c. Computer Crime
  d. Counterfeiting
  e. Forgery

Coverage Limits: $20,000,000 any one loss
$40,000,000 aggregate

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.

Page 1
Retention: $250,000 any one loss

Endorsement/Form:
1. NMA 1998 - Service of Suit Clause (naming Mendes & Mount California, USA)
2. Faithful Performance of Duty Coverage for Government Employees
3. BEIH Discovery Limitation Clause
4. Aggregate Limit Endorsement
5. Fine Art and Jewelry Collection Exclusion
6. Notice of Cancellation or Non-Renewal Amendment
7. Small Additional or Return Premiums Clause (USA) NMA 1168
8. LMA3333 Re-Insurers Liability Clause
9. No Claims Bonus Endorsement
10. LSW3000 Premium Payment Clause
11. Warranted dual Cheque signatures for amount in excess of $15,000
12. Employee Benefit Asset Endorsement
13. Amended Notice Requirement
14. Amended Discover/ed or Discovery Clause

Exclusions (but not limited to):
This policy does not apply to:

a. fines, penalties, or damages
b. errors and omissions
c. loss discovered before policy commencement
d. loss caused by person controlling 10% or more capital shares
e. loss caused by an employee after you become aware they committed fraud, dishonesty, or criminal damage
f. costs to establish the existence or value of loss
g. loss of confidential information
h. damage or destruction to premises
i. indirect or consequential loss
j. income or profit (including but not limited to interest and dividends)
k. nuclear reaction, radiation or contamination
l. armed struggle, civil unrest or conflict
m. loss recoverable by other insurance
n. loss from trading in securities, commodities, futures, options, currencies, foreign exchange, etc.
o. extortion

Claims Administrator: Financial Lines Claims
ACE Building
100 Leadenhall Street
London, EC3A 3BP

Claims Reporting: Within 45 days of discovering a loss (to London)

Diana Walizada
Toll Free: (877) 725-7695
Direct: (415) 403-1453
Fax: (415) 403-1466
E-mail: dwalizada@alliantinsurance.com

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
The Members of each syndicate whose syndicate number is shown in the definitive list of Lloyd’s participations attached agree to (re)insure the (re)insured against loss as provided by the terms of this Policy.

The Members of a syndicate shown in the list have, as a syndicate, underwritten the proportion of this Policy shown next to the syndicate number. Individually, each member of a syndicate has underwritten a share of the syndicate’s proportion. Each member’s liability under the Policy is several for that member’s share alone and not joint for the other members’ shares. No member is responsible for the liability under the Policy of any other member (whether in the same syndicate or any other syndicate). Further, no member is responsible for the liability of any other (re)insurer that may underwrite this Policy.

The identity of each member of each syndicate and their respective shares may be obtained from the Lloyd’s Policy Signing Office (LPSO).

If any terms, clauses or conditions are unclear you are advised to contact your broker immediately.

This Policy is signed by the General Manager of Lloyd’s Policy Signing Office on behalf of each of the subscribing Members.

LLOYD’S POLICY SIGNING OFFICE
General Manager

If this policy (or any subsequent endorsement) has been produced to you in electronic form, the original document is stored on the Insurer’s Market Repository to which your broker has access.
This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.
NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED "NONADMITTED" OR "SURPLUS LINE" INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR "SURPLUS LINE" BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC'S INTERNET WEB SITE AT WWW.NAIC.ORG.

5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE'S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC'S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR "SURPLUS LINE" BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE
EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

07/11

LSW1147D
Schedule

Policy Number: B0146ERUSA1200114

Item 1. Policyholder
THE TRUSTEES OF CALIFORNIA STATE UNIVERSITY
and various Auxiliary Organisations as per attached
Schedule (also identified in the Policy as You/Your)

Address
Office of the Chancellor, 401 Golden Shore, 5th
Floor, Long Beach, California 90802-4210, United
States of America

Item 2. Policy Period
From: 1st July 2012 12.01am Local Standard Time
To: 1st July 2013 12.01am Local Standard Time
At the Address above

Item 3. i) Sum Insured
USD 20,000,000 Any One Loss, Sublimit
USD 2,000,000 Any One Loss in respect of Auxiliary
Organisations (as per Auxiliary Schedule attached)
USD 40,000,000 Aggregate

ii) Computer Costs Sub-Limit
USD 250,000

Item 4. Excess
USD 250,000 Any One Loss in respect of The
Trustees of California State University
USD 25,000 Any One Loss/USD 100,000 Annual
Aggregate in Respect of Auxiliary Organisations per
attached Schedule.

Deductible to revert to expiring retentions for each
Auxiliary Organisation upon erosion of USD 100,000
aggregate (as per Auxiliary Schedule attached)

Item 5. Discovery Period
90 Days

Item 6. Endorsement effective at inception:
1. NMA 1998 – Service of Suit Clause (naming Mendes & Mount California,
USA)
2. Faithful Performance of Duty Coverage for Government Employees
Endorsement
3. BEJH Discovery Limitation Clause
4. Aggregate Limit Endorsement
5. Fine Art and Jewellery Collection Exclusion
6. Notice of Cancellation or non-Renewal Amendment
7. Small Additional or Return Premiums Clause (USA) NMA 1168
8. LMA3333 Re-Insurers Liability Clause
9. No Claims Bonus Endorsement
10. LSW3000 Premium Payment Clause
11. Warranted dual Cheque signatures for amounts in excess of USD 15,000.
12. Employee Benefit Asset Endorsement
13. Amended Notice Requirement
14. Amended Discover/ed or Discovery Clause

Item 7. Premium

Item 8. Notification of Loss Financial Lines Claims, ACE Building, 100 Leadenhall Street, London, EC3A 3BP

Item 9. Notification of Claims to: Alliant Insurance Services, Inc, 100 Pine Street, 11th Floor, San Francisco, California 94111 United States of America

Proposal Form Dated: 11th May 2012
ACE Fraud Protector (amended)

Our promise to you

This policy is our promise to you to pay for your loss if:-

1. a problem of a type described under What has gone wrong occurs to prior to the end of the policy period,
2. you have discovered and told us about this problem during the Policy period or discovery period,
3. the problem is covered under What does the policy pay,
4. the problem is not excluded under What is not covered, and
5. you have met the duties under Your obligations to us.

Our promise is also subject to the conditions set out under General matters.

What has gone wrong

You have suffered a loss because of:-

a. employee dishonesty,
b. theft
c. computer crime,
d. counterfeiting, or
e. forgery

What does the policy pay

We will pay up to the sum insured for loss (as described below) which you suffer as a result of an act or acts described under What has gone wrong, but we will not pay for loss referred to under What is not covered.

The loss that we will pay must be direct financial loss sustained by you anywhere in the world in connection with a single act or series of related, continuous or repeated acts of employee dishonesty, theft, computer crime, counterfeiting, or forgery. It will include direct financial loss sustained by another person or organisation where you have responsibility for the care, custody and control of their money, securities or other property. It will not include salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pensions or any other employment benefits paid by you or such other person or organisation. The direct financial loss must be sustained prior to the end of the policy period or discovery period, if applicable.

We will also pay for any auditor’s fees incurred by you with our prior written consent in order to identify and to quantify loss covered by this insurance. Such payment will be part of the sum insured.

When calculating the loss that we pay under the policy the valuation of direct financial loss shall be determined by:-

i) the lesser of the mid market value of securities at the close of business on the day that you discover the lost, or the cost of replacing the securities. In addition the cost of issuing any lost instruments bond which may be required.
ii) the lesser of the cash value of other property at the time of the loss, or the cost of repairing or replacing it with property or material of similar value or quality. If you hold the property as a pledge or collateral for a loan then the cash value will be that which you agreed and recorded when you made the loan. If this value is not recorded then the unpaid portion of the loan plus accrued interest will be the cash value.

iii) the rate of exchange applying to a foreign currency as published in the Financial Times on the date you discover the loss. If there is no such rate published on that day and you and we cannot agree the appropriate rate of exchange, the rate will be determined by arbitration as described under General matters.

iv) the cost of the blank books, blank pages, data media or other materials and the cost of labour and computer time required for the copying of transcription of data in order to reproduce books of accounts, records and electronic data.

v) the actual costs incurred by you to restore your Computer, Network or Electronic Commerce Services to their pre loss operating capacity. The amount that we will pay in respect of such costs is subject to the sub-limit specified in Item 3 of the Schedule to this Policy. The sub-limit is part of and not in addition to the sum insured.

You must pay the excess for each loss.

Payment of any loss will not reduce our liability for other loss. However, our maximum liability for any single loss will not exceed the amount specified as the sum insured. All loss flowing from the acts of the same person or group of persons in collusion will be a single loss. This will be the case whether such loss involves one or more of the problems a) to e) set out under What has gone wrong, involves one or more incidents of loss or is sustained in one or more policy periods.

Regardless of the number of years that this policy is in force, of whether it is or may be renewed and of the number of premiums paid, the sum insured shall not be cumulative from year to year or period to period. By accepting this policy you are considered to have given notice to us cancelling any prior policy issued by us.

If a recovery is made after a loss then the proceeds, less the actual cost of making the recovery, will be distributed as follows:-

i) firstly, to you for any amount of the loss which exceeds the sum insured or settlement and the excess;

ii) secondly, to us for any settlement made; and

iii) thirdly, to you for the amount paid as the excess

After we have made a payment under this policy we will be subrogated to your rights of recovery in respect of the payment. You must execute all papers and do whatever is necessary to secure any rights including the execution of any documents to enable us to bring a suit in your name whether before or after a payment by us.
If a loss involves property that you do not own may we settle the claim with the owner, provided you have given your consent.

**What is not covered**

We will not pay loss consisting of or which is due to:

a) fines, penalties or damages for which you are legally liable except for compensatory damages arising from a loss covered by this insurance.

b) any errors and omissions committed or omitted by you or your employees.

c) any loss that you have discovered before the commencement of the policy period.

d) loss caused by or involving any person who owns or controls more than 10% of your issued share capital or of any one of you.

e) loss caused by an employee after you became aware that they have committed acts of fraud, dishonesty, or criminal damage. The exclusion will not apply if the person who discovers such acts is in collusion with the employee.

f) costs and expenses which you incur to establish the existence or value of a loss, to prosecute or defend legal proceedings or for any recall costs, except for the auditor’s fees agreed under What does the policy pay.

g) loss of confidential information, though we will cover loss where confidential information has been used to help to commit an act covered by this insurance.

h) damage or destruction to any premises which you own or occupy for the purposes of conducting your business.

i) indirect or consequential loss.

j) income or profit (including but not limited to interest and dividends).

k) any sort of nuclear reaction, nuclear radiation or radioactive contamination.

l) any armed struggle, civil unrest or conflict or any act or order of any government or public or local authority.

m) any loss recoverable under any other insurance or which would have been recoverable but for the existence of this policy or but for a breach of a warranty term or condition of such other insurance unless in excess of the limit of indemnity of that insurance.

n) loss resulting directly or indirectly from trading in securities, commodities, futures, options, currencies, foreign exchange or the like unless the loss is a result of employee dishonesty, which results in the employee making an improper financial gain other than salaries, commissions, fees, bonuses, promotions, awards, profit sharing, pension or any other employment benefits.

o) extortion unless caused by employee dishonesty or computer crime.

**Your obligations to us**

You should understand that you have a number of obligations to us that arise before we insure you; during the policy period; and when a problem arises. These obligations are described below.
Before we agree to insure you

the information given to us before we agree to ensure you must be complete, accurate and not misleading. As it is important, the proposal form and the other written information which you, or anyone on your behalf, provide are incorporated into and from the basis of this insurance.

The proposal form reminded you that you must disclose to us all facts and matters, which might be relevant to our consideration of your proposal, before we agreed to insure you. If you did not do so, we are entitled to treat this insurance as if it had never existed. We will not do this if all of the following conditions are met. Firstly, we must have insured you before you were first aware, or ought reasonably to have been aware after enquiry, of the material matters and have continuously insured you since then. Secondly, you must satisfy us that the misrepresentation or failure to disclose was innocent and not intended to mislead us. Thirdly and finally, our interests must not have been prejudiced as a result.

During the policy Period

We will not make any payment under this insurance unless you have paid the premium by the agreed date or agreed instalment dates. You must tell us promptly if one or more of you merge with another business or if anyone acquires more than 25% of the voting shares of the business of any one of you.

When a problem arises

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP in writing within 45 days of discovering a loss. We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under What has gone wrong. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

The meaning of policy terms

Throughout this policy document we have highlighted words in bold type. The special meanings of such words are described below:-

Associated Company

means a company or other entity in which the policy holder or one of its subsidiaries owns more than 20% of the issued share capital, other capital or voting rights and retains management control.

Computer crime

means an act or acts of a person other than an employee amounting to:-

1) the theft of your:-

   a) assets under the direct or indirect control of a computer system by manipulation of computer hardware, software programmes or systems, by any person to which system you have not given authorised access;

   b) funds from an account which you maintain at a financial institution following fraudulent electronic, telegraphic, cable, teletype, tested telex, telephone or written instructions to debit, transfer or deliver funds from such account. These instructions must appear to have
been given by you or someone to whom you have given
authorisation, but actually have been fraudulently transmitted,
issued or fraudulently altered by another.

2) the malicious, intentional and wilful use of computer, network or
electronic commerce services to erase, destroy, modify or corrupt data
or to deny users access to your computer, network or electronic
commerce services.

**Counterfeiting**

means an act by a person, other than an employee, which causes you to act
upon or give value for a negotiable instrument that is an imitation of an
authentic negotiable instrument and which deceives you into believing that
the imitation is the authentic original negotiable instrument. If these
instruments contain fraudulent misrepresentations of fact but are genuinely
signed or endorsed then they are not counterfeit for the purposes of this
insurance.

**Discover/ed or Discovery**

means the time at which you or one of your senior managers becomes
aware of acts which a reasonable person would assume to be a loss covered
by this policy. We should be informed of any such acts through the exact
amount or details of the loss may not be known. Knowledge possessed by
any one of you will be deemed to be discovery by all of you.

**Discovery Period**

means the period stated in item 5 of the Schedule to this policy immediately
following termination of this policy. Within this time you may report any loss
which you have discovered that was connected to an act committed during
the policy period. There is no discovery period on renewal of this policy nor
upon the expiry, cancellation or other termination of this policy, if a similar
policy or cover (whether issued by us or another insurer) replaces it.

**Employee**

means a person in your regular service whom you compensate by wages,
salary, fees and/or commissions and who you have a right to direct in the
performance of this service.

To the extent that any of your directors, trustees or consultants are
employees they will only be covered whilst performing acts coming within
the scope of the usual duties of an employee.

Any student, secondee, volunteer or temporary personnel supplied by
outside agencies will be deemed to be an employee whilst performing
services which you have the right to direct.

Any professionally qualified lawyer retained by you, or an employee of such
lawyer, will be deemed to be an employee whilst performing services on
your behalf under the retainer.

Any trustee, fiduciary, administrator or officer of any pension or employee
benefit plan established by you and falling within the definition of insured is
deemed to be an employee.
Cover in respect of employees will continue to apply for sixty days immediately following termination of their service.

**Employee dishonesty** means an act/acts of fraud, or dishonesty committed by an employee with the intent to cause you to suffer a loss. For the avoidance of doubt, recklessness or inadvertence do not constitute intent.

**Excess** means the amount which you must retain of each and every loss which is stated in Item 4 of the Schedule.

**Forgery** means the signature in the name of a genuine person by another person without authority and with the intent to deceive. Such signature must have been written on a cheque, credit card or bill of exchange, received or given by you in consequence of which you have acted or transferred funds or goods causing you to sustain a loss. It does not include a genuine signature applied without authority. A signature may be hand-written, mechanically, or electronically produced or reproduced. It does not include acts by employees.

**Insured** means the policyholder and is deemed to include:-

- **a)** all subsidiary or associated companies existing at or before the inception date (or subsequent renewal date) and in respect of which we have received a proposal form.
- **b)** any subsidiary or associated companies acquired or created after the inception date (or subsequent renewal date) from the date of such acquisition or creation provided that the gross annual turnover of any such entity and the combined figure for all such entities do not exceed 25% of the gross annual turnover you declared to us in the proposal form. If the gross annual turnover does exceed this figure then you should advise us within sixty days of the acquisition date and we will decide any additional premiums or conditions that should be applied.
- **c)** pension and employee benefit plans which you maintain on behalf of your employees and in respect of which you have submitted a proposal form. Payments for any loss will be made direct to the plan.

**Money** means currency, coins, bank notes and bullion, cheques, travellers cheques, registered cheques, postal orders or money orders or money orders held for sale to the public.

**Policy Period** means the period of time from inception to expiry date in Item 2 of the Schedule.

**Policy Holder** means the entity named in Item 1 of the Schedule.
Securities means all negotiable and non-negotiable instruments or contracts, including any note, stock, bond, debenture, evidence of indebtedness, share or other equity or debt security, representing either money or property, but does not include money.

Sum insured our limit of liability in respect of loss being the amount specified in Item 3 of the Schedule to this policy.

Theft means a dishonest and unlawful act, of a person, other than an employee, of taking your property, money or securities with the intention of permanently depriving you of its use and obtaining a financial gain for themselves.

General Matters References in this policy to we, our or us are references to ACE Global Markets. References to you or your are references to the Insured.

For the purposes of this policy, an inventory shortage or profit and loss calculation are not sufficient to establish that you have suffered a loss because of an act or acts described under What has gone wrong.

The insurance including its construction, application and validity is governed by the laws of California, USA.

Any dispute arising out of or relating to this insurance, including a dispute in respect of its construction, application or validity, will be referred to arbitration. The terms of which are to be mutually agreed by the Insured and Underwriters.

The policy is a single contract of insurance between us and the Insured and is for the benefit of all of you as joint insured parties. Accordingly, without limitation:-

a) the policyholder will act for itself and for all of you for all purposes under this policy;

b) payment of any loss under this policy to the policyholder shall fully release us with respect to such loss;

c) our liability for loss sustained by one or all of you shall not exceed the amount for which we would have been liable had the loss been sustained by any one of you.

The insurance may be cancelled for anyone of you or all of you if you or we give the other thirty days written notice. This insurance is cancelled automatically for all of you if a petition is presented, an order made or a resolution passed to wind up or appoint an administrator in respect of the policyholder or if a receiver is appointed over the whole or part of its assets. If this insurance is cancelled in respect of all of you, we will return a pro rata
amount of premium unless you have discovered a loss before the cancellation takes effect.

Should a petition be presented, order made or a resolution passed to wind up or appoint an administrator in respect of any other of you or if a receiver is appointed in respect of the whole or part of any of your assets, this insurance is cancelled automatically. Cancellation takes effect as from the date of the petition, order, resolution or appointment and as regards those of you that are the subject of these procedures. As cover will be continuing as regards those of you that are not effected there will be no return of premium.

The insurance is also cancelled automatically as regards any of you that do not fall within the definition of Insured from the date that you no longer meet that definition.

Where this insurance is cancelled as described above cover prior to cancellation is not effected. Accordingly, subject to all the terms of this policy and in particular those dealing with discovery, acts committed prior to the cancellation of this insurance will remain covered as regards those of you whom cover continues and those of you for whom cover is cancelled.

You may not assign this policy or the rights to it unless we have agreed in writing.
ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

Auxiliary Organisations Schedule

1. Associated Students Inc., CSU Bakersfield
2. CSU Bakersfield, Foundation
3. Student Union of CSU Bakersfield
4. California State University Foundation
5. CSU Institute
6. Associated Students, CSU Channel Islands
7. CSU Channel Islands Foundation
8. CSU Channel Islands University Glen Corp.
9. Associated Students of CSU Chico
10. Auxiliary Organizations Association. c/o CSU Chico Research Foundation
11. CSU Chico Research Foundation
12. University Foundation, CSU Chico
13. Associated Students Inc., CSU Dominguez Hills
14. CSU Dominguez Hills Foundation
15. Donald P. & Katherine B. Loker University Student Union Inc., CSU Dominguez Hills
16. Associated Students Inc., CSU East Bay
17. CSU East Bay Foundation
18. Associated Students Inc., CSU Fresno
19. CSU Fresno Association
20. CSU Fresno Association (Save Mart Center)
21. CSU Fresno Courtyard
22. CSU Fresno Foundation
23. Fresno State Programs for Children
24. The Agricultural Foundation of CSU Fresno
25. The Athletic Corporation, CSU Fresno
26. Associated Students of CSU Fullerton
27. Cal State Fullerton Auxiliary Services Corporation
28. Cal State Fullerton Philanthropic Foundation
29. CSU Fullerton Housing Authority
30. Associated Students of Humboldt State University
31. Humboldt State University Advancement Foundation
32. Humboldt State University Sponsored Programs Foundation
33. University Center, Humboldt State University
34. Associated Students Inc., CSU Long Beach
35. CSU Long Beach Foundation
36. Forty-Niner Shops Inc., CSU Long Beach
37. Associated Students Inc., CSU Los Angeles
38. Cal State Los Angeles Univ. Auxiliary Services Inc.
39. The California State University, Los Angeles Foundation
40. University Student Union, CSU Los Angeles
41. Associated Students Inc., California Maritime Academy
42. California Maritime Academy Foundation
43. CSU Monterey Bay Employee Housing Inc.
44. University Corporation, CSU Monterey Bay
45. Associated Students Inc., CSU Northridge
46. CSU Northridge Foundation
47. North Campus Park Development Corporation
48. The University Corp., CSU Northridge
49. University Student Union, CSU Northridge
50. "Associated Students Inc.,
51. California State Polytechnic University, Pomona"
52. Cal Poly Pomona Educational Trust
53. The Cal Poly Pomona Foundation, Inc.
54. Associated Students Inc., CSU Sacramento
55. Capital Public Radio, CSU Sacramento
56. The University Foundation of CSU Sacramento
57. University Enterprises Development Group, Inc. CSU Sacramento
58. University Enterprises, Inc. CSU Sacramento
59. University Union, CSU Sacramento
60. Associated Students Inc., CSU San Bernardino
61. Student Union, CSU San Bernardino
62. The Foundation of CSU San Bernardino
63. Associated Students of San Diego State University
64. "Aztec Shops, LTD
65. San Diego State University"
66. San Diego State University Research Foundation
67. "Associated Students Inc.,
68. San Francisco State University"
69. "Franciscan Shops,
70. San Francisco State University"
71. The University Corp, San Francisco State
72. Student Center, San Francisco State University
73. Associated Student Inc., San Jose State University
74. San Jose State University Research Foundation
75. Spartan Shops, Inc.
76. Student Union of San Jose State University
77. The Tower Foundation, San Jose State University
78. Associated Students Inc., California Polytechnic State University, San Luis Obispo
79. Cal Poly Corporation
80. Cal Poly Foundation
81. Cal Poly Housing Corporation
82. Associated Students Inc, CSU San Marcos
83. University Auxiliary and Research Services Corporation, CSU San Marcos
84. The University Corporation of CSU San Marcos
85. Associated Students Inc., Sonoma State University
86. Sonoma State University Academic Foundation
87. Sonoma State Enterprises
88. Sonoma Student Union Corporation
89. Associated Students Inc., CSU Stanislaus
90. Auxiliary & Business Services of CSU Stanislaus
91. CSU Stanislaus Foundation
92. University Student Union of CSU Stanislaus
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 1

SERVICE OF SUIT CLAUSE (U.S.A.)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or any State in the United States. It is further agreed that service of process in such suit may be made upon Mendes & Mount, LLP, 601 South Figueroa Street, Suite 4676, Los Angeles, California 90017, United States of America, and that any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

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

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

ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 2

FAITHFUL PERFORMANCE OF DUTY COVERAGE FOR GOVERNMENT EMPLOYEES ENDORSEMENT

This endorsement modifies insurance provided under the following:

GOVERNMENT CRIME COVERAGE FORM

GOVERNMENT CRIME POLICY

and applies to the Insuring Agreements designated below:

1. the following is added to the Employee Theft Insuring Agreement designated above:
   we will pay for loss or damage to "money", "securities" and "other property" resulting directly from the failure of any "employee" to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property. The most we will pay for loss arising out of any one "occurrence" is the Limit of Insurance shown in the Schedule.

2. the following exclusions are added to the What is not covered Section:
   p) loss resulting from the failure of any entity acting as a depository for your property or property for which you are responsible.
   q) damages for which you are legally liable as a result of:
      (1) the deprivation or violation of the civil rights of any person by an "employee";
      or
      (2) the tortious conduct of an "employee", except the conversion of property of other parties held by you in any capacity.

3. the Indemnification is added to General matters Section:
   We will indemnify any of your officials who are required by law to give bonds for the faithful performance of their duties against loss through the failure of any "employee" under the supervision of that official to faithfully perform his or her duties as prescribed by law, when such failure has as its direct and immediate result a loss of your covered property.

4. Part (I) of the Termination As To Any Employee Condition is replaced by the following:
   (1) As soon as:
      (a) You; or
      (b) Any official or employee authorized to manage, govern or control your "employees" learn of any act committed by the "employee" whether before or after becoming employed by you which would constitute a loss covered under the terms of the Employee Theft Insuring Agreement, as amended by this endorsement.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 3

B.E.J. & H. DISCOVERY LIMITATION CLAUSE (1)

It is hereby understood and agreed that there shall be no liability under this Policy in respect of any claim –

(a) arising out of or in connection with any circumstances or occurrences which have been notified to the Insurer on any other policy of insurance effected prior to the inception of this Policy;

(b) arising out of or in connection with any circumstances or occurrences known to the Assured prior to the inception hereof.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 4

AGGREGATE LIMIT ENDORSEMENT

The total liability of the Underwriters for any one or all claims under each or all Insuring Clauses of this Policy during the Policy Period shall not exceed the applicable Aggregate Policy Limit stated in Item 3. of the Schedule inclusive of Costs, Charges and Expenses. The applicable Aggregate Policy Limit stated in Item 3. of the Schedule shall be reduced by the amount of any payment made under the terms of this Policy.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 5

FINE ART AND JEWELLERY COLLECTION EXCLUSION

We will not pay loss consisting of or which is due to fine art and jewellery collections

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 6

NOTICE OF CANCELLATION OR NON-RENEWAL AMENDMENT ENDORSEMENT

It is understood and agreed that this Policy may be cancelled by Underwriters by mailing to the Insured, at the address shown in the Declarations, written notice stating when, not less than 90 days thereafter, cancellation shall be effective. However, in the event of non-payment of premium by the Insured, this Policy may be cancelled by Underwriters by mailing notice to the Insured stating when, not less than 10 days thereafter, cancellation shall be effective. The mailing of notice as aforesaid by Underwriters shall be sufficient proof of notice and the coverage provided by this Policy shall end on the effective date and hour of cancellation as stated in the notice. Delivery of such written notice either by the Insured or by Underwriters shall be equivalent to mailing.

In the event of non-renewal of this Policy by the Underwriters, they or their legal representative shall provide the Insured with written notice of their intent to nonrenew at least ninety (90) days in advance of the expiration date of the Policy Period. Notice shall be provided via regular U.S. mail to the address shown in Item 1 (b) of the Declarations.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 7

SMALL ADDITIONAL OR RETURN PREMIUMS CLAUSE (U.S.A.)

NOTWITHSTANDING anything to the contrary contained herein and in consideration of the premium for which this Insurance is written, it is understood and agreed that whenever an additional or return premium of $2 or less becomes due from or to the Assured on account of the adjustment of a deposit premium, or of an alteration in coverage or rate during the term or for any other reason, the collection of such premium from the Assured will be waived or the return of such premium to the Assured will not be made, as the case may be.

N.M.A. 1168

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 8

(RE)INSURERS LIABILITY CLAUSE

(Re)insurer’s liability several not joint

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

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

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

Proportion of liability

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

Where this contract permits, written lines, or certain written lines, may be adjusted (“signed”). In that case a schedule is to be appended to this contract to show the definitive proportion of liability under this contract underwritten by each (re)insurer (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of the syndicate taken together). A definitive proportion (or, in the case of a Lloyd’s syndicate, the total of the proportions underwritten by all the members of a Lloyd’s syndicate taken together) is referred to as a “signed line”. The signed lines shown in the schedule will prevail over the written lines unless a proven error in calculation has occurred.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

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.

21/6/07

LMA3333

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 9

NO CLAIM BONUS ON RENEWAL CLAUSE

In the event of no claim having been made on this policy and the renewal of this insurance being effected with the Underwriters, the Underwriters will allow to the Insured a No Claim Bonus of 5% of the premium paid hereon, it being understood that no obligation on Underwriters or the Insured to renew is implied.

12/93
LSW718

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 10

PREMIUM PAYMENT CLAUSE

The (Re)insured undertakes that premium will be paid in full to Underwriters within 30 days of inception of this policy (or, in respect of instalment premiums, when due).

If the premium due under this policy has not been so paid to Underwriters by the 30th day from the inception of this policy (and, in respect of instalment premiums, by the date they are due) Underwriters shall have the right to cancel this policy by notifying the (Re)insured via the broker in writing. In the event of cancellation, premium is due to Underwriters on a pro rata basis for the period that Underwriters are on risk but the full policy premium shall be payable to Underwriters in the event of a loss or occurrence prior to the date of termination which gives rise to a valid claim under this policy.

It is agreed that Underwriters shall give not less than 15 days prior notice of cancellation to the (Re)insured via the broker. If premium due is paid in full to Underwriters before the notice period expires, notice of cancellation shall automatically be revoked. If not, the policy shall automatically terminate at the end of the notice period.

Unless otherwise agreed, the Leading Underwriter (and Agreement Parties if appropriate) are authorised to exercise rights under this clause on their own behalf and on behalf of all Underwriters participating in this contract.

If any provision of this clause is found by any court or administrative body of competent jurisdiction to be invalid or unenforceable, such invalidity or unenforceability will not affect the other provisions of this clause which will remain in full force and effect.

Where the premium is to be paid through a London Market Bureau, payment to Underwriters will be deemed to occur on the day of delivery of a premium advice note to the Bureau.

11/01
LSW3000

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146EURUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 11

EXPRESS WARRANTIES

Warranted dual Cheque signatures for amounts in excess of USD 15,000, but amounts in excess of USD 5,000 for the Auxiliary Organisations specified in the Schedule attaching to this Policy.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 12

It is hereby noted and agreed that, this policy includes coverage for Employee Benefit assets it holds as a fiduciary.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 13

AMENDED NOTICE REQUIREMENTS.

In consideration of the premium charged for this policy, the clause “When a problem arises” is deleted and the following substituted therefore:

When a problem arises

We need prompt notice should a loss arise in order that we can protect your interests. Therefore, you must inform our Claims Department at Financial Lines Claims, Ace Building, 100 Leadenhall Street, London EC3A 3BP in writing within:

a) as soon as practicable after discovering a loss; but

b) no later than one (1) year from the date of cancellation or termination of an Employee Benefit Plan

We will then liaise with you concerning the steps to be taken in respect of the loss.

You must provide us with full and accurate information about any problem or potential problem of the type described under What has gone wrong. If you, or anyone on your behalf, try to deceive us by deliberately giving us false information then the insurance will be treated as if it had never existed.

All other terms and conditions remain unaltered.
ENDORSEMENT ATTACHING TO AND FORMING PART OF POLICY NO. B0146ERUSA1200114

INSURED: The Trustees of California State University and various Auxiliary Organisations as per attached Schedule

EFFECTIVE DATE: 12.01 a.m. 1st July 2012 Local Standard Time, at the address of the Assured

ENDORSEMENT NO. 14

AMENDED DISCOVER/ED OR DISCOVERY CLAUSE

In consideration of the premium charged for this policy, the Discover/ed or Discover clause is deleted and the following substituted therefore:

Discover/ed or Discovery means the time at which you or one of your CSU Systemwide Risk Manager becomes aware of acts which a reasonable person would assume to be a loss covered by this policy. We should be informed of any such acts through the exact amount or details of the loss may not be known. Knowledge possessed by any one of you will be deemed to be discovery by all of you.
Coverage Summary

Coverage: Inland Marine
Policy Term: July 1, 2012 – June 30, 2013
Policy Number: MXI98308874
Insurer: AGCS Marine Insurance company
Named Insured: The State of California acting by and through the Trustees of the California State University, and its affiliated, subsidiary and associated entities and/or corporations as now exist or may hereafter as may appear in partnerships, joint ventures, auxiliaries or foundations.
Headquarter: Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 5th Floor
Long Beach, CA  90802-4210
Covered Entities: CSU Campuses and Auxiliary Organizations Risk Management Alliance (AORMA)
Coverage Limits: $10,000,000 each Occurrence
Sublimits: Inland Transit: $100,000 each Occurrence

Deductible:

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<tr>
<th>Item</th>
<th>Deductible</th>
<th>Rate (per $100 of value)</th>
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<tbody>
<tr>
<td>Musical Instruments</td>
<td>$1,000</td>
<td>0.665</td>
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<tr>
<td>Fine Arts</td>
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<td>0.361</td>
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<tr>
<td>EDP (less than $1mm)</td>
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<td>EDP (greater than $1mm)</td>
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<td>Laptops</td>
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<td>Camera Equipment</td>
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<tr>
<td>Misc. Property</td>
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<td>0.75</td>
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Deductible applies against total loss from any one occurrence. The total to be deducted shall not exceed the largest deductible applicable.

Newly Acquired Properties: 30 days reporting clause

Coverage Territory: The United States of America, District of Columbia, Puerto Rico, and Canada
Loss Valuation:
1. Property of Insured: replacement cost
2. Property of others: the Insured’s interest and for the valuation consistent with the liability of the Insured.

Insuring Agreements:
A. Computer Form
1. Covered properties: EDP and media owned, leased, rented, or controlled by the Insured and for which the Insured is liable.
2. Perils Insured: all risk of direct physical loss or damage, except:

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
a. mechanical failure
b. dishonest acts
c. electrical disturbance

Insuring Agreements:
B. Commercial Article Floater
(continued)
1. Covered properties: musical instruments, fine arts, camera equipment owned, leased, rented or controlled by the Insured and for which the Insured is liable.

2. Perils Insured: all risk of direct physical loss or damage, except:
   a. wear and tear
   b. hostile or warlike action, insurrection, rebellion
   c. nuclear reaction, radiation, contamination
   d. unexplained loss, mysterious disappearance
   e. mechanical breakdown, latent defect
   f. corrosion, rust
   g. misappropriation, dishonest acts
   h. earthquake, flood
   i. As to Fine Arts: damage from repairing, restoration or retouching process; breakage, unless caused by an insured peril, or endorsed thereon.

Special Conditions:
1. Fine Arts:
   a. must be packed/unpacked by competent packers
   b. declared/agreed value
   c. pair and set: full value of set

2. Musical Instruments:
   a. not played for remuneration, unless endorsed thereon

Coverage Extensions: Lender’s Loss Payable Endorsement

Claims Administrator: AGCS Marine Insurance Company
Attn: FNOL Marine Claims Unit
One Progress Point Parkway
O’Fallon, MO 63368

Tel: 1-800-558-1606
Fax: 1-888-323-6450
Email: FNOLMarine@agcs.allianz.com

Claims Reporting: Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA  94111

Diana Walizada
Toll Free:  (877) 725-7695
Direct:    (415) 403-1453
Fax:       (415) 403-1466
E-mail: dwalizada@alliantinsurance.com

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Dear Valued Client,

Although 2011 was a difficult year, due to ongoing economic conditions and a season of Natural Catastrophes, Allianz Global Corporate & Specialty® is committed to delivering top-shelf corporate and specialty insurance solutions to businesses like yours. AGCS continues to offer market-leading capacities and, as one of the best capitalized P&C insurers in the world, has the ability to handle any risk – large or small.

The prospects for 2012 are excellent as we strategically expand our Project Cargo book, significantly broaden our Inland Marine footprint, build on our Program business and continue to increase our capabilities in Canada, Mexico, Brazil and other markets across the Americas. We look to assist you in growing your business by drawing on the expertise within the larger AGCS family, including aviation, energy, engineering, property, and liability lines, to become your one-stop insurance solution.

All of us at AGCS Marine are eager to share with you the capabilities and services we can bring to your firm. We truly appreciate your business and want to thank you for choosing AGCS – the premier provider of Inland Marine & Related Property, Ocean Cargo, and Hull and Marine Liability insurance products.
Learn more about our product offerings, as well as our claims and loss control capabilities, by visiting us at www.agcs.allianz.com.

Sincerely,

John Barnwell
Global Marine Head, Americas
Allianz Global Corporate & Specialty
Inland Marine & Property Claims Reporting

Our highly skilled Marine Claims professionals are committed to providing our valued clients with the best service possible and they will respond quickly to any claim situation that you may have.

You can notify us of a new claim via any of the following reporting options:

Telephone: +1.800.558.1606
Outside of the US: +1.314.513.1353

Email: FNOLMarine@agcs.allianz.com

Fax: +1-888.323.6450
Outside of the US: +1.314.513.1345

Mailing Address: FNOL Marine Claims Unit
AGCS Marine Insurance Company
One Progress Point Parkway
O'Fallon, MO 63368

If possible, please include the following information in your claim notice or have it available for our customer service representative:

- Contact information
- Policy #
- Date of loss
- Description of loss
MANDATORY PREMIUM TRANSACTION FORM

Named Insured and Mailing Address

THE STATE OF CALIFORNIA
401 GOLDEN SHORE, 5TH FLOOR
LONG BEACH, CA 90802

Change Effective Date: 07/01/2012
Policy Period Inception Date: 07/01/2012
Expiration Date: 07/01/2013

PREMIUM SUMMARY:

Producer: AMWINS ACCESS
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311

Transaction Date 07/19/2012
# Table of Contents

**POLICY NUMBER** MXI-98308874

**Named Insured**
THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

**Producer**
AMWINS ACCESS
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311

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IMPORTANT NOTICE FOR CALIFORNIA POLICYHOLDERS

If you have question about your policy, or about any insurance matter, you can contact your independent agent or broker. If you have additional questions, contact the company issuing the policy at the following address:

AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606

Phone: 1-888-466-7883

If you have been unable to obtain satisfaction from either the agent or the company, you may contact the California Department of Insurance at the following address:

California Department of Insurance
Consumer Communications Bureau
300 South Spring St. South Tower
Los Angeles, CA 90013

Phone: 1-800-927-4357

The Department of Insurance should be contacted only after the contacts with agent and the company have failed to produce a satisfactory solution to your problem.
IMPORTANT NOTICE REGARDING TERRORISM COVERAGE –
TER 9020PHN 01 10

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer: AMWINS ACCESS Effective Date: 07/01/2012

This notice applies to the type(s) of insurance provided under this policy that are subject to the Terrorism Risk Insurance Act, as amended ("The Act"). You are hereby notified that under The Act you have a right to purchase insurance coverage for losses arising out of certified acts of terrorism, as defined in Section 102(1) of The Act: The term certified act of terrorism means any act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property; or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHEN COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS, UNDER THE FORMULA. THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A $100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURER’S LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS $100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEEDS $100 BILLION, YOUR COVERAGE MAY BE REDUCED.
Our records indicate that you previously rejected coverage for losses arising out of **certified acts of terrorism**, as defined by The Act, when we provided you a quote for insurance. Accordingly, your policy does not currently provide this coverage. However, The Act requires that we again make an offer at this time. If you wish to change your decision and purchase terrorism coverage, you must contact your agent or broker representing the AGCS Marine Insurance Company and request coverage so we can provide you with a new quote. If you do not do so, it will be presumed that you have rejected this offer of terrorism coverage.

Please note that any coverage mandated by applicable Standard Fire Policy laws in your state will not be affected by your rejection of terrorism coverage.

This offer of coverage for losses due to terrorist acts, as defined by The Act, if accepted, will be subject to the limit(s), terms and conditions of any policy or endorsement subsequently issued.

If you have any questions about this or any other insurance matter, please contact your agent or broker representing AGCS Marine Insurance Company.
INLAND MARINE - GENERAL DECLARATIONS

The Company issuing this policy is indicated by the Company Code (first letter or number) in the POLICY NUMBER, as follows:
A STOCK COMPANY

054 - AGCS Marine Insurance Company

AGCS Marine Insurance Company
225 W. Washington St., Suite 1800
Chicago, IL 60606

Policy Number
MXI98308874

Renewal of Policy Number/Previous Policy Number
MXI98308874

Producer Code:
S-00035250

Producer or Agent Name
AMWINS ACCESS

Address:
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311

Named Insured:  THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Mailing Address:  401 GOLDEN SHORE, 5TH FLOOR
LONG BEACH, CA 90802

Policy Period:  From: 07/01/2012 To: 07/01/2013 at 12:01 A.M. Standard Time at your mailing address shown above.

The Named Insured is a(n) SOLE OWNER
Business or Operations of the Named Insured:  CALIFORNIA STATE UNIVERSITY

In return for payment of the premium and subject to all the terms of this policy, we agree with you to provide the insurance as stated in the policy.

INLAND MARINE COVERAGE:

COVERAGE FORMS AND CORRESPONDING ENDORSEMENTS ATTACHED AT INCEPTION:
CM 1017 DEC 01 10, CM 00 01 09 04, CM 00 20 03 10, IL 00 17 11 98, IM 1000DEC 01 10, IM 8002 01 10, CL 9603PHN 01 10, IL 01 02 05 05, IL 01 04 09 07, IL 02 70 08 11, IM 8013 06 10, EDP 6210 05 11, NIM 1050 01 10, EDP 6200DEC 05 11, CA 8601 01 10, FR 5017DEC 01 10, FR 5017 01 10, SA 5011 01 10, SA 5011DEC 01 10, ENDORSEMENT 001, ENDORSEMENT 002, ENDORSEMENT 003, ENDORSEMENT 004, ENDORSEMENT 005, TER 9000 01 10, TER 9020PHN 01 10

PREMIUM SUMMARY:

The premium may be subject to adjustment.

☐ Terrorism Risk Insurance Act - Certified Acts Coverage - Covered  $
☒ Terrorism Risk Insurance Act – Certified Acts Coverage - Not Covered  $ 0
IN WITNESS WHEREOF, the Company has caused this policy to be signed by its President and Secretary.

______________________________    ________________________________
Secretary                          President

Countersignature of Authorized Agent:
Producer: AMWINS ACCESS
19867 PRAIRIE STREET, STE 250
CHATSWORTH, CA 91311
Date 07/19/2012
This endorsement changes the policy.

Please read this carefully.

Amendatory Endorsement
California

1. In all coverage forms, Actual Cash Value, if applicable, is amended to include the following:

   a. The actual cash value of covered property will be determined as:

      1) the amount it would cost to repair, rebuild, or replace the lost, damaged, or destroyed property less a fair and reasonable deduction for physical depreciation; or
      2) the limit applicable to that property at the time of the loss.

   whichever is less.

   b. The condition of the property at the time of the loss is the basis for determining the amount of physical depreciation. The expense of labor necessary to repair, rebuild, or replace covered property is not a component of physical depreciation.

   c. a. and b. above do not apply to property subject to Agreed Amount valuation terms or an item of property specifically scheduled with a value applicable to such item.

2. Under Loss Conditions, F. Other Insurance is deleted and replaced by the following:

F. Other Insurance

You may have another policy covering identical risks, whether or not both policies are subject to the same terms, such insurers are liable to make loss payment as described below. In the event you have double insurance, and incur:

   a. a total or constructive total loss, we will pay our share of the covered loss if that policy has the same effective date as this policy. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.

   However, if there is a total or constructive loss and that policy has an effective date other than the effective date on this policy, we will pay according to the effective dates on the policies. This policy will be primary to any policy with an effective date after the effective date of this policy. This policy will be excess over any policy with an effective date before the effective date of this policy.

   b. a partial loss, we will pay our share of the covered loss. Our share is the proportion that the applicable limit under this policy bears to the limit of all policies covering on the same basis.
Commercial Inland Marine Conditions

Policy Amendment(s) Commercial Inland Marine

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

Loss Conditions

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If you and we fail to agree on the amount of loss, either one can ask that the amount of loss be established by appraisal. To start the appraisal process either you or we must make the request in writing to the other. Each must then choose a competent, independent appraiser and give the name and address of that appraiser to the other. This must be done within 30 days after the written request for appraisal is received.

The two appraisers must then choose a competent and impartial umpire. If they do not agree on an umpire within 15 days, either you or we may have an umpire selected by a court located in the same state as the covered property. The appraisers will then set the amount of the loss. A copy of their report will be given to you and to us. The amount they agree upon will be the amount of loss.

If the appraisers fail to agree within a reasonable period of time, they will give the umpire a statement of their differences. A written agreement signed by any two of the three will set the amount of the loss. You will pay your appraiser and we will pay ours. The umpire’s fee and other appraisal expenses will be shared equally by you and us.

If we submit to an appraisal, we will still retain our right to deny the claim.

C. Duties in the Event of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.

2. Give us prompt notice of the loss or damage. Include a description of the property involved. You must also file with us or our agent, a detailed sworn proof of loss within ninety (90) days following the loss or damage. We will supply you with the necessary forms.

3. As soon as possible, give us a description of how, when and where the loss or damage occurred.

4. Take all reasonable steps to protect the Covered Property from further damage and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also if feasible, set the damaged property aside and in the best possible order for examination. If you move the covered property to a safe place, that property will continue to be covered and we will reimburse you for the reasonable expenses for doing so. You must tell us as soon as practical that you have moved the covered property to a safe place.

5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured’s books and records. In the event of an examination, an insured’s answers must be signed.
8. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

9. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two or More Coverages

If two or more of this policy’s coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.

2. We will not pay you more than your financial interest in the Covered Property.

3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners’ property.

   We will not pay the owners more than their financial interest in the Covered Property.

4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense. The expenses we incur will not reduce the applicable limit for coverage described under Property Covered.

5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:

   a. We have reached agreement with you on the amount of the loss; or

   b. An appraisal award has been made.

6. We will not be liable for any part of a loss that has been paid or made good by others.

7. If we recover any part of a loss from another party, after we deduct the expenses of making the recovery we will share the recovery with you. Your share will be the proportion that your share of the loss bears to the total amount of the loss.

8. We will pay for the removal of covered property damaged from a covered cause of loss up to the lesser of 10% of the limit of insurance or $50,000. This is in addition to the limit of insurance.

F. Other Insurance

1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.

2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets or Parts

1. Pair or Set

   In case of loss or damage to any part of a pair or set we may:

   a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or

   b. Pay the difference between the value of the pair or set before and after the loss or damage.

2. Parts

   In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Labeled Goods

If covered property bearing labels, packaging or wrappers is lost or damaged, we will pay you an amount sufficient to replace those labels, packaging or wrappers.
I. **Loss Payee**

If a loss payee is named in the Declarations, we will pay you and the loss payee, as the interest of each may appear.

J. **Recovered Property**

If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

K. **Reinstatement of Limit After Loss**

The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

L. **Transfer of Rights of Recovery Against Others to Us**

If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. If that person or organization does anything to impair our rights after a loss, we will not have to pay the loss. But you may waive your rights against another party in writing:

1. Prior to a loss to your Covered Property.

2. After a loss to your Covered Property only if; at time of loss, that party is one of the following:
   a. Someone insured by this insurance; or
   b. A business firm:
      1. Owned or controlled by you; or
      2. That owns or controls you.

This will not restrict your insurance.

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**General Conditions**

A. **Concealment, Misrepresentation or Fraud**

This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:

1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. **Control of Property**

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance. The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. **Legal Action Against Us**

1. No one may bring us a legal action against us under this Coverage Part unless:
   a. There has been full compliance with all the terms of this Coverage Part; and
   b. The action is brought within 2 years after you first have knowledge of the direct loss or damage.

2. You agree not to sue us or involve us in another action proceeding after 2 years have passed since you discovered the loss or damage giving rise to such action. If the state law applicable to this coverage requires a different time period within which suit may be brought, this provision is amended to conform to such law.

D. **No Benefit to Bailee**

No person or organization, other than you, having custody of Covered Property, will benefit from this insurance.

E. **Policy Period, Coverage Territory**
We cover loss or damage commencing:

1. During the policy period shown in the General Declarations and the policy period begins and ends at 12:01 a.m., Standard Time, at your address shown in the General Declarations. But if this policy replaces a policy which expires at noon Standard Time on the effective date of this policy, then this policy will not be effective until the policy being replaced expires. In those states which require policy periods to begin and end at noon Standard Time, this policy will begin and end at noon Standard Time. And,

2. Within the coverage territory.

F. Valuation

The value of property will be the least of the following amounts:

1. The actual cash value of that property;

2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or

3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.

G. Your Name and Address

Your name and address as the Named Insured shall be as specified in the General Declarations.

H. The Declarations

The Declarations shows you which coverages you have purchased and the limits of insurance that apply. You have only those coverages and amounts of insurance. If this coverage applies only at specified locations, they are shown in the Declarations.

By accepting this policy, you agree that:

a. The statements in the Declarations are your agreements and representations.

b. That this policy is issued in reliance on the truth of such representations.
COMMERCIAL INLAND MARINE CONDITIONS

The following conditions apply in addition to the Common Policy Conditions and applicable Additional Conditions in Commercial Inland Marine Coverage Forms:

LOSS CONDITIONS

A. Abandonment

There can be no abandonment of any property to us.

B. Appraisal

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

If there is an appraisal, we will still retain our right to deny the claim.

C. Duties In The Event Of Loss

You must see that the following are done in the event of loss or damage to Covered Property:

1. Notify the police if a law may have been broken.
2. Give us prompt notice of the loss or damage. Include a description of the property involved.
3. As soon as possible, give us a description of how, when and where the loss or damage occurred.
4. Take all reasonable steps to protect the Covered Property from further damage, and keep a record of your expenses necessary to protect the Covered Property, for consideration in the settlement of the claim. This will not increase the Limit of Insurance. However, we will not pay for any subsequent loss or damage resulting from a cause of loss that is not a Covered Cause of Loss. Also, if feasible, set the damaged property aside and in the best possible order for examination.
5. You will not, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
6. As often as may be reasonably required, permit us to inspect the property proving the loss or damage and examine your books and records.

Also permit us to take samples of damaged and undamaged property for inspection, testing and analysis, and permit us to make copies from your books and records.

7. We may examine any insured under oath, while not in the presence of any other insured and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including an insured's books and records. In the event of an examination, an insured's answers must be signed.

8. Send us a signed, sworn proof of loss containing the information we request to settle the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.

9. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit.

10. Cooperate with us in the investigation or settlement of the claim.

D. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

E. Loss Payment

1. We will give notice of our intentions within 30 days after we receive the sworn proof of loss.
2. We will not pay you more than your financial interest in the Covered Property.
3. We may adjust losses with the owners of lost or damaged property if other than you. If we pay the owners, such payments will satisfy your claim against us for the owners' property. We will not pay the owners more than their financial interest in the Covered Property.
4. We may elect to defend you against suits arising from claims of owners of property. We will do this at our expense.
5. We will pay for covered loss or damage within 30 days after we receive the sworn proof of loss if you have complied with all the terms of this Coverage Part and:
   a. We have reached agreement with you on the amount of the loss; or
   b. An appraisal award has been made.
6. We will not be liable for any part of a loss that has been paid or made good by others.

F. Other Insurance
1. You may have other insurance subject to the same plan, terms, conditions and provisions as the insurance under this Coverage Part. If you do, we will pay our share of the covered loss or damage. Our share is the proportion that the applicable Limit of Insurance under this Coverage Part bears to the Limits of Insurance of all insurance covering on the same basis.
2. If there is other insurance covering the same loss or damage, other than that described in 1. above, we will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether you can collect on it or not. But we will not pay more than the applicable Limit of Insurance.

G. Pair, Sets Or Parts
1. Pair Or Set
   In case of loss or damage to any part of a pair or set we may:
   a. Repair or replace any part to restore the pair or set to its value before the loss or damage; or
   b. Pay the difference between the value of the pair or set before and after the loss or damage.
2. Parts
   In case of loss or damage to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

H. Recovered Property
If either you or we recover any property after loss settlement, that party must give the other prompt notice. At your option, the property will be returned to you. You must then return to us the amount we paid to you for the property. We will pay recovery expenses and the expenses to repair the recovered property, subject to the Limit of Insurance.

I. Reinstatement Of Limit After Loss
The Limit of Insurance will not be reduced by the payment of any claim, except for total loss or damage of a scheduled item, in which event we will refund the unearned premium on that item.

J. Transfer Of Rights Of Recovery Against Others To Us
If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:
1. Prior to a loss to your Covered Property.
2. After a loss to your Covered Property only if, at time of loss, that party is one of the following:
   a. Someone insured by this insurance; or
   b. A business firm:
      (1) Owned or controlled by you; or
      (2) That owns or controls you.

This will not restrict your insurance.

GENERAL CONDITIONS
A. Concealment, Misrepresentation Or Fraud
This Coverage Part is void in any case of fraud, intentional concealment or misrepresentation of a material fact, by you or any other insured, at any time, concerning:
1. This Coverage Part;
2. The Covered Property;
3. Your interest in the Covered Property; or
4. A claim under this Coverage Part.

B. Control Of Property
Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss or damage, the breach of condition does not exist.

C. Legal Action Against Us
No one may bring a legal action against us under this Coverage Part unless:
1. There has been full compliance with all the terms of this Coverage Part; and
2. The action is brought within 2 years after you first have knowledge of the direct loss or damage.
D. No Benefit To Bailee
   No person or organization, other than you, having custody of Covered Property will benefit from this insurance.

E. Policy Period, Coverage Territory
   We cover loss or damage commencing:
   1. During the policy period shown in the Declarations; and
   2. Within the coverage territory.

F. Valuation
   The value of property will be the least of the following amounts:
   1. The actual cash value of that property;
   2. The cost of reasonably restoring that property to its condition immediately before loss or damage; or
   3. The cost of replacing that property with substantially identical property.

In the event of loss or damage, the value of property will be determined as of the time of loss or damage.
COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.

2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.

3. Paragraphs 1. and 2. of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

4. Paragraph 2. of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and

2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except
in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – ACTUAL CASH VALUE

This endorsement modifies insurance provided under the following:

CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
FARM COVERAGE PART
STANDARD PROPERTY POLICY

With respect to an "open policy", the following are added to any provision which uses the term actual cash value:

A. In the event of a total loss to a building or structure, actual cash value is calculated as the lesser of the following:
   1. The Limit of Insurance applicable to that building or structure; or
   2. The fair market value of the building or structure.

B. In the event of a partial loss to a building or structure, actual cash value is calculated as the lesser of the following:
   1. The amount it would cost to repair, rebuild or replace the property less a fair and reasonable deduction for physical depreciation of the components of the building or structure that are normally subject to repair or replacement during its useful life. Physical depreciation is based upon the condition of the property at the time of the loss; or
   2. The Limit of Insurance applicable to the property.

C. In the event of a partial or total loss to Covered Property other than a building or structure, actual cash value is calculated as the lesser of the following:
   1. The amount it would cost to repair or replace the property less a fair and reasonable deduction for physical depreciation, based on the condition of the property at the time of loss; or
   2. The Limit of Insurance applicable to the property.

D. An "open policy" is a policy under which the value of Covered Property is not fixed at policy inception, but is determined at the time of loss in accordance with policy provisions on valuation. The term "open policy" does not apply to Covered Property that is subject to an Agreed Value clause or similar clause that establishes an agreed value prior to loss, unless such clause has expired.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES

This endorsement modifies insurance provided under the following:

COMMERCIAL INLAND MARINE COVERAGE PART
COMMERCIAL PROPERTY COVERAGE PART
EQUIPMENT BREAKDOWN COVERAGE PART
FARM COVERAGE PART – FARM PROPERTY – OTHER FARM PROVISIONS FORM – ADDITIONAL COVERAGE, CONDITIONS, DEFINITIONS
FARM COVERAGE PART – LIVESTOCK COVERAGE FORM
FARM COVERAGE PART – MOBILE AGRICULTURAL MACHINERY AND EQUIPMENT COVERAGE FORM
STANDARD PROPERTY POLICY

A. When this endorsement is attached to the Standard Property Policy CP 00 99 the term Coverage Part in this endorsement is replaced by the term Policy.

B. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following with respect to loss ("loss") or damage caused by fire:

We do not provide coverage to the insured ("insured") who, whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;
2. The Covered Property;
3. That insured's ("insured's") interest in the Covered Property; or
4. A claim under this Coverage Part or Coverage Form.

C. The Concealment, Misrepresentation Or Fraud Condition is replaced by the following with respect to loss ("loss") or damage caused by a Covered Cause of Loss other than fire:

This Coverage Part is void if any insured ("insured"), whether before or after a loss ("loss"), has committed fraud or intentionally concealed or misrepresented any material fact or circumstance concerning:

1. This Coverage Part;
2. The Covered Property;
3. An insured's ("insured's") interest in the Covered Property; or
4. A claim under this Coverage Part or Coverage Form.

D. Except as provided in E., the Appraisal Condition is replaced by the following:

If we and you disagree on the value of the property or the amount of loss ("loss"), either may make written request for an appraisal of the loss ("loss"). If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss ("loss"). If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

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

If there is an appraisal, we will still retain our right to deny the claim.

E. The Appraisal Condition in:

1. Business Income (And Extra Expense) Coverage Form CP 00 30; and
2. Business Income (Without Extra Expense) Coverage Form CP 00 32;
is replaced by the following:

If we and you disagree on the amount of Net Income and operating expense or the amount of loss, either may make written request for an appraisal of the loss. If the request is accepted, each party will select a competent and impartial appraiser. Each party shall notify the other of the appraiser selected within 20 days of the request. The two appraisers will select an umpire. If they cannot agree within 15 days, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the amount of Net Income and operating expense or amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- Pay its chosen appraiser; and
- Bear the other expenses of the appraisal and umpire equally.

If there is an appraisal, we will still retain our right to deny the claim.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

- CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART
-商業汽用車保全部分
- COMMERCIAL AUTOMOBILE COVERAGE PART
- COMMERCIAL GENERAL LIABILITY COVERAGE PART
- COMMERCIAL INLAND MARINE COVERAGE PART
- COMMERCIAL PROPERTY COVERAGE PART
- CRIME AND FIDELITY COVERAGE PART
- EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART
- EQUIPMENT BREAKDOWN COVERAGE PART
- FARM COVERAGE PART
- LIQUOR LIABILITY COVERAGE PART
- MEDICAL PROFESSIONAL LIABILITY COVERAGE PART
- POLLUTION LIABILITY COVERAGE PART
- PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

A. Paragraphs 2., 3. and 5. of the Cancellation Common Policy Condition are replaced by the following:

2. All Policies In Effect For 60 Days Or Less

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:
   (1) Nonpayment of premium; or
   (2) Discovery of fraud by:
      (a) Any insured or his or her representative in obtaining this insurance; or
      (b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

   (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

   (2) Discovery of fraud or material misrepresentation by:
      (a) Any insured or his or her representative in obtaining this insurance; or
      (b) You or your representative in pursuing a claim under this policy.

   (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.
(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:

(i) Place us in violation of California law or the laws of the state where we are domiciled; or

(ii) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium or discovery of fraud; or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. The refund, if any, will be computed on a pro rata basis. However, the refund may be less than pro rata if we made a loan to you for the purpose of payment of premiums for this policy.

The cancellation will be effective even if we have not made or offered a refund.

B. The following provision is added to the Cancellation Common Policy Condition:

7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

Commercial Property Coverage Part
Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.

b. We may not cancel this policy solely because the first Named Insured has:

(1) Accepted an offer of earthquake coverage; or

(2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

(1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

(2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.
C. The following is added and supersedes any provisions to the contrary:

Nonrenewal

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice, stating the reason for nonrenewal, to the first Named Insured shown in the Declarations, and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

   We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. Residential Property

   This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants’ household property contained in a residential unit, if such coverage is written under one of the following:

   Commercial Property Coverage Part
   Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

   a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below.

   b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

   However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

   (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

   (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

   (3) We have:

   (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

   (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

   the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

   c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority, that included an earthquake policy premium surcharge.

   d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

   (1) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

   (2) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

   a. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group.
b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%. 
Electronic Data Processing Declarations
Commercial Inland Marine

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Producer: AMWINS ACCESS

Policy Number: MXI98308874
Effective Date: 07/01/2012

Schedule

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Schedules.

Locations of Property Covered
Loc. As per schedule on file with us dated 07/19/2012
Loc.
Loc.

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Loc. #</th>
<th>Loc. #</th>
<th>Loc. #</th>
</tr>
</thead>
<tbody>
<tr>
<td>EDP Equipment and Software</td>
<td>$222,437</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>EDP Equipment</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>EDP Software</td>
<td>$</td>
<td>$</td>
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</tr>
<tr>
<td>EDP Extra Expense</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>• Measure of Recovery</td>
<td>$ Per</td>
<td>$ Per</td>
<td>$ Per</td>
</tr>
<tr>
<td>EDP Business Income</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>• Measure of Recovery</td>
<td>$ Per</td>
<td>$ Per</td>
<td>$ Per</td>
</tr>
<tr>
<td>Covered Property while in transit or while temporarily within other premises</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

Limit of Insurance in any one loss, disaster, or casualty for all coverages:

$222,437

Deductible Amount: $1,000 except $10,000 as respects loss or damage to covered property locations with EDP values at risk to loss or damage of greater than $1,000,000

Coinsurance Percentage: 100% (Equipment Only)

Total Premium:
(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.

_______________________________________  ______________________________________
Secretary                                           President

Julia A. Jam                                      James M. Hooversmam
Electronic Data Processing Coverage Form

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property
   a. Covered Property means:
      (1) “Electronic Data Processing Equipment” including component parts.
      (2) “Software” including “Data” and “Media”, unused “Media”, and “Computer Programs”. We cover your property or property of others leased or rented to you for which you have a contractual responsibility to insure.

2. Property Not Covered
   Covered Property does not include:
   a. Property rented or leased to others while away from your premises.
   b. “Property while waterborne”, unless on transporting land conveyances aboard any regular ferry operation on inland waterways.
   c. Any “Data” which cannot be replaced with others of the same kind or quality, unless such items are covered for a specific amount per article and such items and values per article are endorsed onto this EDP policy.
   d. “Voice Communication Systems” including their operating programs, unless coverage has been added to this policy by endorsement.
   e. Accounts, bills, evidences of debt, money, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to Data Processing “Media” form, and then only in that form.
   f. Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss
   Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any cause except those causes of loss listed in the Exclusions.

4. Additional Coverages
   a. Debris Removal Coverage
      (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
      (2) The most we will pay under this Additional Coverage is the lesser of 25% of:
         (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy
applicable to that loss or damage; or

(b) The applicable Limit of Insurance.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.

(c) This Additional Coverage does not apply to costs to:

(i) Extract “pollutants” from land or water; or

(ii) Remove, restore or replace polluted land or water.

b. Removal Coverage

If you, due to an imminent danger of loss, must move covered property to a safe location, we will continue to cover that property at the safe location and while in transit to and from the safe location.

You must tell us about the move within ten (10) days of first moving the covered property, or else no coverage will apply to the removed property.

c. Additionally Acquired EDP Equipment

We cover additional “Electronic Data Processing Equipment” you acquire. Our limit of insurance for this coverage is 25% of the largest Equipment Limit at any one location shown on the Declarations page, or $250,000, whichever is less.

You must report this additionally acquired equipment to us within sixty (60) days of receiving the equipment, and pay any additional premium or this Extension of Coverage will cease to apply at the location where the additional equipment is kept.

d. New Location Coverage

We cover property insured under this form which is transferred to a location you acquire that is not shown in the Declarations page applicable to this coverage part. Our limit of insurance for this coverage is $250,000.

You must report the value of the covered property at the new location to us within sixty (60) days from the date the transfer begins, and pay us any additional premium that may be due as a result of the transfer to the new location.

If you do not report the new location to us within sixty (60) days from the date the transfer begins, we will not cover property at the new location.

e. Transfer Between Locations Coverage

We cover property insured under this form which you transfer between scheduled locations, for up to $250,000 additional limit at any one scheduled location. You must report the values of covered property involved in this transfer to us within sixty (60) days from the date of transfer, and pay us any additional premium that may be due as a result of the transfer between locations.

If you do not report the transfer between locations to us within sixty (60) days from the date of transfer, the additional limit provided by this clause will be voided.

f. Storage and Duplicate Data

We cover “Data” and “Computer Programs” which are a duplicate of “Data” and “Computer Programs” covered under this form, and are kept at other than the locations scheduled in this form.

Our limit of insurance for this coverage is $50,000.

g. Fire Protection Devices

We will cover the expense you incur to recharge or refill any fire protection devices at covered locations which are designed specifically to protect covered property, as well as other fire protection devices in the same room where the covered property is located when these devices have been discharged as a result of a covered cause of loss.

We also cover such expense which occurs from a sudden malfunction of the fire protection system except while work is being performed upon the system or while the system is being tested.
Coverage for such expenses shall apply in addition to insurance otherwise provided by this policy, but in no event will we pay more than $50,000 for such recharge, or refill expenses incurred.

No deductible shall apply to this extension of coverage.

h. Worldwide Transit Extension
When coverage is provided in the Declarations for Property While in Transit or While Temporarily Within Other Premises, such coverage is extended to apply world-wide. However, in no event will we pay more than 10% of the Limit shown for such coverage or $10,000, whichever is lesser, for a covered loss.

i. Extra Expense Coverage
When a Limit of Insurance for “Extra Expense” is shown on the Electronic Data Processing Declarations, we will cover you for the necessary “Extra Expense”, as defined, you incur in order to continue as nearly as practicable the “normal” operation of “your business” as a direct result of physical loss or damage (except as may be excluded) to covered property while located at the premises scheduled on the Electronic Data Processing Declarations.

(1) This policy is extended to include covered extra expenses, sustained during the period of time, hereinafter defined,

(a) When as a direct result of a covered cause of loss, the premises in which the property is located is so damaged as to prevent operation of covered property, or

(b) When as a direct result of a covered cause of loss, the air conditioning system or electrical system necessary for the operations of your data processing system is so damaged as to reduce or suspend your ability to perform the operations normally performed by the data processing system.

(2) If the covered property is so destroyed or damaged by a covered loss during the term of this policy so as to necessitate the incurrence of “Extra Expense”, we shall be liable for the “Extra Expense” so incurred, not exceeding the actual loss sustained, commencing with the date of loss, damage or destruction and not limited by the date of expiration of this policy, as shall be required with the exercise of due diligence and dispatch to repair, rebuild, or replace such part of the covered property as may be destroyed or damaged. As soon as practical after any loss, you must resume complete or partial business operations of the covered property and, insofar as practical, reduce or dispense with such additional charges and expenses as are being incurred.

Our liability, during the determined period of restoration, shall be limited to the declared amount per period of time specified in the “Measure of Recovery”, if any, but in no event to exceed the Limit of Insurance provided for "Extra Expense". The “Extra Expense” incurred will be paid until the Limit of Insurance is exhausted or operations have been resumed, whichever occurs first.

This policy is extended to include the actual loss sustained by you, resulting directly from an interruption of business as covered hereunder, during the period of time, not exceeding two consecutive weeks, when as a direct result of a covered cause of loss, access to the premises in which the property described is located is specifically prohibited by order of civil authority.

(3) In addition to the exclusions under B. Exclusions, the following exclusions are added with respect to this "Extra Expense" coverage:

(a) The suspension, lapse, expiration, nonrenewal or cancellation of any lease, license, contract or order;

(b) Interferences at premises by strikers or other participants in labor disputes with repairing or replacing the property damaged or destroyed or with the
resumption or continuation of your occupancy;

(c) Loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to a form usable in your Data Processing Operations;

(d) Error in machine programming or instructions to machine.

(4) It is a condition of this insurance that if you could reduce the loss resulting from the interruption of business:

(a) By complete or partial resumption of operation of the covered property, whether damaged or not, or;

(b) By making use of other property at the location(s) described herein or elsewhere.

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

j. Business Income Coverage

When a Limit of Insurance for Business Income is shown on the Electronic Data Processing Declarations, we will cover you for your loss of revenue resulting from necessary interruption of business, total or partial, as a direct result of physical loss or damage (except as may be otherwise excluded) to your covered property while located at the premises scheduled in the Electronic Data Processing Declarations.

(1) This policy is extended to include actual loss as covered hereunder, sustained during the period of time, hereinafter defined,

(a) when as a direct result of a covered cause of loss the premises in which the property is located is so damaged as to prevent operation of covered property, or

(b) when as a direct result of a covered loss, the air conditioning system or electrical system necessary for the operations of the Data Processing System is so damaged as to reduce or suspend your ability to perform the operations normally performed by the Data Processing System.

(2) This policy covers such expenses as are necessarily incurred for the purpose of reducing your business interruption loss (except expenses incurred to extinguish a fire), but in the absence of prior authorization by us or our adjuster, not exceeding the amount by which your business interruption is thereby reduced.

(3) This policy is extended to include the actual loss sustained by you, resulting directly from an interruption of business as covered hereunder, during the period of time, not exceeding two consecutive weeks, when, as a direct result of a covered cause of loss, access to the premises in which the covered property is located is specifically prohibited by order of civil authority.

(4) This policy is extended to cover loss of revenue resulting from necessary interruption, total or partial, caused by or resulting from loss or damage to covered property while such property is in transit, but for an amount not to exceed 10% of the highest Business Income Limit shown in the Electronic Data Processing Declarations.

(5) If loss or damage results in either a total or partial suspension of business, then we will pay:

(a) in the event of total suspension, for the declared amount per period of time specified in the Measure of Recovery, if any, but in no event to exceed the Limit of Insurance provided;

(b) in the event of partial suspension, for such proportion of the declared amount per period of time specified in the Measure of Recovery, if any, of total production which would have been obtained during the period of partial suspension had no damage occurred, but in no event to exceed the Limit of Insurance provided commencing with the date of damage or destruction, and not limited by the expiration date of this policy, as would be required through the exercise of due diligence and dispatch to repair, rebuild, or replace such covered property as has been damaged or destroyed

(6) In addition to the exclusions under B. Exclusions, the following exclusions
are added with respect to this Business Income Coverage:

(a) the suspension, lapse, expiration, non-renewal or cancellation of any lease, license, contract or order;

(b) interferences at premises by strikers or other participants in labor disputes with repairing or replacing the property damaged or destroyed or with the resumption or continuation of your occupancy;

(c) the loss or destruction of accounts, bills, evidences of debt, valuable papers, records, abstracts, deeds, manuscripts or other documents except as they have been converted to a form usable in your data processing operations.

(d) error in machine programming or instructions to machine;

(7) It is a condition of this insurance that if you could reduce the loss resulting from the interruption of business:

(a) by complete or partial resumption of operation of the covered property, whether damaged or not, or;

(b) by making use of other property at the location(s) described herein or elsewhere.

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

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Earth Movement

(1) Earthquake, including any earth sinking, rising or shifting related to such event;

(2) Landslide, including any earth sinking, rising or shifting related to such event;

(3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

(4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

(5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:

(a) Airborne volcanic blast or airborne shock waves;

(b) Ash, dust or particulate matter; or

(c) Lava flow.

All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

But if Earth Movement, as described in b.(1) through (5) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

This exclusion does not apply to covered property while away from your premises.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.
c. **Nuclear Hazard**
   
   (1) Any weapon employing atomic fission or fusion; or
   
   (2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

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

e. **Water**
   
   (1) “Flood”, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
   
   (2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

   This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

   But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, we will pay for the direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

f. **Fungi, Wet Rot And Dry Rot**

   Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

   But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

   This exclusion does not apply:

   (1) When "fungi", or wet or dry rot results from fire or lightning; or

   (2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

g. **Virus, Bacterium Or Other Microorganism**

   Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

   However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

   The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

   This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions **B.1.a.** through **B.1.g.** apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

   a. Delay, loss of use, loss of market or any other consequential loss.
b. Unexplained disappearance.

c. Shortage found upon taking inventory.

d. Dishonest or criminal act committed by:
   (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
   (2) A manager or a member if you are a limited liability company;
   (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
   (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.
   a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.
   b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.
   c. Wear and tear.

d. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.

e. Insects, birds, rodents or other animals.

f. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature, unless directly resulting from physical damage to the Data Processing system’s air conditioning facilities. This damage to the air conditioning facilities must have resulted from a covered cause of loss under this policy.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:
   a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or
   b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;
   we will pay up to an additional $100,000 or 10% of the limit of insurance whichever is less.

2. Removal Coverage

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:
a. For “Electronic Data Processing Equipment” and component parts owned by you:

The value of the covered property shall be the actual replacement cost, at the place and time of loss. Replacement Cost means the cost to replace with new property of comparable material and quality and used for the same purpose without deduction for depreciation. When replacement with identical property is impossible or unnecessary, the amount of loss will be based on the cost to replace the property with similar property intended to perform the same functions.

Property of others will be valued in the same manner, but we will not pay more than the amount for which you are liable.

b. For “Software”, “Data”, “Media” or “Computer Programs”:

(1) “Data” or “Computer Programs” not specifically listed by endorsement on this policy shall be valued at the actual cost of reproduction, provided that the “Data” or “Computer Programs” are replaced or reproduced. If the “Data” or “Computer Programs” are not replaced, we will only pay for blank “Media” similar to that on which the “Data” or “Computer Programs” were recorded. With respect to “Media”, we will pay the actual cost to repair or replace the property with material of the same kind or quality.

(2) “Data”, “Media” or “Computer Programs” that are listed by endorsement on this policy shall be valued at the amount per item specified on the endorsement. This listed amount shall be the agreed value for the purpose of this coverage.

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory

(1) We cover property wherever located within:

(a) The United States of America;
(b) The District of Columbia;
(c) Puerto Rico; and
(d) Canada.

b. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies:

We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

Instead, we will determine the most we will pay using the following steps:

(1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;

(2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);

(3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and

(4) Subtract the deductible from the figure determined in Step (3).

We will pay the amount determined in Step (4) or the applicable Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

If one Limit of Insurance applies to two or more separate locations, this condition will apply to the total of all property at all such covered locations.

c. Release of Carrier’s Liability

Permission is granted to you to accept released value bills of lading from common carriers.

d. Property of Others

At our option, any loss or damage to property of others may be adjusted with and paid to the owner of the property.
F. Definitions

1. “Fungi” means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. “Pollutants” means any solid, liquid, gaseous, or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes material to be recycled, reconditioned or reclaimed.

3. “Computer Programs” means data used to direct the computer equipment, including diagrams or other records which can be used to reproduce programs.

4. “Data” means facts, concepts or instructions which are converted to a form usable in your data processing operations, including computer programs.

5. “Electronic Data Processing Equipment” means machines, or a network of machines, whose function is the acceptance and processing of “Data” in accordance with a plan or “Computer Program”.

6. “Extra Expense” means the excess (if any) of the total cost during the period or restoration of the operation of the business over and above the total cost of such operation that would normally have been incurred during the same period had no loss occurred; the cost in each case to include expense of using other property or facilities of other concerns or other necessary emergency expenses. In no event, however, shall we be liable for loss of profits or earnings resulting from diminution of business; nor for any direct or indirect property damage loss covered under Property Damage polices, or for expenditures incurred in the purchase, construction, repair or replacement of any physical property unless incurred for the purpose of reducing any loss under this form not exceeding, however, the amount by which the loss is so reduced. Any salvage value of property so acquired which may be sold or utilized by you upon resumption of normal operations, shall be taken into consideration in the adjustment of any loss hereunder.

7. “Flood” means
   1. the overflow of water from any natural or man-made body or stream of inland or tidal waters,
   2. the accumulation of surface waters from any source,
   3. any earth movement, or mudslide caused by or resulting from the accumulation of water on or under the surface of the ground.

8. “Media” means materials on which Data are recorded or stored.

9. “Normal” means the condition that would have existed had no loss occurred.

10. “Software” means any combination of “Data”, “Media” or “Computer Programs”.

11. “Voice Communication Systems” means telephones, telephone systems, telephone switchgear including operating programs and related “software”, voice terminals, telephone circuit packs, and other such equipment and component parts whose function is the transmission of voice communications.

12. The words “Work Day” or “Day”, however modified, means a period of twenty-four (24) consecutive hours and shall mean a day on which the operations of your business are usually performed.

13. “Your Business” means the trade, profession or occupation in which you are engaged.

14. “Property While Waterborne” means any property on or within any vessel supported, carried or otherwise moved by any water.
Allianz Global Corporate & Specialty

Fine Arts Coverage Declarations
Policy Amendment - Commercial Inland Marine

<table>
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<tr>
<th>Insured</th>
<th>THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE</th>
<th>Policy Number</th>
<th>MXI98308874</th>
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<td>Producer</td>
<td>AMWINS ACCESS</td>
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### Schedule

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<td>Rate $</td>
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1. Fine Arts

- Per Schedule on file with us dated 07/19/2012
- As per Schedule on file with us dated 07/19/2012

<table>
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<th>Loc.</th>
<th>Limit of Insurance</th>
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- Per Schedule Attached
- Deductible $ 1,000
- Coinsurance 100%

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(If no entry appears above, information required to complete this Endorsement will be show in the Declarations as applicable to this Endorsement.)

This Form must be attached to Change Endorsement when issued after the policy is written.

__________________________
Secretary

__________________________
President
Fine Arts Coverage Form

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property
   a. Covered Property means: “Fine Arts” provided such property has a Limit of Insurance shown in the Declarations applicable to this coverage.
   b. Coverage Conditions:
      You agree that the covered property will be packed and unpacked by competent packers.

2. Property Not Covered

Covered Property does not include Contraband, or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

4. Additional Coverages
   a. Debris Removal Coverage
      (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
      (2) The most we will pay under this Additional Coverage is the lesser of:
         (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy applicable to that loss or damage; or
         (b) The applicable Limit of Insurance for Covered Property.
      But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.
   b. Additionally Acquired Property Coverage

If during the term of this policy you acquire other objects of art, the provisions of this policy shall cover their...
actual cash value not exceeding 25% of the aggregate amount of the applicable schedule, PROVIDED you report such additional objects within 90 days from the date acquired and pay pro rata additional premium from the date acquired.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

a. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or

(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

c. War And Military Action

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power or action taken by governmental authority in hindering or defending against any of these.

d. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", or wet or dry rot results from fire or lightning; or

(2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For "Fungi", Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

e. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from "fungi", wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.e. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Wear and tear.

b. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.

c. Insects, birds, rodents or other animals.

d. Dishonest or criminal act committed by:
(1) You, any of your partners, employees, directors, trustees, or authorized representatives;

(2) A manager or a member if you are a limited liability company;

(3) Anyone else with an interest in the property, or their employees or authorized representatives; or

(4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

e. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

f. Unauthorized instructions to transfer property to any person or to any place.

g. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

h. As to “Fine Arts”, we do not cover loss or damage caused by or made worse by:

(1) Repairing, restoration or retouching;

(2) From breakage of art glass windows, statuary, marbles, glassware, bric-a-brac, porcelains, and similar fragile articles, unless caused by fire, lightning, aircraft, theft or attempted theft, cyclone, tornado, windstorm, earthquake, flood, explosion, malicious damage or collision, derailment or overturn of conveyance, unless such additional cause is endorsed onto this policy;

(3) Exhibition at fair grounds or on the premises of any national or international exposition unless such event is covered by endorsement to this policy.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.

   a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:

   a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

   b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

       we will pay up to an additional $100,000 or 10% of the limit of insurance whichever is less.

2. Additionally Acquired Property Coverage

The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.
E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

We will not pay for more than the amount set opposite the respective articles in the applicable schedules of covered property. The amounts so indicated are agreed to be the value of the articles.

If a total loss occurs to any covered article or articles which are a part of a set, we will pay you the full amount of the value of such set as specified in the applicable schedule, and you agree to surrender the remainder article or articles of the set to us.

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

a. Coverage Territory
   (1) We cover property wherever located except that Fine Arts are only covered within:
       (a) The United States of America;
       (b) The District of Columbia;
       (c) Puerto Rico; and
       (d) Canada.

b. Coinsurance
   If a Coinsurance percentage is shown in the Declarations, the following condition applies:

   We will not pay the full amount of any loss or damage if the value of the Covered Property at the time and location of the loss or damage times the Coinsurance percentage shown in the Declarations is greater than the Limit of Insurance for all Covered Property at that location.

   Instead, we will determine the most we will pay using the following steps:

   (1) Multiply the value of the Covered Property at the time and location of the loss or damage by the Coinsurance percentage;

   (2) Divide the Limit of Insurance for the Covered Property at the location by the figure determined in Step (1);

   (3) Multiply the total amount of loss or damage at the location, before the application of any deductible, by the figure determined in Step (2); and

   (4) Subtract the deductible from the figure determined in Step (3).

   We will pay the amount determined in Step (4) or the applicable Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

   If one Limit of Insurance applies to two or more separate locations, this condition will apply to the total of all property at all such covered locations.

c. Fine Arts Premium

   The premium for the coverage has been computed based upon your statement that the property was at the locations shown in the Declarations applicable to this Amendment on the date this coverage became effective.

F. Definitions

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

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

3. "Fine Arts" means:

   Fine arts of every description including but not limited to antiques, paintings, etchings, drawings, tapestries, sculptures and fragiles property such as porcelains, china and marble.
Allianz Global Corporate & Specialty®

Scheduled Property Floater Declarations
Commercial Inland Marine

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer: AMWINS ACCESS
Effective Date: 07/01/2012

Schedule of Coverage

Insurance is provided only for those coverages for which a Limit of Insurance is shown in these Declarations.

Rate and Premium
Rate: $Various
Premium: $

Description of Covered Property:

Office Equipment per schedule on file with us 07/19/2012.
Miscellaneous Property per schedule on file with us dated 07/19/2012

Location of Covered Property

As per schedule on file with us dated 07/19/2011

Limit of Liability

As per schedule on file with us dated 07/19/2011

All Covered Property in any one occurrence

$747,485

☐ If this box is checked, Exclusion B.1.a. Earth Movement is deleted.
☐ If this box is checked, Exclusion B.1.e. Water is deleted.

Deductibles
A. All Covered Causes of Loss other than B. or C. below
B. Earth Movement (as defined in Exclusion B.1.a.)
C. Water (as defined in Exclusion B.1.e.)

$1,000

$0

$0

(If no entry appears above, information required to complete this Endorsement will be shown in the Declarations as applicable to this Endorsement.)
This Form must be attached to Change Endorsement when issued after the policy is written.

_______________________________________
Secretary

______________________________________
President
Scheduled Property Floater Coverage Form

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance. Other words and phrases that appear in quotation marks have special meaning. Refer to Section F. Definitions.

In return for your payment of the premium shown in the Declarations which are part of this policy, we provide the coverage described herein subject to all the conditions of this policy. This coverage is also subject to the additional policy conditions relating to assignment or transfer of rights or duties, cancellation, changes or modifications, inspections, and examination of books and records. Endorsements and schedules may also apply as identified in the Declarations or schedule of coverages.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property
   a. Covered Property means:
      (1) Your property; or
      (2) Property of others in your care, custody, and control.
   b. Coverage Conditions
      We only cover your property and property of others that are described in the Declarations.

2. Property Not Covered
   Covered Property does not include:
   a. Aircraft, watercraft or vehicles licensed or designed for highway use.
   b. Buildings or land (including land on which the property is located) or water.
   c. Accounts, bills, currency, deeds, food stamps or other evidences of debt, money, notes or securities.
   d. Property while waterborne except while in transit in the custody of a carrier for hire operating on inland waterways.
   e. Contraband or property in the course of illegal transportation or trade.

3. Covered Causes of Loss

Covered Causes of Loss means Risks of Direct Physical Loss or Damage to Covered Property from any external cause except those causes of loss listed in the Exclusions.

4. Additional Coverages
   a. Debris Removal Coverage
      (1) We will pay your reasonable expenses to remove debris of Covered Property caused by or resulting from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if they are reported to us in writing within 180 days of the date of the direct physical loss or damage.
      (2) The most we will pay under this Additional Coverage is the lesser of 25% of:
          (a) The amount we pay for the direct physical loss or damage to Covered Property; plus the deductible in this policy applicable to that loss or damage.
          (b) The applicable Limit of Insurance.

But this limitation does not apply to any additional debris removal limit provided in the Limits of Insurance Section.
(3) This Additional Coverage does not apply to costs to:
   (i) Extract "pollutants" from land or water; or
   (ii) Remove, restore or replace polluted land or water.

b. Preservation of Property

If it is necessary to move Covered Property from the described premises to preserve it from loss or damage by a Covered Cause of loss, we will pay for any direct physical loss to that property:

(1) While it is being moved or while temporary stored at another location; and
(2) Only if the loss or damage occurs within 30 days after the property is first moved.

c. Pollutant Cleanup And Removal

We will pay your expenses to extract "pollutants" from land or water at the described premises if the discharge, dispersal, seepage, migration, release or escape of the "pollutants" is caused by or results from a Covered Cause of Loss that occurs during the policy period. The expenses will be paid only if reported to us within 180 days on which the Covered Loss occurs.

This Additional Coverage does not apply to costs to test for, monitor or assess the existence, concentration or effects of "pollutants". But we will pay for testing which is performed in the course of extracting the "pollutants" from the land or water.

The most we will pay under this Additional Coverage is $10,000 for the sum of all such expenses arising out of Covered Causes of Loss occurring during each separate 12-month period of this policy.

5. Coverage Extensions

Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the policy period. The most we will pay for loss or damage is $10,000.

B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss or damage.

   a. Earth Movement

      (1) Earthquake, including any earth sinking, rising or shifting related to such event;
      (2) Landslide, including any earth sinking, rising or shifting related to such event;
      (3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;
      (4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

      But if Earth Movement, as described in a.(1) through (4) above, results in fire or explosion, we will pay for the loss or damage caused by that fire or explosion.

      (5) Volcanic eruption, explosion or effusion. But if volcanic eruption, explosion or effusion results in fire, building glass breakage or Volcanic Action, we will pay for the loss or damage caused by that fire, building glass breakage or Volcanic Action.

      Volcanic Action means direct loss or damage resulting from the eruption of a volcano when the loss or damage is caused by:
      (a) Airborne volcanic blast or airborne shock waves;
      (b) Ash, dust or particulate matter; or
      (c) Lava flow.
All Earth Movements that occur within any 168-hour period will constitute a single occurrence.

Volcanic Action does not include the cost to remove ash, dust or particulate matter that does not cause direct physical loss or damage to the described property.

b. Governmental Action

Seizure or destruction of property by order of governmental authority.

But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

c. Nuclear Hazard

(1) Any weapon employing atomic fission or fusion; or
(2) Nuclear reaction or radiation, or radioactive contamination from any other cause. But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

d. War And Military Action

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

e. Water

(1) Flood, surface water, waves (including tidal wave and tsunami), tides, tidal water, overflow of any body of water, or spray from any of these, all whether or not driven by wind (including storm surge); or
(2) Waterborne material carried or otherwise moved by any of the water referred to in Paragraph (1).

This exclusion applies regardless of whether any of the above, in Paragraphs (1) and (2), is caused by an act of nature or is otherwise caused. An example of a situation to which this exclusion applies is the situation where a dam, levee, seawall or other boundary or containment system fails in whole or in part, for any reason, to contain the water.

But if any of the above, in Paragraphs (1) and (2), results in fire, explosion or theft, we will pay for the direct loss or damage caused by that fire, explosion or theft if these causes of loss would be covered under this coverage form.

f. Fungi, Wet Rot And Dry Rot

Presence, growth, proliferation, spread or any activity of "fungi", or wet or dry rot.

But if "fungi", or wet or dry rot results in a Covered Cause of Loss, we will pay for the loss or damage caused by that Covered Cause of Loss.

This exclusion does not apply:

(1) When "fungi", or wet or dry rot results from fire or lightning; or
(2) To the extent that coverage is provided in the Additional Coverage – Limited Coverage For “Fungi”, Wet Rot And Dry Rot with respect to loss or damage by a cause of loss other than fire or lightning.

g. Virus, Bacterium Or Other Microorganism

Any virus, bacterium or other microorganism that induces or is capable of inducing physical distress, illness or disease.

However, this exclusion does not apply to loss or damage caused by or resulting from “fungi”, wet rot or dry rot. Such loss or damage is addressed in the previous exclusion.

The terms of this exclusion, or the inapplicability of this exclusion to a
particular loss, does not serve to create coverage for any loss that would otherwise be excluded under this Coverage Part.

This exclusion applies to all coverage under all forms and endorsements that comprise this Coverage Part, including but not limited to forms or endorsements that cover business income, extra expense or action of civil authority.

Exclusions B.1.a. through B.1.g. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Theft from any unattended vehicle unless at the time of theft its windows, doors and compartments were closed and locked and there are visible signs that the theft was the result of forced entry.

But this exclusion does not apply to property in the custody of a carrier for hire.

b. Delay, loss of use, loss of market or any other consequential loss.

c. Unexplained disappearance.

d. Shortage found upon taking inventory.

e. Dishonest or criminal act committed by:
   (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
   (2) A manager or a member if you are a limited liability company;
   (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
   (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

f. Artificially generated electrical, magnetic or electromagnetic energy that damages, disturbs, disrupts or otherwise interferes with any:
   (1) Electrical or electronic wire, device, appliance, system or network; or
   (2) Device, appliance, system or network utilizing cellular or satellite technology.

But if fire results, we will pay for the loss or damage caused by that fire if the fire would be covered under this coverage form.

For the purpose of this exclusion, electrical, magnetic or electromagnetic energy includes but is not limited to:

(1) Electrical current, including arcing;
(2) Electrical charge produced or conducted by a magnetic or electromagnetic field;
(3) Pulse of electromagnetic energy; or
(4) Electromagnetic waves or microwaves.

g. Voluntary parting with any property by you or anyone entrusted with the property if induced to do so by any fraudulent scheme, trick, device or false pretense.

h. Unauthorized instructions to transfer property to any person or to any place.

i. Neglect of an insured to use all reasonable means to save and preserve property from further damage at or after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage to Covered Property by a Covered Cause of Loss results, we will pay for the loss or damage to Covered Property caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. to produce the loss or damage.
b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:
   (1) Planning, zoning, development, surveying, siting;
   (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
   (3) Materials used in repair, construction, renovation or remodeling; or
   (4) Maintenance;
   of part or all of any property wherever located.

d. Wear and tear.

e. Marring or scratching.

f. Any quality in the property that causes it to damage or destroy itself, hidden or latent defect, or gradual deterioration.

g. Mechanical breakdown, including rupture or bursting caused by centrifugal force.

h. Insects, birds, rodents or other animals.

i. Rust or other corrosion, dampness or dryness of atmosphere, or changes in or extremes of temperature.

j. “Additional Water Damage”.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

Payments under the following Additional Coverages will not increase the applicable Limit of Insurance:

1. Debris Removal Coverage but, if:

   a. The sum of direct physical loss or damage and debris removal expense exceeds the Limit of Insurance; or

   b. The debris removal expense exceeds the amount payable under the 25% limitation in the Debris Removal Additional Coverage;

   we will pay up to an additional $100,000 or 10% to the limit of insurance whichever is less.

2. Preservation Of Property

   The limits applicable to all other Additional Coverages are in addition to the Limits of Insurance

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limit of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

If more than one deductible is applicable under this Coverage Form, we will only apply the highest amount that is applicable.

E. Additional Conditions

1. The Valuation General Condition in the Commercial Inland Marine Conditions is replaced by the following:

   a. The value of each item of property that is individually listed and described in the Declarations is the applicable Limit of Insurance shown in the Declarations for that item.

   b. The value of all Covered Property, including newly acquired property, will be the least of the following amounts:

      (1) The actual cash value of that property;
      (2) The cost of reasonably restoring that property to its condition immediately before loss; or
      (3) The cost of replacing that property with substantially identical property.

   In the event of loss or damage, the value of property will be determined as of the time of loss or damage

2. The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:
a. **Coverage Territory**
   (1) We cover property wherever located within:
       (a) The United States of America;
       (b) The District of Columbia;
       (c) Puerto Rico; and
       (d) Canada.

F. **Definitions**

1. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or by-products produced or released by fungi.

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

3. "Additional Water Damage" means:
   a. Mudslide or mudflow;
   b. Water that backs up or overflows or is otherwise discharged from a sewer, drain, sump, sump pump or related equipment.
   c. Water under the ground surface pressing on, or flowing or seeping through:
      (1) Foundations, walls, floors or paved surfaces;
      (2) Basements, whether paved or not; or
      (3) Doors, windows or other openings; or
   d. Waterborne material carried or otherwise moved by any of the water referred in paragraph b. or c.; or material carried or otherwise moved by mudslide or mudflow.
Fungi Limitation Endorsement
Commercial Inland Marine

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer: AMWINS ACCESS Effective Date: 07/01/2012

This endorsement modifies insurance provided under the following:

Commercial Inland Marine Coverage Part
All Other Property or Inland Marine Coverage Forms, Sections, or Endorsements attached to this policy

Schedule of Additional Limit

☐ $50,000
☐ $100,000
☐ $250,000

1. The terms fungus and mold are deleted wherever they may appear in the coverage parts, coverage sections, forms or endorsements described above and attached to this policy.

2. The following exclusion applies to any coverage part, coverage form, coverage section, coverage provision, extension of coverage, additional coverage, coverage enhancement, or amendatory endorsement attached to this policy:

   a. This insurance does not apply to any loss, damage, expense, injury, economic loss, economic detriment, liability, or claim is excluded regardless of any other cause, condition, event, material, product or building component, that contributes concurrently or in any sequence to the loss, damage, expense, injury, economic loss, economic detriment, liability or claim.

3. The following coverage extension is added:

   Fungi

   a. If "fungi" is the result of a Covered Cause of Loss, we will pay, subject to the limitation in subsection 3.d. (below), for:

      (1) Direct physical loss of or damage to Covered Property, or Property Insured; or

      (2) Your liability for property of others;

At the premises shown in the Declarations, caused by or resulting from "fungi". This includes the necessary and reasonable cost incurred to test for, monitor, abate, mitigate,
remove, dispose of, or remediate "fungi".

b. Coverage provided by this extension applies only if the presence of "fungi" is reported to us within 30 days of the occurrence of the covered loss that is alleged to have caused this condition.

c. Coverage provided by this extension includes:

(1) The actual loss of Business Income you sustain;

(2) The necessary Extra Expense you incur; or

(3) Ordinance or Law Coverage;

if the Coverage Section, policy Declarations, or an endorsement attached to this policy show that you have Business Income, Extra Expense, or Ordinance or Law Coverage.

d. Regardless of any other limits or coverages stated in this policy, or the number of locations involved, the most we will pay under this coverage extension in any one occurrence or in the "annual aggregate" during this policy period is $25,000 or the amount indicated in the above Schedule of Additional Limit. The provisions of this extension do not increase any Limits of Insurance provided by this policy.

4. Additional Definitions

a. "Annual Aggregate" means the most we will pay for all loss or damage arising from all occurrence(s) during any one Policy Period. "Annual Aggregate" Limit(s) of Insurance are reduced by the amount of any paid loss insured under this coverage extension.

If the policy is written for a term of more than one year, we will apply the "annual aggregate" limit of insurance separately to each consecutive year of the Policy Period. If the policy is extended for a period of time that is less than a year, the "annual aggregate" from the prior term applies to the extended period of time.

b. "Fungi" means all types of fungus, such as mildew and mold, and all of their resulting spores and byproducts, including mycotoxins and allergens. "Fungi" does not mean "fungi" for human ingestion.

For purposes of this "Fungi" Coverage Extension, "fungi" is not considered a "pollutant".

This endorsement is otherwise subject to all other terms, conditions, provisions and stipulations of the policy to which it is attached.

This Form must be attached to Change Endorsement when issued after the policy is written.
CERTIFIED ACTS OF TERRORISM EXCLUSION – TER 9000 01 10

This endorsement modifies insurance provided under the following:

Commercial Inland Marine Coverage Part(s)
Commercial Property Coverage Part(s)

I. Certified Acts of Terrorism Exclusion

We will not pay for loss, damage, or any liability caused directly or indirectly by a certified act of terrorism. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

II. Coverage for Certain Fire Losses

A. 1. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that does not exempt Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:
   Commercial Inland Marine Coverage Part(s)
   Commercial Property Coverage Part(s)

   2. If the location of your Covered Property or Property Insured is within a jurisdiction that has a Standard Fire Policy law that exempts Commercial Inland Marine, item II.B. (below) further modifies insurance under the following coverage parts:

   Commercial Property Coverage Part(s)

B. If a certified act of terrorism results in fire, then we will pay for the loss or damage caused by that fire. Such coverage for fire applies only to direct loss or damage by fire to Covered Property or Property Insured. Therefore, for example, the coverage does not apply to insurance provided under Business Income and/or Extra Expense coverage forms or endorsements which apply to those forms, or to the Legal Liability Coverage Form, or the Leasehold Interest Coverage Form, or the Net Leasehold Coverage Form.
C. Notwithstanding II.B. above, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act, as amended, exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, as amended, then we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

III. Application of Other Exclusions

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Coverage Part, Coverage Section, or Policy, such as losses excluded by the Nuclear Hazard Exclusion or the War And Military Action Exclusion.

IV. Definitions

The following definition is added with respect to the provisions of this endorsement:

Certified act of terrorism means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act, as amended. The criteria contained in that Act for a certified act of terrorism include the following:

A. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act, as amended; and

B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

V. All other terms and conditions of the policy remain unchanged.
This policy is extended to cover Leased, Rented or Borrowed Equipment and Temporary Fine Art Items. This includes Equipment Leased or Rented by University Students for course related projects, but only when authorized to do so by University Administration or Faculty.

The most we will pay for loss or damage to Leased, Rented or Borrowed Equipment or Temporary Art related Items is $100,000 per loss unless a higher limit is reported to the company.

Other terms remain unchanged.
ENDORSEMENT 002
POLICY LIMIT OF INSURANCE

<table>
<thead>
<tr>
<th>Insured</th>
<th>THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer</td>
<td>AMWIN'S ACCESS</td>
</tr>
<tr>
<td>Effective Date</td>
<td>07/01/2012</td>
</tr>
<tr>
<td>Policy Number</td>
<td>MXI98308874</td>
</tr>
</tbody>
</table>

This Company's liability will not exceed the respective Limits of Liability shown elsewhere for the coverage involved. However, in no event will the company's total limit exceed $10,000,000 as a result of any one loss, disaster or occurrence, regardless the number of perils, coverages or locations involved.
REPORTING CONDITIONS

The following reporting conditions applies:

1. Premium Computation and Adjustment -- The premium will be adjusted as of each adjustment period indicated in the Reporting Schedule below and will be computed using the rate indicated.

   When a quarterly adjustment period is indicated in the schedule, at the end of each quarter "we" will compare the total computed premium to the deposit premium, any premium residual will apply to the next quarter. If the deposit premium is exhausted, "you" will pay "us" the difference. If at the end of the policy term there is any premium left "we" will pay "you" the difference, subject to the minimum premium indicated in the schedule.

   If "your" coverage is canceled "you" will report the total value of all covered property, up to and including the date of cancellation.

2. Reports -- The following provisions apply to reports that are submitted and may affect How Much We Pay:

   a. if "you" have failed to submit the required reports of value as of the time of a loss "we" will not pay "you" more than the amount included in "your" last report. If no report has been submitted the most "we" will pay is 90% of the "limit".

   Reporting Period -- (check one)
   
   Monthly
   (X) Quarterly
   Annual

   Adjustment Period -- (check one)
   
   Monthly
   (X) Quarterly
   Annual
Reports Of Value -- Within 30 days after the end of each reporting period indicated above, "you" will report to "us" the total value of:

(X) FINE ARTS
(X) CAMERA EQUIPMENT
(X) MUSICAL INSTRUMENTS
(X) OFFICE EQUIPMENT
(X) EDP
(X) LAPTOPS
(X) Miscellaneous
ENDORSEMENT 004
FINE ARTS NEWLY ACQUIRED PROPERTY, PROPERTY AT TEMPORARY LOCATIONS AND EXPANDED COVERAGE TERRITORY

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer: AMWINS ACCESS

Effective Date: 07/01/2012

The limit of insurance described in b. Additionally Acquired Property Coverage of 4. Additional Coverages of Section A. Coverage of the Fine Arts Coverage Form FR 5017 is amended from $10,000 to $150,000.

The following is added to E. Additional Conditions, 2.a. Coverage Territory of the Fine Arts Coverage Form FR 5017, e. Worldwide, except that the most we will pay for any loss to covered property that occurs outside The United States of America, The District of Columbia, Puerto Rico, or Canada is $150,000.

All other terms remain unchanged.
ENDORSEMENT 005
COMMERCIAL ARTICLES NEWLY ACQUIRED PROPERTY

<table>
<thead>
<tr>
<th>Insured</th>
<th>THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE</th>
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</tr>
</tbody>
</table>

The limit of insurance described in b. of 3. Additional Acquired Property of E. Additional Conditions of The Commercial Articles Coverage Form CM 00 20 is amended from $10,000 to $150,000.

All other terms remain unchanged.
COMMERCIAL ARTICLES DECLARATIONS

AGCS Marine Insurance Company

Named Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer or Agent Name: AMWINS ACCESS

Effective Date: 07/01/2012

PREMIUM FOR THIS COVERAGE FORM $  __________

LIMITS OF INSURANCE

<table>
<thead>
<tr>
<th>Description of Property</th>
<th>Limit Of Insurance</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Cameras, projection machines, films and related equipment and accessories</td>
<td></td>
</tr>
<tr>
<td>As per schedule on file with us dated 7/19/2012</td>
<td>$ 342,735</td>
</tr>
<tr>
<td>Total</td>
<td>$ 342,735</td>
</tr>
<tr>
<td>B. Musical instruments and related equipment and accessories</td>
<td></td>
</tr>
<tr>
<td>As per schedule on file with us dated 07/19/2012</td>
<td>$ 3,033,127</td>
</tr>
<tr>
<td>Total</td>
<td>$ 3,033,127</td>
</tr>
</tbody>
</table>

DEDUCTIBLE

The Deductible amount is $500 unless otherwise stated. $ 1,000

COINSURANCE

For covered items that are not individually listed and described, the Coinsurance percentage is 100% unless otherwise stated. %
### RATE AND PREMIUM

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>A.</strong> Cameras, projection machines, films and related equipment and accessories</td>
<td>As per endorsement 003</td>
<td>$</td>
</tr>
<tr>
<td><strong>B.</strong> Musical instruments and related equipment and accessories</td>
<td>As per endorsement 003</td>
<td>$</td>
</tr>
</tbody>
</table>

### SPECIAL PROVISIONS (if any)

This Form must be attached to a Change Endorsement when issued after the policy is written.

[Signatures]

---

Secretary

President
COMMERCIAL ARTICLES COVERAGE FORM

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

Throughout this policy, the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we", "us" and "our" refer to the Company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning.

A. Coverage

We will pay for direct physical loss of or damage to Covered Property from any of the Covered Causes of Loss.

1. Covered Property, as used in this coverage form, means:
   a. Cameras, projection machines, films and related equipment and accessories;
   b. Musical instruments and related equipment and accessories; and
   c. Similar property of others that is in your care, custody or control.

2. Property Not Covered

Covered Property does not include contraband, or property in the course of illegal transportation or trade.

3. Covered Causes Of Loss

Covered Causes of Loss means Direct Physical Loss Or Damage to Covered Property except those causes of loss listed in the Exclusions.

4. Additional Coverage – Collapse

The coverage provided under this Additional Coverage – Collapse applies only to an abrupt collapse as described and limited in Paragraphs a. through c.

   a. For the purpose of this Additional Coverage – Collapse, abrupt collapse means an abrupt falling down or caving in of a building or any part of a building with the result that the building or part of the building cannot be occupied for its intended purpose.

   b. We will pay for direct physical loss or damage to Covered Property, caused by abrupt collapse of a building or any part of a building that contains Covered Property insured under this coverage form, if such collapse is caused by one or more of the following:

      (1) Building decay that is hidden from view, unless the presence of such decay is known to an insured prior to collapse;

      (2) Insect or vermin damage that is hidden from view, unless the presence of such damage is known to an insured prior to collapse;

      (3) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs during the course of the construction, remodeling or renovation.

      (4) Use of defective material or methods in construction, remodeling or renovation if the abrupt collapse occurs after the construction, remodeling or renovation is complete, but only if the collapse is caused in part by:

         (a) A cause of loss listed in Paragraph (1) or (2);

         (b) One or more of the following causes of loss: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; all only as insured against in this coverage form;

         (c) Weight of people or personal property; or

         (d) Weight of rain that collects on a roof.

   c. This Additional Coverage – Collapse will not increase the Limits of Insurance provided in this coverage form.
B. Exclusions

1. We will not pay for loss or damage caused directly or indirectly by any of the following. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. Governmental Action
   Seizure or destruction of property by order of governmental authority.
   But we will pay for loss or damage caused by or resulting from acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread if the fire would be covered under this coverage form.

b. Nuclear Hazard
   Nuclear reaction or radiation, or radioactive contamination, however caused.
   But if nuclear reaction or radiation, or radioactive contamination results in fire, we will pay for the direct loss or damage caused by that fire if the fire would be covered under this coverage form.

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

Exclusions B.1.a. through B.1.c. apply whether or not the loss event results in widespread damage or affects a substantial area.

2. We will not pay for loss or damage caused by or resulting from any of the following:

a. Delay, loss of use, loss of market or any other consequential loss.

b. Dishonest or criminal act committed by:
   (1) You, any of your partners, employees, directors, trustees, or authorized representatives;
   (2) A manager or a member if you are a limited liability company;
   (3) Anyone else with an interest in the property, or their employees or authorized representatives; or
   (4) Anyone else to whom the property is entrusted for any purpose.

This exclusion applies whether or not such persons are acting alone or in collusion with other persons or such acts occur during the hours of employment.

This exclusion does not apply to Covered Property that is entrusted to others who are carriers for hire or to acts of destruction by your employees. But theft by employees is not covered.

d. Unauthorized instructions to transfer property to any person or to any place.

e. Neglect of an insured to use all reasonable means to save and preserve property from further damage at and after the time of loss.

3. We will not pay for loss or damage caused by or resulting from any of the following. But if loss or damage by a Covered Cause of Loss results, we will pay for the loss or damage caused by that Covered Cause of Loss.

a. Weather conditions. But this exclusion only applies if weather conditions contribute in any way with a cause or event excluded in Paragraph 1. above to produce the loss or damage.

b. Acts or decisions, including the failure to act or decide, of any person, group, organization or governmental body.

c. Faulty, inadequate or defective:
   (1) Planning, zoning, development, surveying, siting;
   (2) Design, specifications, workmanship, repair, construction, renovation, remodeling, grading, compaction;
   (3) Materials used in repair, construction, renovation or remodeling; or
   (4) Maintenance; of part or all of any property wherever located.

d. Collapse, including any of the following conditions of property or any part of the property:
   (1) An abrupt falling down or caving in;
   (2) Loss of structural integrity, including separation of parts of the property or property in danger of falling down or caving in; or
Any cracking, bulging, sagging, bending, leaning, settling, shrinking or expansion as such condition relates to Paragraph (1) or (2).

This Exclusion, d., does not apply to the extent that coverage is provided under the Additional Coverage – Collapse or to collapse caused by one or more of the following: Fire; lightning; windstorm; hail; explosion; smoke; aircraft; vehicles; riot; civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; breakage of building glass; falling objects; weight of snow, ice or sleet; water damage; earthquake; weight of people or personal property; weight of rain that collects on a roof.

e. Wear and tear, any quality in the property that causes it to damage or destroy itself, gradual deterioration; insects, vermin or rodents.

C. Limits Of Insurance

The most we will pay for loss or damage in any one occurrence is the applicable Limit of Insurance shown in the Declarations.

D. Deductible

We will not pay for loss or damage in any one occurrence until the amount of the adjusted loss or damage before applying the applicable Limits of Insurance exceeds the Deductible shown in the Declarations. We will then pay the amount of the adjusted loss or damage in excess of the Deductible, up to the applicable Limit of Insurance.

E. Additional Conditions

The following conditions apply in addition to the Commercial Inland Marine Conditions and the Common Policy Conditions:

1. Coverage Territory

We cover property wherever located.

2. Coinsurance

If a Coinsurance percentage is shown in the Declarations, the following condition applies to all items that are covered but not individually listed and described.

We will not pay the full amount of any loss if the value of Covered Property, except property in transit, at the time of loss times the Coinsurance percentage shown for it in the Declarations is greater than the Limit of Insurance for the property.

Instead, we will determine the most we will pay using the following steps:

a. Multiply the value of Covered Property, except property in transit, at the time of loss by the Coinsurance percentage;

b. Divide the Limit of Insurance of the property by the figure determined in Step a.;

c. Multiply the total amount of loss, before the application of any deductible, by the figure determined in Step b.; and

d. Subtract the deductible from the figure determined in Step c.

We will pay the amount determined in Step d. or the Limit of Insurance, whichever is less. For the remainder, you will either have to rely on other insurance or absorb the loss yourself.

3. Additional Acquired Property

If during the policy period you acquire additional property of a type already covered by this form, we will cover such property for up to 30 days, but not beyond the end of the policy period. The most we will pay for loss or damage is the lesser of:

a. 25% of the total Limit of Insurance shown in the Declarations for that type of property; or

b. $10,000.

You will report such property within 30 days from the date acquired and will pay any additional premium due. If you do not report such property, coverage will cease automatically 30 days after the date the property is acquired or at the end of the policy period, whichever occurs first.
Pollutant Removal Endorsement
Policy Amendment(s) Commercial Inland Marine

Insured: THE STATE OF CALIFORNIA ACTING BY AND THROUGH THE TRUSTEES OF THE CALIFORNIA STATE UNIVERSITY
C/O CALIFORNIA STATE UNIVERSITY CHANCELLORS OFFICE

Policy Number: MXI98308874

Producer: AMWINS ACCESS
Effective Date: 07/01/2012

A. Coverage
1. We will pay your reasonable cost to extract “pollutants” from land or water. The release, discharge or dispersal of the “pollutants” must result from a covered loss and must occur during the policy period.

2. This coverage only applies if no later than 180 (one hundred eighty) days from the date of loss or from the end of the policy period, whichever comes first, you:
   a. discover the loss; and
   b. report the loss to us in writing.

B. Limits of Insurance
1. The most we will pay in any one loss is the lesser of:
   a. 10% of the applicable Limit of Insurance; or
   b. $10,000.

2. Under this coverage, the most we will pay for all claims for loss which occurs at any one location during the policy period is $10,000. If this policy is written for a term of more than one year, we will apply this limit separately to each consecutive year of the policy period.

3. We will not pay:
   a. the cost to repair, replace or restore property damaged or destroyed by extraction of pollutants;
   b. the cost to extract “pollutants” from land or water:
      (1) at any location used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
      (2) at any location if the “pollutants” are released, dispersed or discharged from a location which is used for the handling, treatment, storage or disposal of waste unless the policy has been specifically extended to cover property at that location;
      (3) at any location if the “pollutants” arise out of or are a consequence of nuclear reaction or radiation, or radioactive contamination.

C. Coinsurance
The Coinsurance provision, if any, in this policy does not apply to this Extension of Coverage.

D. Exclusions
The following exclusions are added:

1. Ordinance or Law
   We do not cover loss or damage caused by or resulting from the enforcement of any ordinance or law:
   a. regulating the use or repair of any property; or
   b. requiring the tearing down or removal of any property, including the cost of removing its debris.

2. “Pollutants”
   We do not cover loss or damage caused by or resulting from the release, discharge or dispersal of “pollutants” unless the release, discharge or dispersal is caused by one of the perils listed below applying to the insured property. But we do cover loss caused by:
a. Fire or Lightning
b. Explosion;
c. Aircraft or Vehicles;
d. Windstorm or Hail;
e. Riot or Civil Commotion;
f. Leakage from Fire Extinguishing Equipment;

g. Volcanic Action;
h. Vandalism or Malicious Mischief;
i. Collision, upset or overturn of a transporting vehicle; which results in the release, discharge or dispersal of pollutants.

This Form must be attached to Change Endorsement when issued after the policy is written.

E. Definitions

1. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
Coverage Summary

Coverage: Student Travel Accident
Policy Term: December 31, 2011– December 30, 2012
Policy Number: NHH000314
Insurer: QBE Insurance Corp
Named Insured: Trustees of California State University, et al
Headquarter: Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 5th Floor
Long Beach, CA  90802-4210
Covered Parties: Enrolled students, including students enrolled only in extended education programs, of the California State University

Medical Expense Benefit: Full Excess
Medical Expense Limit: $10,000 Total Maximum Benefit Amount
Per Covered Person, Per Covered Accident
Medical Expense Deductible: $0 per Covered Person/Per Injury
Hazards Insured Against: Injuries to the Insured while:
(1) away from Campus, or
(2) traveling to or from or participating in a school sponsored activity.
School Sponsored Activity: Travel or participation in activities away from campus which:
(1) is a part of a course requirement, or
(2) is sponsored by a university auxiliary organization or other recognized student organization or club, or
(3) includes travel to or from intercollegiate athletic events away from campus but does not include participation in such events or practices.

Claims Reporting: Report claims within 30 days after the covered loss occurs or begins or as soon as reasonably possible.
Complete the HSR claim reporting form and send the completed form directly to:
Health Special Risk (HSR)
HSR Plaza II, 4100 Medical Parkway
Carrollton, Texas  75007
Tel: (972) 512-5600
Fax: (972) 512-5820
Email: CSRM@hsri.com

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
RENEWAL AMENDMENT

This Amendment is attached to and made part of the Policy specified above. It is subject to all of the Policy provisions that do not conflict with its provisions.

Policyholder: The Trustees of California State University
Policy No.: NHH000314
Amendment Effective Date: December 22, 2011

Policyholder and We hereby agree that the Policy and any Certificates delivered under the Blanket Accident Policy are amended as follows:

An Additional Policy Term is added to Page 1. This Additional Policy Term is

December 31, 2011 to December 31, 2012

Premium Guaranteed for the Additional Policy Term is

This Premium Guarantee is subject to the Cancellation and Premium Rate Change sections of the Administrative Provisions of this Policy.

QBE Insurance Corporation

Robert D. Byler, President
APPLICATION FOR BLANKET ACCIDENT INSURANCE
Accidental Death and Accident Medical Benefits

Part I  Proposed Policyholder

a. Full Legal Name of Proposed Policyholder
   The Trustees of California State University - NHH000314

b. Address
   1325 J Street, Room 1800, Sacramento, CA 95814

c. Proposed Policyholder is  Educational institution
   Please describe type of entity that will own policy

d. Requested Effective Date  December 31, 2010
   Policy will become effective on the Requested Effective Date only if (a) all required
   information is provided and (b) all required premium is paid.

e. Who will be insured? Eligible Persons participating in Covered Activities as shown on the
   Schedule of Benefits

Part II  Plan of Insurance and Premium Calculation

Annual Premium: $

Plan of Benefits: Accident Medical Expense Benefits - $10,000

Scope of Coverage: Full Excess
Deductible: $0
Accidental Death Benefit $10,000
Accidental Dismemberment Benefit up to $10,000

Part III  Acknowledgements and Signatures

a. Fraud Warning  Any person who, knowingly and with intent to injure, defraud or deceive an
   insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete
   or misleading information, may be guilty of insurance fraud.

b. Applicant’s Acknowledgement  I, the applicant, declare, to the best of my knowledge and belief,
   that all statements and answers in this application are true and complete. I understand and agree
   that (a) this application will form part of any policy issued, (b) no information given to or acquired
   by any representative of QBEIC will bind it, unless it is in writing on this application, (c) no waiver or
   modification will bind the Company unless it is in writing and signed by an executive officer of
   QBEIC, and (d) only those persons eligible under the terms of an issued policy will be insured.

Dated at ______________________ on the _______ day of ___________ , 20________

Signed for the Proposed Policyholder  ____________________________  Signed by Licensed Agent

Title ____________________________  Agent License Number ____________________________
QBE INSURANCE CORPORATION
Administrative Office
Wall Street Plaza, 88 Pine Street, 16th Floor
New York, NY 10005

POLICYHOLDER: The Trustees of California State University
GROUP POLICY NUMBER: NHH000314
POLICY EFFECTIVE DATE: December 31, 2010
POLICY ISSUE DATE: December 17, 2010
POLICY TERM December 31, 2010 to December 31, 2011
STATE OF ISSUE: California

QBE Insurance Corporation, herein called the Company or We, Us or Our, in consideration of the Application for this Policy and the timely payment of Premiums, agrees, subject to the terms and conditions of the Policy, to insure the Policyholder’s eligible member.

This Policy describes the terms and conditions of insurance. It goes into effect, subject to its applicable terms and conditions, at 12:01 AM on the Policy Effective Date shown above, at the Policyholder’s address. It will remain in effect for the duration of the Policy Term shown above if premium is paid according to agreed terms.

This Policy terminates at 12:01 AM on the last day of the Policy Term unless the Policyholder and We have agreed to continue this Policy for an additional Policy Term. The laws of the State of Issue shown above govern this Policy.

We and the Policyholder agree to all of the terms of this Policy.

IN WITNESS WHEREOF QBE Insurance Corporation has caused this Policy to be executed on its Issue Date, to take effect on the Effective Date.

Stephen Fitzpatrick, President
Peter T. Maloney, Corporate Counsel & Corporate Secretary

• BLANKET ACCIDENT POLICY •
• NON-PARTICIPATING •

THIS POLICY PAYS BENEFITS FOR SPECIFIC LOSSES FROM ACCIDENTS ONLY. IT DOES NOT PAY BENEFITS FOR SICKNESS
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SCHEDULE OF BENEFITS

This Policy is intended to be read in its entirety. In order to understand all the conditions, exclusions and limitations applicable to its benefits, please read all the policy provisions carefully.

Eligible Persons: All enrolled students, including students enrolled only in extended education programs, of the California State University.

CONDITIONS OF COVERAGE
The benefits provided by this Policy will be paid, subject to applicable conditions, limitations and exclusions, under the following coverages.

<table>
<thead>
<tr>
<th>School Coverage</th>
<th>Personal Deviations covered</th>
<th>No</th>
</tr>
</thead>
<tbody>
<tr>
<td>Covered School Travel Limits</td>
<td>Travel arranged or provided by the Policyholder</td>
<td>No time limit</td>
</tr>
<tr>
<td>Any other covered travel immediately before or after a School Supervised or Sponsored Activity</td>
<td>No time limit</td>
<td></td>
</tr>
</tbody>
</table>

Covered Activities

**School Coverage:** Policyholder Supervised and Sponsored Activities while away from the Policyholder’s campus which:
1) are part of a course requirement; or
2) are sponsored by a university auxiliary organization, including but not limited to associated student associations, or other recognized student organization or club, including Policyholder supervised and sponsored field trips.

On-campus Policyholder activities are not included under Covered Activities.

Covered travel includes travel to and from intercollegiate athletic events away from campus, but does not include participation in such events or practices, nor does it include travel for participants in such events or practices.

Overnight Supervised and Sponsored Activities with duration of more than 7 days and related travel are not covered unless specifically agreed to in writing by Us.

Any Policyholder activities or field trips that are covered under other QBE Insurance Corporation policies issued to CSU are excluded from coverage under this policy.
INDEMNITY BENEFITS

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Principal Sum $10,000
Loss must occur within 365 days of the Covered Accident

Schedule of Covered Losses

<table>
<thead>
<tr>
<th>Covered Loss</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of Life</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of Two or More Hands or Feet</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of Sight of Both Eyes</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of One Hand or Foot and Sight in One Eye</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of One Hand or Foot</td>
<td>50% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of Sight in One Eye</td>
<td>50% of the Principal Sum</td>
</tr>
<tr>
<td>Loss of Thumb and Index Finger of the Same Hand</td>
<td>25% of the Principal Sum</td>
</tr>
</tbody>
</table>

Aggregate Limit of Indemnity $500,000
Applies to: All Conditions of Coverage

Not more than the Aggregate Limit of Indemnity specified above will be paid for all Covered Losses suffered by all Covered Persons insured under this Accidental Death and Dismemberment Benefit as the result of any one Covered Accident that occurs under one of the Conditions of Coverage, as specified above. If this amount does not allow all Covered Persons to be paid the amounts this Policy otherwise provides, the amount paid will be the proportion of the Covered Person’s loss to the total of all losses, multiplied by the Aggregate Limit of Indemnity.
Accident Medical Expense Benefits

Any benefit limits and Benefit Percentages for Accident Medical Expense Benefits apply, unless otherwise specified, on a per-Covered Person – per Covered Accident basis. Any applicable Deductibles must be satisfied within the time periods specified before benefits are payable.

Scope of Coverage Applicable to Accident Medical Benefits

- Full Excess Medical Expense
- Other Health Plan Reduction 50%

Medical Expense Benefits

- Total Lifetime Maximum for all Accident Medical Expense Benefits $10,000
- First Covered Expenses must be incurred within 180 days after a Covered Accident
- Benefit Period 1 year from the date of the Covered Accident
- Deductible $0 applies to each Covered Accident

Covered Expenses

In-Patient Hospital Services

- Daily ICU or CCU Benefit 100%, up to two times the average semi-private room rate
- Daily In-Hospital Benefit 100% of the average semi-private room rate
- Miscellaneous Services 100%

Ambulatory Medical Center 100%

Emergency Room Treatment 100%

Physician Services

- Surgery Benefit 100%
- Assistant Surgeon 100%
- Physician’s Surgical Facilities 100%
- Second Opinion or Consultation 100%
- Physician’s Assistant 100%
- Anesthesia Benefit 100%
- Inpatient Visits 100%
- Office Visits 100%

Outpatient X-Ray, CT Scan, MRI and Laboratory Tests 100%

Outpatient Physiotherapy 100%

Outpatient Nursing Services 100%

Ambulance Services 100%

Medical Equipment Rental 100%
Medical Services and Supplies  100%

Covered Services include:
(a) initial artificial limbs, eyes and larynx, including fitting; and
(b) replacement or repair of damaged eyeglasses, contact lenses or hearing aids.

Dental Services  100%

Prescription Drug Benefit  100%

RATE TABLE

Mode of Premium Payment  Annual
Premium Due Date  Policy Effective Date
Contributions  The cost of this insurance is paid by the Policyholder. Minimum and deposit premiums are fully earned and non-refundable.
GENERAL DEFINITIONS

Please note that certain words used in this Policy have specific meanings. The words defined below and capitalized within the text of this Policy have the meanings set forth below.

**Aircraft** means a vehicle which has a valid certificate of airworthiness and is being flown by a pilot with a valid license to operate the Aircraft.

**Appropriate Treatment** means care, services or supplies, provided by or at the direction of a Physician that are appropriate, according to accepted standards of medical practice, for the Covered Person’s injury and are provided during the course of treatment of an injury sustained in a Covered Accident. Appropriate Treatment must be provided no less frequently than monthly, unless the Covered Person’s Physician specifies in writing to Us that such treatment of injuries sustained in a Covered Accident can be provided at less frequent intervals.

**Benefit Percentage** means the percentage of Covered Expenses We pay that are Incurred by the Covered Person after he satisfies any applicable Deductible. Benefit Percentages are shown in the Schedule of Benefits.

**Covered Activity** means any recurring activity that is shown in the Schedule of Benefits and:
1. takes place under one of the Conditions of Coverage specified in the Schedule of Benefits; and
2. is sponsored, organized, scheduled or otherwise provided by the Policyholder.

**Company** or We, Us, Our, means QBE Insurance Corporation (QBEIC), domiciled in Pennsylvania.

**Covered Accident** means a sudden, unforeseeable, external event that results, directly and independently of all other causes, in an injury or loss and meets all of the following conditions:
1. occurs while the Covered Person is insured under this Policy;
2. is not contributed to by disease, sickness, or mental or bodily infirmity; and
3. is not otherwise excluded under the terms of this Policy.

**Covered Expenses** means the lesser of the Usual and Customary Charge and the maximum benefit shown, for services or supplies listed, in the Schedule of Benefits and described in the Accident Medical Expense Benefits section of this Policy. Covered Expenses must be Incurred by a Covered Person for Appropriate Treatment for injuries sustained in a Covered Accident.

**Covered Person** means an Eligible Person, as defined in the Schedule of Benefits, whom for required premium has been paid when due and for whom coverage under this Policy remains in force.

**Deductible** means the amount of Covered Expenses that each Covered Person must Incur before benefits are paid under this Policy. The Covered Person may use Covered Expenses paid under another Health Care Plan to satisfy the Deductible under this Policy only if so indicated in the Schedule of Benefits.

**He, Him or His** means an individual, male or female.

**Health Care Plan** means any arrangement, whether individually purchased or incident to employment or membership in an association or other group, which provides benefits or services for health care, dental care, disability benefits or repatriation of remains. A Health Care Plan includes group, blanket, franchise, family or individual:
1. insurance policies;
2. subscriber contracts;
3. uninsured agreements or arrangements;
4. coverage provided through Health Maintenance Organizations, Preferred Provider Organizations and other prepayment, group practice an individual practice plans;
5. medical benefits provided under automobile “fault” and no-fault – type contracts;
6. medical benefits provided by any governmental plan or coverage or other benefit law, except:
   a. a state-sponsored Medicaid plan; or
   b. a plan or law providing benefits only in excess of any private or non-governmental plan;
7. other valid and collectible medical or health care benefits or services.

**Hospital** means an institution that meets all of the following:
1. it is licensed as a Hospital pursuant to applicable law;
2. it is primarily and continuously engaged in providing medical care and treatment to sick and injured persons;
3. it is managed under the supervision of a staff of medical doctors;
4. it provides 24-hour nursing services by or under the supervision of a graduate registered nurse (R.N.);
5. it has medical, diagnostic and treatment facilities, with major surgical facilities on its premises, or available on a prearranged basis;
6. it charges for its services.

The term Hospital does not include a clinic, facility, or unit of a Hospital for:
1. rehabilitation, convalescent, custodial, or educational or nursing care;
2. the aged, drug addicts or alcoholics; or
3. a Veteran’s Administration Hospital or Federal Government Hospitals unless the Covered Person Incurs an expense.

**Hospital Stay** means a confinement in a Hospital, ordered by a Physician, over one or more nights when room and board and general nursing care are provided at a per diem charge made by the Hospital. The Hospital Stay must result directly and independently of all other causes from a Covered Accident.

**Incurred or Incurs** means an obligation to pay for a Covered Expense for treatment, service or purchase of supplies, deemed to be the date it is provided to the Covered Person.

**In-Patient** means a Covered Person who is confined for at least one full day’s Hospital room and board. The requirement that a person be charged for room and board does not apply to confinement in a Veteran’s Administration Hospital or Federal Government Hospital and in such case, the term “Inpatient” shall mean a Covered Person who is required to be confined for a period of at least a full day as determined by the Hospital.

**Nurse** means a licensed registered nurse (R. N.) or a licensed practical nurse (L. P. N.) who is not:
1. the Covered Person;
2. a parent, sibling, spouse or child of the Covered Person or the Covered Person’s spouse;
3. a person living in the Covered Person’s household; or
4. a person employed or retained by the Policyholder.

**Out-Patient** means a Covered Person who receives treatment, services and supplies while not an Inpatient in a Hospital.

**Personal Deviation** means any activity which:
1. is neither reasonably related to or incidental to the purpose of travel for which coverage is provided by this Policy; and
2. the Covered Person performs before, during or after covered travel.
When coverage is provided during a Personal Deviation, the time period covered is shown in the Conditions of Coverage section of the Schedule of Benefits.

**Physician** means a licensed health care provider practicing within the scope of his license and rendering care and treatment to a Covered Person that is appropriate for the condition and locality and who is not:
1. employed or retained by the Policyholder; or
2. living in the Covered Person’s household; or
3. a parent, sibling, spouse or child of the Covered Person.

**Usual and Customary Charge** means the normal charge, in the absence of insurance, made by the provider of any Appropriate Treatment, but not more than the prevailing charge in the area:
1. for a like service by a provider with similar training or experience; or
2. for a supply that is identical or substantially equivalent.
ELIGIBILITY, EFFECTIVE DATE AND TERMINATION PROVISIONS

Policy Effective Date
We agree to provide Blanket Accident Insurance Benefits described in this Policy in consideration of the Policyholder's application and payment of the initial premium when due. Insurance coverage begins on the Policy Effective Date shown on this Policy's first page.

Eligibility
An individual becomes eligible for insurance under this Policy on the date he meets all of the requirements of one of the Covered Classes and completes any Eligibility Waiting Period, as shown in the Schedule of Benefits. An Eligible Person may be insured under only one Covered Class, even though he may be eligible under more than one Covered Class.

Effective Date for Individuals
Insurance becomes effective for an Eligible Person on the latest of the following dates:
1. the effective date of this Policy; and
2. the date the individual becomes eligible.

Effective Date of Changes
Any increase or decrease in the amount of insurance for a Covered Person resulting from a change in benefits provided by this Policy will take effect on the date of such change.

Termination of Insurance
The insurance on a Covered Person will end on the earliest date below:
1. the date the person is no longer in an Eligible Class;
2. the end of the last period for which premium is paid; or
3. the date this Policy terminates.

Termination will not affect a claim for a Covered Loss resulting from a Covered Accident that occurs before the termination date. However, in no instance will benefits extend beyond the earlier of:
1. the end of the Benefit Period; and
2. the date benefits equal to any applicable Benefit Limit or Maximum, as shown in the Schedule of Benefits, have been paid;
3. the date benefits paid equal any applicable Policy Aggregate Maximum, as shown in the Schedule of Benefits.
COMMON EXCLUSIONS

In addition to any benefit-specific exclusions, benefits will not be paid for any Covered Injury or Covered Loss which, directly or indirectly, in whole or in part, is caused by or results from any of the following unless coverage is specifically provided for by name in the Description of Benefits Section:

1. intentionally self-inflicted Injury, suicide or any attempt thereat while sane or insane;
2. commission or attempt to commit a felony or an assault;
3. commission of or active participation in a riot or insurrection;
4. bungee jumping; parachuting; skydiving; parasailing; hang-gliding;
5. declared or undeclared war or act of war;
6. flight in, boarding or alighting from an Aircraft or any craft designed to fly above the Earth's surface, except as a fare-paying passenger on a regularly scheduled commercial or charter airline;
7. travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle;
8. participation in any motorized race or contest of speed;
9. an accident if the Covered Person is the operator of a motor vehicle and does not possess a valid motor vehicle operator’s license; except while participating in Driver’s Education Program;
10. sickness, disease, bodily or mental infirmity, bacterial or viral infection or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food;
11. travel or activity outside the United States or Canada;
12. the Covered Person’s intoxication as determined according to the laws of the jurisdiction in which the Covered Accident occurred;
13. voluntary ingestion of any narcotic, drug, poison, gas or fumes, unless prescribed or taken under the direction of a Physician and taken in accordance with the prescribed dosage;
14. injuries compensable under Workers’ Compensation law or any similar law;

We will not pay benefits for:
15. services or treatment rendered by a Physician, Nurse or any other person who is:
   a. employed or retained by the Policyholder;
   b. living in the Covered Person’s household;
   c. who is a parent, sibling, spouse or child of the Covered Person;
16. any Hospital Stay or days of a Hospital Stay that are not Appropriate Treatment for the condition and locality.
17. A Covered Person’s Covered Loss if:
   a. he was driving a private passenger automobile at the time of the Covered Accident that resulted in the Covered Loss; and
   b. he was intoxicated, as that term is defined by the law of the jurisdiction in which the Covered Accident occurred.
CLAIM PROVISIONS

Notice of Claim
Written or authorized electronic/telephonic notice of claim must be given to Us within 31 days after a covered loss occurs or begins or as soon as reasonably possible. If written or authorized electronic/telephonic notice is not given in that time, the claim will not be invalidated or reduced if it is shown that such notice was given as soon as was reasonably possible. Notice can be given to Us at Our Administrative Office in New York, New York, to such other place as We may designate for the purpose, or to Our authorized agent. Notice should include the Policyholder’s name and policy number and the Covered Person’s name and address.

Claim Forms
We will send claim forms for filing proof of loss when We receive notice of a claim. If such forms are not sent within 15 days after We receive notice, the proof requirements will be met by submitting, within the time fixed in this Policy for filing proof of loss, written or authorized electronic proof of the nature and extent of the loss for which the claim is made.

Claimant Cooperation Provision
Failure of a claimant to cooperate with Us in the administration of the claim may result in termination of the claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Proof of Loss
Written or authorized electronic proof of loss satisfactory to Us must be given to Us at Our office within 90 days of the loss for which claim is made. If written or authorized electronic notice is not given within that time, no claim will be invalidated or reduced if it is shown that such notice was given as soon as reasonably possible. In any case, written or authorized electronic proof must be given not more than one year after the time it is otherwise required, except if proof is not given solely due to the lack of legal capacity.

Time of Payment of Claims
We will pay benefits due under this Policy immediately upon receipt of due written or authorized electronic proof of such loss.

Payment of Claims
All benefits will be paid in United States currency. Benefits for loss of life will be payable in accordance with the Beneficiary provision and these Claim Provisions. All other proceeds payable under this Policy, unless otherwise stated, will be payable to the Covered Person or to his estate.

If We are to pay benefits to the estate or to a person who is incapable of giving a valid release, We may pay up to $1,000 to a relative by blood or marriage whom We believe is equitably entitled. Any payment made by Us in good faith pursuant to this provision will fully discharge Us to the extent of such payment and release Us from all liability.

Beneficiary
The beneficiary is the person or persons the Covered Person names or changes on a form executed by him and satisfactory to Us. This form may be in writing or by any electronic means agreed upon between Us and the Policyholder. Consent of the beneficiary is not required to affect any changes or to make any assignment of rights or benefits permitted by this Policy, unless the beneficiary has been designated as an irrevocable beneficiary.

A beneficiary designation or change will become effective on the date the Covered Person executes it. However, We will not be liable for any action taken or payment made before We record notice of the change at our Home Office.
If more than one person is named as beneficiary, the interests of each will be equal unless the Covered Person has specified otherwise. The share of any beneficiary who does not survive the Covered Person will pass equally to any surviving beneficiaries unless otherwise specified.

If there is no named beneficiary or surviving beneficiary, or if the Covered Person dies while benefits are payable to him, We may make direct payment to the first surviving class of the following classes of persons:
1. Spouse;
2. Child or Children;
3. mother or father;
4. sisters or brothers;
5. estate of the Covered Person.

Physical Examination and Autopsy
We, at Our own expense, have the right and opportunity to examine the Covered Person when and as often as We may reasonably require while a claim is pending and to make an autopsy in case of death where it is not forbidden by law.

Legal Actions
No action at law or in equity may be brought to recover under this Policy less than 60 days after written or authorized electronic proof of loss has been furnished as required by this Policy. No such action will be brought more than three years after the time such written proof of loss must be furnished.

Recovery of Overpayment
If benefits are overpaid, We have the right to recover the amount overpaid by either of the following methods.
1. A request for lump sum payment of the overpaid amount.
2. A reduction of any amounts payable under this Policy.

If there is an overpayment due when the Covered Person dies, We may recover the overpayment from the Covered Person’s estate.
**ADMINISTRATIVE PROVISIONS**

**Cancellation**
We or the Policyholder may cancel this Policy as of any Premium Due Date by giving the other 60 days advance written notice. Any premium rate guarantee will not affect Our or the Policyholder’s right to cancel this Policy.

If a premium is not paid when due, We will cancel this Policy at the end of the last period for which premium was paid, subject to any Grace Period provision. Premium Due Dates are shown in the Schedule of Benefits.

Cancellation will not affect a claim for a Covered Loss resulting from a Covered Accident that occurred before the cancellation date.

**Premiums**
All premium rates are expressed in, and all premiums are payable in, United States currency. The premiums for this Policy will be based on the rates, as set forth in the Schedule of Benefits or subsequently changed, the plan and amounts of insurance in effect for Covered Persons and the premium mode selected, as shown in the Schedule of Benefits. We will provide notifications of premiums due or premium changes, by mail to the most current address in our files, to the Policyholder.

**Premium Payment**
The total premium paid by the Policyholder is the sum of premiums for all Covered Persons. The initial premium is due on the Policy Effective Date and each succeeding premium is due on the next succeeding Premium Due Date, as shown in the Schedule of Benefits, unless the Policyholder and We agree to another mode of premium payment. Premiums are paid at our Administrative Office or to Our authorized agent.

If any premium is not paid when due, this Policy will be cancelled as of the Premium Due Date of the unpaid premiums, except as provided in the Grace Period provision.

**Changes in Premium Rates**
We may change the premium rates from time to time with at least 31 days advance written notice to the Policyholder. No change in rates will be made until 12 months after the Policy Effective Date. An increase in rates will not be made more often than once in a 12-month period. However, We reserve the right to change rates at any time if any of the following events take place:
1. the terms of this Policy change;
2. a change in any federal or state law or regulation is enacted, adopted or amended to the extent that it affects Our benefit obligations under this Policy; or
3. the Policyholder fails to provide sufficient information, as required by Us, to confirm adequacy of premiums and rates currently being paid.

Any increase or decrease in rate will take effect on the date of the applicable change specified above. A pro-rata adjustment will apply from the date of the change to the end of any period for which premium has been paid.

**Premium Audit**
We will have the right to audit books and records of the Policyholder at its place of business and during regularly-scheduled business hours, in order to determine the accuracy of premium paid.
Reinstatement
This Policy may be reinstated if it lapsed for nonpayment of premium. Requirements for reinstatement are written application of the Policyholder satisfactory to Us and payment of all overdue premiums. Any premium accepted in connection with a reinstatement will be applied to the earliest period for which premium was not previously paid.
GENERAL PROVISIONS

Entire Contract; Changes
This Policy, including the endorsements, amendments and any attached papers, constitutes the entire contract of insurance. No change in this Policy will be valid until approved by one of Our executive officers and endorsed on or attached to this Policy. No agent has authority to change this Policy or to waive any of its provisions.

Misstatement of Fact
If a Covered Person has misstated any fact, all amounts payable under this Policy will be such as the premium paid would have purchased had such fact been correctly stated.

Assignment
The rights and benefits under this Policy may not be assigned and any attempt to assign will be void.

Incontestability
1. Of This Policy
All statements made by the Policyholder to obtain this Policy are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, or to deny the validity of this Policy unless a copy of the instrument containing the statement is, or has been, furnished to the Policyholder. After two years from the Policy Effective Date, no such statement will cause this Policy to be contested except for fraud.

2. Of A Covered Person's Insurance
All statements made by a Covered Person are considered representations and not warranties. No statement will be used to deny or reduce benefits or be used as a defense to a claim, unless a copy of the instrument containing the statement is, or has been, furnished to the claimant. In the event of a claimant’s death or incapacity, his applicable representative shall be given a copy.

After two years from the Covered Person’s effective date of insurance, or from the effective date of increased benefits, no such statement will cause insurance or the increased benefits to be contested except for fraud or lack of eligibility for insurance.

Reporting Requirements
The Policyholder or its authorized agent must report all of the following to Us by the premium due date:
1. the number of persons insured on the Policy Effective Date;
2. the number of persons who are insured after the Policy Effective Date;
3. the number of persons whose insurance has terminated;
4. any additional information required by Us.

Clerical Error
A Covered Person's insurance will not be affected by error or delay in keeping records of insurance under this Policy. If such error or delay is found, We will adjust the premium fairly.

Conformity with Statutes
Any provisions in conflict with the requirements of any state or federal law that applies to this Policy are automatically changed to satisfy the minimum requirements of such laws.

Compensation Insurance
This Policy is not in place of and does not affect any requirements for coverage under any Workers' Compensation law.
CONDITIONS OF COVERAGE

This section describes the Conditions of Coverage under which benefits provided by this Policy become payable. Any benefits are payable only once, even though more than one Condition of Coverage may apply. Please read these and the Common Exclusions sections in order to understand all of the terms, conditions and limitations of coverage.

SCHOOL COVERAGE

Provisions, exclusions and other conditions concerning travel apply only if indicated on the Schedule of Benefits.

We will pay benefits provided by this Policy, subject to all applicable conditions and exclusions, when a Covered Person suffers a Covered Loss or Incurs Covered Expenses resulting directly and independently of all other causes from a Covered Accident that occurs while he is participating in or attending one of the following School Covered Activities:

1. regularly-scheduled classroom instruction;
2. regularly-scheduled and supervised recess or lunch period;
3. a study period or special instruction period supervised by a member of the school’s faculty;
4. a Supervised and Sponsored School Activity; or
5. Covered School Travel.

Covered School Travel includes travel, only within the United States, and only directly and without interruption:

1. between home and school;
2. between home and another meeting place designated by the school;
3. between home and another school or site designated by the School, where a Supervised and Sponsored School Activity is scheduled;
4. between the school or other meeting place designated by the school, and another school or site designated by the school, where a Supervised and Sponsored School Activity is scheduled.

School Travel Coverage for Overnight Supervised and Sponsored School Activities
Covered School Travel also includes travel to a Supervised and Sponsored School Activity, within or outside the United States when a Covered Person’s participation in or attendance at it requires him to be away from his normal residence for a stay of one or more nights. Coverage for travel to any Covered Activity that takes place outside the United States will be covered only if We have agreed to it in writing.

Definitions
For purposes of this coverage:

Supervised and Sponsored School Activity means a Covered Activity that:

1. takes place:
   a. on school premises during, before or after normal school hours; or
   b. at another school or site at which the Covered Activity is scheduled;
2. is sponsored, organized or otherwise provided, or at which student attendance is required, by the school; and
3. is supervised by a member of the faculty or staff of the school, or by another adult specifically assigned supervisory duties and authority for that Covered Activity by the school.

Supervised and Sponsored School Activities does not include participating in tryouts, practice or any competitions or games for any interscholastic, intercollegiate or any sports activity not specifically shown in the Schedule of Benefits.
Covered School Travel means transportation for a Covered Person on a common carrier, school bus or private passenger automobile driven by a member of the faculty or staff of the school, a parent of the Covered Person or an adult with a valid driver’s license. It will also include travel by foot or non-motorized bicycle between the Covered Person’s home and a Supervised and Sponsored Activity.

**Exclusions**

1. This coverage will not be in effect during a Covered Person’s Personal Deviation.
2. This coverage will not be in effect during travel to any Covered Activity that takes place outside the United States unless We have agreed in advance to provide it.

Other exclusions that apply to this coverage are in the *Common Exclusions* Section.

NO SPORTS
ACCIDENT INDEMNITY BENEFITS

This Section describes the Accident Indemnity Benefits provided by this Policy. Benefit amounts and any applicable time requirements and limitations are shown in the Schedule of Benefits. Please read this and the Common Exclusions section in order to understand all of the terms, conditions and limitations applicable to these benefits.

ACCIDENTAL DEATH AND DISMEMBERMENT BENEFITS

Covered Loss
We will pay the benefit for any one of the Covered Losses listed in the Schedule of Benefits, if the Covered Person suffers a Covered Loss resulting directly and independently of all other causes from a Covered Accident within the applicable time period specified in the Schedule of Benefits.

If the Covered Person sustains more than one Covered Loss as a result of the same Covered Accident, the total of Benefits We will pay will not exceed the Principal Sum.

If a Covered Accident causes the Covered Person’s death, the total of all Benefits We will pay for Accidental Death and any other Covered Losses will not exceed the Principal Sum.

Definitions
Each definition described below will apply to this Policy only if a corresponding Covered Loss is listed for it in the Schedule of Benefits.

- **Loss of a Hand or Foot** means complete Severance through or above the wrist or ankle joint.
- **Loss of Sight** means the total, permanent loss of all vision in one eye which is irrecoverable by natural, surgical or artificial means.
- **Loss of Speech** means total and permanent loss of audible communication which is irrecoverable by natural, surgical or artificial means.
- **Loss of Hearing** means total and permanent loss of ability to hear any sound in both ears which is irrecoverable by natural, surgical or artificial means.
- **Loss of a Thumb and Index Finger of the Same Hand or Four Fingers of the Same Hand** means complete Severance of at least one whole phalanx of the same hand.
- **Paralysis or Paralyzed** means total loss of use of a limb. A Physician must determine the loss of use to be complete and irreversible.
- **Quadriplegia** means total Paralysis of both upper and both lower limbs.
- **Paraplegia** means total Paralysis of both lower limbs or both upper limbs.
- **Hemiplegia** means total Paralysis of the upper and lower limbs on one side of the body.
- **Severance** means the complete and permanent separation and dismemberment of the part from the body.

Exclusions
The exclusions that apply to this benefit are in the Common Exclusions Section.
SCOPE OF COVERAGE APPLICABLE TO MEDICAL EXPENSE BENEFITS

Only the Scope of Coverage listed on the Schedule of Benefits will apply.

Covered Expenses and any applicable Deductibles are shown in the Schedule of Benefits.

Other Health Care Plan Benefits
When another Health Care Plan provides benefits in the form of services rather than cash payments, we will consider the reasonable cash value of such service in determining whether any Deductible has been satisfied, or any amount by which any benefit provided by this Policy will be reduced.

Primary Medical Expense
We will pay Covered Expenses without regard to any Health Care Plan the Covered Person may have, after any applicable Deductible has been satisfied.

Primary Excess Medical Expense
We will pay Covered Expenses, up to the Primary Excess Benefit shown in the Schedule of Benefits after the Covered Person satisfies any applicable Deductible, without regard to any other Health Care Plan he may have. We then pay Covered Expenses only when they are in excess of amounts payable by any other Health Care Plan, whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the Schedule of Benefits if:
1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.

Covered Expenses will not be reduced for:
(a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
(b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Full Excess Medical Expense
We will pay Covered Expenses:
1. after the Covered Person has satisfied any applicable Deductible; and
2. only when they are in excess of amounts payable by any Other Health Care Plan whether or not claim has been made for benefits it provides.

We will pay benefits without regard to any Coordination of Benefits provision in such Health Care Plan.

Any Covered Expenses payable under this provision will be reduced by the Other Health Care Plan Reduction Percentage shown in the Schedule of Benefits if:
1. the Covered Person has coverage under another Health Care Plan;
2. the Other Health Care Plan is an HMO, PPO or similar arrangement; and
3. the Covered Person does not use the facilities or services of the HMO, PPO or similar arrangement.
Covered Expenses will not be reduced for:
(a) emergency treatment within 24 hours after a Covered Accident which occurred outside the geographic service area of the HMO, PPO or similar arrangement; and
(b) services rendered in a non-network facility or by a non-network provider, when such services are required for emergency treatment within 24 hours of a Covered Accident.

Definitions  For purposes of the Accident Medical Benefits provided by this Policy:

HMO or Health Maintenance Organization means any organized system of health care that provides health maintenance and treatment services for a fixed sum of money agreed and paid in advance to the provider or service.

PPO or Preferred Provider Organization means an organization offering health care services through designated health care providers who agree to perform those services at rates lower than non-Preferred Providers.
We will pay benefits shown in the *Schedule of Benefits* for Covered Expenses Incurred by a Covered Person, subject to all applicable conditions and exclusions, for treatment of an injury that resulted directly and independently of all other causes from a Covered Accident.

Benefits will be paid:
1. when Covered Expenses Incurred exceed any applicable Deductible within the number of days from the date of the Covered Accident specified in the *Schedule of Benefits*; and
2. as long as the first expense has been Incurred within the number of days specified in the *Schedule of Benefits*; and
3. until any applicable Benefit Period shown in the *Schedule of Benefits* has expired; and
4. until the total of Covered Expenses paid equals any applicable Benefit Limit or maximum benefit shown in the *Schedule of Benefits*; and
5. until benefits paid equal the Maximum for Accident Medical Expense Benefits shown in the *Schedule of Benefits*.

**Covered Expenses**

**Inpatient Hospital Services**
- Room and Board Expenses – We will pay for
  1. confinement in an intensive or coronary care unit, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of such confinement; and
  2. any other confinement, up to the maximum daily benefit shown in the *Schedule of Benefits* for each day of the Hospital Stay.

**Miscellaneous Expenses** – We will pay the Miscellaneous Expenses charged by a Hospital or ambulatory surgical center for outpatient surgery. Miscellaneous Expenses include, but are not limited to, X-ray, laboratory, in-Hospital physiotherapy, nurse services, orthopedic appliances, pre-admission tests and all necessary charges other than room and board, for services received during a Hospital Stay.

**Ambulatory Medical Center**
- We will pay Covered Expenses Incurred for medical or surgical treatment provided in a licensed facility that provides ambulatory surgical or medical treatment and is not a Hospital or Physician’s office.

**Emergency Room Treatment**
- We will pay Covered Expenses Incurred for outpatient emergency room treatment performed in a Hospital, up to the Maximum Benefit shown in the *Schedule of Benefits*. When emergency room treatment is immediately followed by admission to a Hospital, such treatment will be a Hospital Covered Expense.

**Physician Services** – We will pay Covered Expenses for Covered Expenses listed below.
- **Surgery**
  1. Covered Expenses charged for performing a surgical procedure through one incision. For the second procedure through the same incision, during the same surgical session, we will pay up to an additional 50% of the benefit payable for the primary surgical procedure. For the third procedure and each procedure thereafter through the same incision, during the same surgical session, we will pay up to an additional 25% of the benefit payable for the primary surgical procedure; and
  2. Covered Expenses charged by an assistant surgeon assisting a Physician performing a surgical procedure;
3. Covered Expenses charged for treatment of fractured and dislocated bones, operations that involve cutting or incision and/or suturing of wounds or any other surgical procedure, including aftercare, which is given in the outpatient department of a Hospital or an ambulatory surgical center;
4. Any braces, splints or other devices required after surgery to ensure proper healing.

Use of Physician’s Surgical Facilities – Covered Expenses charged for the use of a Physician’s surgical facilities.

Second Opinion or Consultation – Covered Expenses charged by a Physician for a second surgical opinion or consultation.

Physician’s Assistant – Covered Expenses charged by a Physician’s Assistant for other than pre-or post-operative care, second opinion or consultation:
1. for in-Hospital visits; and
2. for office visits.

Anesthesia and its administration – Covered Expenses charged by a Physician for anesthesia and its administration.

In-Hospital or Office Visits – Covered Expenses charged by a Physician for other than pre-or post-operative care, second opinion or consultation;
1. for in-Hospital visits; and
2. for office visits.

**Outpatient X-Ray, CT Scan, MRI and Laboratory Tests**
We will pay Covered Expenses Incurred for X-rays except dental X-rays, CT Scans, MRI’s and laboratory tests.

**Outpatient Physiotherapy**
We will pay Covered Expenses Incurred for outpatient physiotherapy, which includes (a) acupuncture, (b) microthermy, (c) chiropractic adjustment, (d) manipulation, (e) diathermy, (f) massage therapy, (g) heat treatment, and (h) ultrasound treatment.

**Outpatient Nursing Services**
We will pay Covered Expenses Incurred for services other than routine Hospital care, rendered by a Nurse.

**Ambulance Services**
We will pay Covered Expenses Incurred for ground or air ambulance service to transport a Covered Person from the place where a Covered Accident occurred to the nearest medically appropriate facility. We will pay Covered Expenses Incurred for ground ambulance transportation from the nearest medical facility to another appropriate medical facility if a Physician specifies in writing that specialized care not available in the first facility to which the Covered Person was transported is necessary to treat his injury.

**Medical Equipment Rental**
We will pay Covered Expenses Incurred for rental or, if less, for purchase of:
1. a wheelchair or hospital bed; or
2. other medical equipment that has permanent or temporary therapeutic value for the Covered Person and that can only be used by him. Examples of items that are not covered include but are not limited to computers, motor vehicles and modifications thereof, and ramps and installation costs.
Medical Services and Supplies
We will pay Covered Expenses Incurred for:
1. blood and blood transfusions, including processing and administration; and
2. cost and administration of oxygen and other gasses.
We will not pay for storage of blood for any reason.

Dental Services
We will pay Covered Expense Incurred for dental treatment, including X-rays, for injury to a tooth:
1. with no fillings or cavities or only fillings or cavities that do not undermine the tooth cusps; and
2. for which pulpal tissues are healthy and intact; and
3. for which periodontal tissue shows little or no signs of active or chronic inflammation. For insurance review purposes, each tooth unit is evaluated under these criteria rather than a blanket rating of the whole mouth.

Covered Expenses include examinations, X-rays, restorative treatment, endodontics, oral surgery, initial braces required for treatment of an injury and treatment of gingivitis resulting from trauma.

Covered Expenses must be Incurred within the Benefit Period shown in the Schedule of Benefits. If there is more than one way to treat a dental problem, We will pay based on the least expensive procedure if that procedure meets commonly accepted standards of the American Dental Association.

Prescription Drugs
We will pay Covered Expenses Incurred for drugs that
1. can only be obtained through a Physician’s written prescription; and
2. are approved for such prescription use by the Federal Drug Administration (FDA).
We will also pay Covered Expenses Incurred for drugs that meet (a) above and are prescribed by a Physician for therapeutic use not specifically approved by the FDA. The Covered Expense for a prescription drug is limited to the cost of a generic drug unless substitution of a generic drug is prohibited by law, no generic drug is available, or the Covered Person’s Physician specifically request that a non-generic drug be dispensed.

Excluded Expenses
None of the following will be considered Covered Expenses unless coverage is specifically provided.
1. Blood, blood plasma or blood storage except expenses by a Hospital for processing or administration of blood.
2. cosmetic surgery or care, or treatment solely for cosmetic purposes, or complications therefrom. This exclusion does not apply to:
   a. cosmetic surgery resulting from an accident, if initial treatment of the Covered Person is begun within 12 months of the date of the Accident;
   b. reconstruction incidental to or following surgery resulting from a Covered Accident.
3. Any elective or routine treatment, surgery, health treatment or examinations.
4. Examination or prescriptions for, or purchase of, eyeglasses, contact lenses or hearing aids.
5. Treatment in any Veterans’ Administration, Federal or state facility unless there is a legal obligation to pay.
6. Services or treatment provided by persons who do not normally charge for their services, unless there is a legal obligation to pay.
7. Rest cures or custodial care.
8. Repair or replacement of existing dentures, partial dentures, braces or bridgework.
9. Personal services such as television and telephone, or transportation.
10. Expenses payable by any automobile insurance policy without regard to fault.
11. Services or treatment provided by an infirmary operated by the Policyholder.
12. Treatment of injuries that result over a period of time, such as blisters, tennis elbow, et al, that are a normal, foreseeable result of participation in the Covered Activity.
13. Treatment or service provided by a private duty nurse.
15. Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.

Other Exclusions that apply to this Benefit are in the Common Exclusions Section.
LIMITATIONS

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Medical Expense, this provision applies.

Non-Duplication of Benefits

This provision applies if:
1. any other Health Care Plan covers the Covered Person; and
2. total benefits under all Plans would exceed the expenses actually incurred; and
3. We are not defined as primary under another Health Care Plan’s Coordination of Benefits provision.

When the total of benefits payable by all Health Care Plans, whether or not claim is made for those benefits, exceeds Covered Expenses incurred, any Expense-Incurred Medical Benefits We pay will be reduced by such excess.

When the Scope of Coverage indicated in the Schedule of Benefits is Primary Excess Medical Expense or Full Excess Medical Expense, this provision applies.

Non-Duplication of Benefits

This provision applies if benefits under any other Health Care Plan are Covered Expenses under this Policy and coverage under this Policy and the other Plan are excess.

When This Policy and Other Plans Are Excess

We pay a pro rata share of the total amount of Covered Expenses. In no case will the total benefits payable exceed 100% of the Covered Expenses.

Our pro rata share equals the total of benefits payable under this Policy multiplied by a fraction, of which the numerator is the benefits We pay and the denominator is the total of benefits payable by all Health Care Plans for the same Covered Accident.
ADDITIONAL BENEFIT RIDER

This Rider is attached to and made part of this Policy or Certificate. It is subject to all of the Policy or Certificate provisions that do not conflict with its provisions.

Policy Number: NHH000314
Rider Effective Date: December 31, 2010

The following Excluded Expense is deleted from the list of Excluded Expenses under the Description of Accident Medical Expense Benefits:

Treatment of injury resulting from a condition that a Covered Person knew existed on the date of a Covered Accident, unless we have received a written medical release from his Physician.

All other benefits and provisions of the Policy or Certificate remain the same.

QBE Insurance Corporation

Stephen Fitzpatrick, President
NO COVERAGE IS PROVIDED BY THIS POLICYHOLDER NOTICE NOR CAN IT BE CONSTRUED TO REPLACE ANY PROVISIONS OF YOUR POLICY. YOU SHOULD READ YOUR POLICY AND REVIEW YOUR POLICY'S SCHEDULE OF BENEFITS FOR COMPLETE INFORMATION ON THE COVERAGES YOU ARE PROVIDED.

THIS NOTICE PROVIDES INFORMATION CONCERNING POSSIBLE IMPACT ON YOUR INSURANCE COVERAGE DUE TO DIRECTIVES ISSUED BY OFAC.

PLEASE READ THIS NOTICE CAREFULLY

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site - http://www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any person insured under this policy, or any person or entity claiming the benefits of this insurance, has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, insurance provided to such SDN will be considered a blocked or frozen contract, and all provisions of this insurance applicable to him are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made to or on behalf of the SDN without authorization from OFAC. Other limitations on the premiums and payments also apply.

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QBGS-103 (07-04) B&M
RESPECTING YOUR RIGHT TO PRIVACY

QBE PRIVACY NOTICE

At QBE, we value the trust of our customers and are committed to protecting the privacy of customer information. That is why we only collect and disclose information needed to provide our customers with quality products and services. We welcome this chance to describe the steps we take to protect our customer information. Our goal is to ensure that you and individuals covered under your policy fully understand our policies and practices regarding the collection, use and protection of this information.

This privacy notice applies to all policyholders and their insureds who have a relationship with one or more of the following QBE insurance companies:

- QBE Insurance Corporation
- QBE Specialty Insurance Company
- Praetorian Insurance Company
- Praetorian Specialty Insurance Company
- Redland Insurance Company
- North Pointe Insurance Company
- North Pointe Casualty Insurance Company
- Midfield Insurance Company
- Capital City Insurance Company

You will receive a copy of our privacy notice at the beginning of our business relationship and annually thereafter. The privacy policies described in this notice apply to our current and former customers. As our products and services continue to evolve, it may be necessary to review and revise our privacy policies, in which case we will provide an updated privacy notice.

Information We Collect. In order to provide high quality products, benefits and services, we must collect and often share information about you and individuals covered under your policy that is not publicly available. We do this to better service your policy and process claims in a timely manner. We collect the following types of information about you and individuals covered under your policy:

- Information about the identity of you and individuals covered under your policy, including the names, addresses and social security numbers of such individuals;
- Information we receive from you on applications or other insurance forms, such as the claims history or medical history of individuals covered under your policy; and
- Information about your transactions and experiences with us, such as the products you purchased from us, your payment history, account balance, and amounts you paid for insurance.

Should we need to verify or obtain additional information about you or individuals covered under your policy, we may contact outside sources, such as agents, brokers, administrators, insurance support organizations, consumer reporting agencies, medical providers and government reporting agencies. Information collected from these outside sources may include claims history, employment information and medical reports. Information obtained from outside sources may be retained by these outside sources and disclosed to other persons, in accordance with applicable laws.

How Your Information is Used. In many cases, we need to share some or all of the information listed above to help us deliver the best possible services to you and individuals covered under your policy. These disclosures are often necessary to fulfill transactions you have requested and to service the insurance policies that you have applied for and/or purchased.

Service Providers. We may provide information about you and individuals covered under your policy to trusted service providers inside or outside of QBE to provide operational and other support services. For example, we may share information with your insurance agent or broker, claims adjusters and administrators, claims investigators, and outside companies that perform administrative services on our behalf.

PRV-5 (09-08) 

Commercial Privacy Notice
Other Permitted Disclosures. We may share information about you and individuals covered under your policy to comply with legal and regulatory requirements and for other limited purposes that are required or permitted by law. For example, we may share information about you and individuals covered under your policy to:

- Service and maintain your policy;
- Process a transaction that you request;
- Protect against fraud or criminal activity;
- Report account activity to credit bureaus;
- Comply with local, state or federal laws; and
- Provide information requested by reinsurers, state insurance regulators and self regulatory organizations, insurance support agencies and law enforcement agencies.

Under no circumstance do we sell or share customer information to or with any party outside of QBE for purposes of independently selling their products or services to you.

Access to and Correction of Your Information. Individuals covered under your policy may write to us if they have any questions about the information that we may have in our records about them or the identity of those persons to whom their information was disclosed during the two years prior to their request. If they wish, they may review this information in person or receive a copy at a reasonable charge. Individuals covered under your policy can notify us in writing if they believe any information should be corrected, amended, or deleted, and we will review their request. We will either make the requested change or explain why we did not do so. If we do not make the requested change, they may submit a short written statement identifying the disputed information, which will be included in all future disclosures of their information. All questions or requests should be directed to QBE’s Privacy Officer at the address provided below.

Confidentiality and Security of Information. QBE dedicates significant resources to protect the security of our customer information. We restrict access to customer information to those individuals who need to know that information to provide products or services to you or individuals covered under your policy. We also maintain physical, electronic, and procedural safeguards to protect customer information and guard against its unauthorized use.

Whom to Contact Regarding Privacy Matters. If you have any privacy questions, you may contact QBE’s Privacy Officer by email at roberta.anderson@qbeamericas.com or by mail at QBE the Americas, Attn: Privacy Officer, 86 Pine Street, 10th Floor, New York, New York 10005.
NOTICE TO POLICYHOLDERS/INSUREDS

We are here to serve you...

As our policyholder/insured, your satisfaction is very important to us. Should you have a valid claim, we fully expect to provide a fair settlement in a timely fashion.

If you are not satisfied...

If you have any questions or complaints about your insurance, please write to our Director of Claims or Department of Consumer Relations at the following address, or call us using our toll-free telephone number.

QBE Insurance Corporation
88 Pine Street
New York, New York 10005
212-422-1212

If, after contacting us, you feel that your problem is not resolved or you are not being treated fairly, you may contact the California Department of Insurance by writing to them at the following address or using their toll-free telephone number:

Consumer Services Division
State of California
Department of Insurance
300 South Spring Street
South Tower, Suite 201
Los Angeles, CA 90013

Toll-Free Consumer Hotline in California: 1-800-927-HELP
Area codes 213, 310, and 818 and out-of-state: 1-213-897-8921
Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting insurers.

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

**COVERAGE**

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.

(please turn to back of page)
EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

- Their insurer was not authorized to do business in this state when it issued the policy or contract;
- Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- Employer and association plans, to the extent they are self-funded or uninsured;
- Synthetic guaranteed interest contracts;
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- Any policy of reinsurance unless an assumption certificate was issued;
- Interest rate yields that exceed an average rate;
- Any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNT OF COVERAGE The Act limits the Association to pay benefits as follows:

LIFE AND ANNUITY BENEFITS

- 80% of what the insurance company would owe under a life policy or annuity contract up to:
  - $100,000 in cash surrender values;
  - $100,000 in present value of annuities; or
  - $250,000 in life insurance death benefits.
- A maximum of $250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

HEALTH BENEFITS

- A maximum of $200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.
Coverage Summary

Coverage: Self Insured Retention Athletic Injury Medical Expense (AIME)
Policy Term: July 1, 2012 – June 30, 2013
Insurer: Self Insured (Plan of Benefits)
Named Insured: California State University Risk Management Authority
Headquarters: Office of the Chancellor
Systemwide Risk Management
401 Golden Shore, 5th Floor
Long Beach, CA 90802-4210

Member Campuses (22):
- California State University, Bakersfield
- California State University, Chico
- California State University, Dominguez Hills
- California State University, East Bay
- California State University, Fresno
- California State University, Fullerton
- Humboldt State University
- California State University, Long Beach
- California State University, Los Angeles
- California Maritime Academy
- California State University, Monterey Bay
- California State University, Northridge
- California State Polytechnic University, Pomona
- California State University, Sacramento
- San Diego State University
- San Francisco State University
- San Jose State University
- California Polytechnic State University, San Luis Obispo
- California State University, San Bernardino
- California State University, San Marcos
- Sonoma State University
- California State University, Stanislaus

Covered Parties: Any regularly enrolled student who is a participant on the intercollegiate team roster of the participating CSU campus, or is engaged in scheduled activities to become a roster participant of an intercollegiate team of the participating CSU campus.

Covered Activity: Regularly scheduled intercollegiate sports events and the supervised or customary activities within the scope of such sport. Coverage includes the sports listed on the sports census from each participating CSU campus.

Coverage Limits: $90,000 each condition
Coverage Deductible: $0
Benefit Period: 104 weeks

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Scope of coverage: Excess Accident provision
HMO/PPO provision
Expanded medical
Re-injuries and Aggravations of prior injury
Cardiovascular accident / similar traumatic event caused by exertion
Third Party Refunds are defined

Major Exclusions: Suicide

Program Administrator: Alliant Insurance Services
100 Pine Street, 11th Floor
San Francisco, CA 94111

Rob Leong: (415) 403-1441 / rleong@alliantinsurance.com
Stacey Weeks: (415) 403-1448 / sweeks@alliantinsurance.com

Claims Administration: A-G Administrators
P. O. Box 979
Valley Forge, PA 19482-0979
Dixon Gillis: (800) 634-8628
adgillis@agadm.com

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage Summary

Coverage: AIME – Travel Accident and AD&D
Policy Term: July 1, 2012 – June 30, 2013
Policy Number: T5MP-P-34363
Insurer: Mutual of Omaha
Named Insured: California State University Risk Management Authority
Headquarters: Office of the Chancellor
               Systemwide Risk Management
               401 Golden Shore, 5th Floor
               Long Beach, CA 90802-4210
Member Campuses (22):
California State University, Bakersfield
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Long Beach
California State University, Los Angeles
California Maritime Academy
California State University, Monterey Bay
California State University, Northridge
California State Polytechnic University, Pomona
California State University, Sacramento
San Diego State University
San Francisco State University
San Jose State University
California Polytechnic State University, San Luis Obispo
California State University, San Bernardino
California State University, San Marcos
Sonoma State University
California State University, Stanislaus

Covered Parties: All intercollegiate athletes, coaches, managers and trainer of the schools affiliated with CSURMA AIME and listed on the sports census from each participating CSU campus.

Covered Activity: Provides Travel Accident benefits to all athletes participating in sports, including off-season conditioning, listed on sports census. Travel to and from a sponsored game (including play or practice and off season physical conditioning) as part of a group in transportation arranged by the policy holder.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
<table>
<thead>
<tr>
<th>Coverage Limits:</th>
<th>$ 15,000</th>
<th>Accidental Death &amp; Dismemberment</th>
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<tbody>
<tr>
<td></td>
<td>$ 90,000</td>
<td>Accident Medical Expense</td>
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<tr>
<td></td>
<td>$  7,000</td>
<td>Emergency Medical Evacuation</td>
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<tr>
<td>Exclusions (Major but not limited too):</td>
<td>Suicide</td>
<td>Travel outside of the United States</td>
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<tr>
<td>Medical Deductible:</td>
<td>$ 10,000</td>
<td>(Accident Medical only)</td>
</tr>
<tr>
<td>Benefit Period:</td>
<td>104 weeks</td>
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<tr>
<td>Scope of coverage:</td>
<td>Provides Travel Accident benefits to all athletes participating in sports including off season conditioning. Travel to and from a sponsored game (including play or practice and off season physical conditioning) as part of a group in transportation arranged by the policyholder</td>
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<tr>
<td>Program Administrator:</td>
<td>Alliant Insurance Services</td>
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<td></td>
<td>100 Pine Street, 11th Floor</td>
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<td></td>
<td>San Francisco, CA 94111</td>
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<tr>
<td></td>
<td>Rob Leong: (415) 403-1441 / <a href="mailto:rleong@alliantinsurance.com">rleong@alliantinsurance.com</a></td>
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<td></td>
<td>Stacey Weeks: (415) 403-1448 / <a href="mailto:sweeks@alliantinsurance.com">sweeks@alliantinsurance.com</a></td>
<td></td>
</tr>
<tr>
<td>Claims Administration:</td>
<td>Mutual of Omaha</td>
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<tr>
<td></td>
<td>P.O. Box 31716</td>
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<tr>
<td></td>
<td>Omaha, NE 68131-0716</td>
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<tr>
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<td>Linda Benham: (800) 524-2324</td>
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</table>
PLAN OF BENEFITS SPECIALLY DESIGNED FOR THE ATHLETES
OF THE
CALIFORNIA STATE UNIVERSITY SYSTEM
2012-2013 Plan Year

Following is a plan of benefits that is self-funded by the participating campuses of the California State University System (hereinafter referred to as CSURMA/AIME) in excess of other valid and collectible insurance.

PART I - COVERED PERSONS
Any regularly enrolled student who is a participant on the intercollegiate team roster of the participating CSU campus, or is engaged in scheduled activities to become a roster participant of an intercollegiate team of the participating CSU campus.

PART II - COVERED ACTIVITIES
Benefits are limited to injuries sustained during participation in regularly scheduled intercollegiate sports events of the participating CSU campus, including during the regular season for such sport and the supervised or customary activities within the scope of such sport. Coverage includes the sports listed on the sports census from each participating CSU campus.

PART III - DEFINITIONS
“Expense” means those charges that would be made even in the absence of these benefits for treatment and service performed and supplies furnished which are usual, reasonable and customary charges as compared to charges for like treatment, service and supplies in the geographic area where treatment is performed.

“Extended care facility” means an institution operating pursuant to law which is engaged in providing, for a fee, skilled nursing care and related services and physical therapy services under the supervision of a doctor and graduate registered nurses, to persons convalescing from illness. It must have facilities for ten (10) or more inpatients and maintain clerical records on all of its patients. To qualify as a medical expense under this policy, the covered person’s confinement in an extended care facility must:
   a. start within five (5) days after the covered person has been continuously confined for at least five (5) days in a hospital as a result of a covered accident; and
   b. be for treatment of the injuries resulting from such covered accident; and
   c. be one during which a doctor visits the covered person at least once every thirty (30) days; and
   d. be certified to be medically necessary by the attending doctor; and
   e. not be for routine custodial care.

“Home health care” means nursing care and treatment of a covered person in his/her home as part of an overall extended treatment plan. To qualify, the plan must:
   a. be established by and approved in writing by the attending doctor; and
   b. be provided by a hospital certified to provide home health care services or by a certified home health care agency; and
   c. commence within seven (7) days of discharge from a hospital or extended care facility; and
   d. be preceded by a hospital or extended care facility confinement of five (5) days or more.
No benefits will be paid for home health care services which are general housekeeping services or custodial care services, or which are provided by a member of the covered person’s immediate family or by an individual who resides with the covered person.

“Hospital” means an institution that meets all of the following requirements:
   a. it is licensed (if required) as a hospital; and
   b. it is open at all times; and
   c. it is operated mainly to diagnose and treat illnesses on an inpatient basis; and
   d. it has a staff of one (1) or more doctors on call at all times; and
   e. it has twenty-four (24) hour nursing services by registered nurses; and
   f. it is not mainly a skilled nursing facility, clinic, nursing home, rest home, convalescent home or like place; and
   g. it has organized facilities for surgery or provides for such facilities for its patients through formal written agreement with other hospitals.

“Injury” means bodily injury caused by an accident occurring while these benefits are in force as to the insured whose injury is the basis of claim and which results directly and independently of all other causes in loss covered by these benefits.

“Intoxication” or “intoxicated” means that the level of alcohol in the blood of the covered person exceeds the level above which a person is presumed, in the locale in which the accident occurred, to be under the influence of alcohol or intoxicating liquor if operating a motor vehicle, regardless of whether the covered person is in fact operating a motor vehicle when the injury or loss occurs.

“Luxury Item” Treatments, devices or other healing-related items which represent new or unique methodologies of treatment that are not representative of prevailing procedures utilized for such injuries. For example, a custom bone stimulator for a stress fracture versus casting or rest. Luxury items shall be limited to medical necessity only.

“Physician” means a person not related to the covered person licensed for the practice of medicine, osteopathy, dentistry, optometry, physical therapy, podiatry, or other legally licensed provider acting within the scope of his license. Specialists must be referred by the CSU campus team physician.

“Usual, reasonable and customary charge” means the normal charge, in absence of insurance, of the provider for the service or supply, but not more than the prevailing charge in the area for a like service or supply. A like service is of the same nature and duration, requires the same skill, and is performed by a provider of similar training and experience. A like supply is one that is identical or substantially equivalent. “Area” means the municipality (or in the case of a large city, the subdivision thereof) in which the service or supply is actually provided or such greater area as is necessary to obtain a representative cross-section of charges for a like service or supply.

PART IV - BENEFITS
A. Medical Expense
   When a covered person requires medical services as the result of an injury covered under these benefits, the CSURMA/AIME will pay the expenses actually incurred for the necessary treatment of such injury. Expenses include:
   1. Physician and surgeon fees
   2. Dentist fees for injury to sound and natural teeth
   3. Cost of confinement in a hospital or medically necessary extended care facility
   4. Use of a hospital emergency room
5. Cost of home health care  
6. Anesthetic (including administration thereof)  
7. X-ray examinations or treatments  
8. Laboratory tests  
9. Prescription drugs, if prescribed by the covered person's physician  
10. Physical therapy  
11. Orthopedic appliances if prescribed by the covered person's physician (not chiropractor)  
12. Chiropractic care up to a maximum of $1,000  
13. Payment as primary on the first $2,500 of diagnostic billings for covered conditions, when the student has an HMO coverage plan.

The first expense must be incurred within 120 days of the date of accident and only expenses incurred within 104 consecutive weeks from the date of accident will be reimbursed hereunder, up to a maximum of $90,000 as the result of one covered person's accident. Claims must be submitted within 18 months of the date of service for follow up treatment.

The amount of benefits available from the Plan shall be reduced by an amount equal to the greater of:

a) The amount payable under any other plan of insurance as determined under C. set forth below, or  
b) The amount of $0.00 or such larger amount as is designated as a deductible applicable to the particular sport or sports by the participating institution as shown in the participation agreement.

B. Expanded Medical Benefits shall include the following:

1. A re-injury or aggravation of an injury sustained prior to participation in the participating CSU campus athletic program provided the covered person was provided medical clearance to participate in the appropriate athletic activity by the CSU campus team physician, and such re-injury or aggravation occurs in a covered event;

2. The following list of conditions that are attributable to exertion from participating in a covered activity: tendonitis, bursitis, hernia, strains, sprains, shin splints, stress fractures and similar conditions.

3. Cardiovascular accident or similar traumatic event caused by exertion while participating in a covered activity. The CSURMA/AIME will provide benefits for the actual injury sustained and testing, but not the follow up care if the condition is found to be congenital in nature.

C. Excess Provision

The benefits described above shall be payable only on an excess basis over and above any benefits or services provided for by any of the plans listed below, regardless of any coordination of benefits, non-duplication of benefits or similar clause contained in such plans.

The word "plan" means any of the following that provides benefits for medical or dental care or treatment:

1. Group, blanket, or franchise health insurance coverage;

2. Any other arrangement of coverage for individuals in a group, whether insured or uninsured;
3. Any prepaid service arrangement such as Blue Cross or Blue Shield individual or group practice plans, or health maintenance organizations;

4. Any amount payable for hospital, medical or other health services for accidental bodily injuries arising out of a motor vehicle accident to the extent such benefits are payable under any medical expense payment provision (by whatever name called, including such benefits mandated by law) of any automobile insurance policy;

5. Any coverage under labor-management trustee plans, union welfare plans, employer organization plans, or employee benefits organization plans;

6. Any plan or program solely or largely provided by or through any government action or law to the extent that benefits are payable under such plan or program.

When a plan provides benefits in the form of services rather than cash payments, the reasonable cash value of each service rendered shall be considered in determining the applicability of this provision. The benefits payable under a plan shall include the benefits that would have been payable had a claim been duly made.

The benefits payable shall be reduced to the extent necessary so that the sum of such reduced benefits and all the benefits provided for by any other plan shall not exceed the total of the expenses incurred by the covered person.

D. HMO/PPO Provision

If a student athlete suffers a loss while this plan is in force and they have coverage with an HMO or PPO that would deny coverage for service outside its geographic area or its provider network, the CSURMA/AIME will cover for such expense if the CSU campus Athletic Director has approved such expenses.

E. Third Party Refund

When a covered person is injured through the negligent act or omission of another person (the “third party”) and benefits are paid under the Plan as a result of that Injury, the Risk Pool is entitled to a refund by the covered person of all Plan benefits paid as a result of the Injury. The refund must be made to the extent that the covered person receives payment for the Injury from the third party or that the third party’s insurance carrier. We may file a lien against that third-party payment. Reasonable pro-rata charges, such as legal fees and court costs may be deducted from the refund made to the Risk Pool. The covered person must complete and return the required forms to the Risk Pool upon request.

PART V - EXCLUSIONS

No benefits are payable for:

1. Suicide or any attempt thereat by a covered person;

2. Intentionally self-inflicted injuries;

3. Infections, except pyogenic infections due to accidental cut;

4. Accident occurring while the covered person is operating, or learning to operate, or performing duties as a member of the crew of any aircraft;
5. Dental treatment, except as a result of injury to sound and natural teeth as provided for in these benefits;

6. Replacement of eyeglasses, or eye examinations of the correction of vision or fitting of glasses unless an injury has caused impairment of sight;

7. Injury for which the covered person is entitled to benefits under any Workers’ Compensation Act or law or similar legislation;

8. The covered person being intoxicated, unless administered on the advice of a physician;

9. Any injury occurring other than as a participant in a CSU campus intercollegiate athletic event, or the practice thereof;

10. Expenses for the treatment of sickness or disease in any form.

PART VI - GENERAL PROVISIONS

A. No statement made by the covered person shall void the benefits thereunder unless continued in a written instrument signed by the covered person. All statements contained in any such written instrument shall be deemed representations and not warranties.

B. No staff has authority to change these benefits or waive any of its provisions. No change in these benefits shall be valid unless approved by the CSURMA Board of Directors and the AIME Committee and evidenced by amendment to these benefits.

C. Written notice of loss must be given to the CSURMA/AIME claims administrator within thirty (30) days after the date when such loss occurred. Failure to give notice within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to give such notice, and that notice was given as soon as was reasonably possible.

D. Written proof of loss must be furnished to the CSURMA/AIME claims administrator within ninety (90) days after the date of such loss. Failure to furnish such proof within such time shall not invalidate nor reduce any claim if it shall be shown not to have been reasonably possible to furnish such proof and that such proof was furnished as soon as was reasonably possible.

E. All benefits are payable immediately after receipt of due proof.

F. The CSURMA/AIME shall have the right and opportunity to examine the covered person when and so often as it may be reasonably required during the pendency of claim. Such examination shall be at the CSURMA/AIME expense.

G. Benefits are payable to the covered person, except that the CSURMA/AIME, at their option, may make payment for hospital, surgical or medical service directly to the hospital or person or persons furnishing such service.

H. No action at law or in equity shall be brought to recover prior to the expiration of sixty (60) days after proof of loss has been filed in accordance with the requirements of these provisions and no such action shall be brought at all unless brought within three (3) years from the expiration of the time within which proof of loss is required by these provisions.

2012-2013 5
I. If any time limitations of these provisions with respect to giving notice of claim or furnishing proof of loss, or the bringing of an action at law or in equity is less than that permitted by California law, such limitation is hereby extended to agree with minimum period permitted by such law.

**ADMINISTRATIVE RESPONSIBILITIES OF THE CSURMA/AIME**

1. Send primary insurance information to the claims administrator when a notice of claim is submitted.

2. Develop and print claim forms.

3. Review and approve claims for payment.

4. Forward all claims, itemized bills and primary insurer’s Explanation of Benefits forms (EOBs) to the claims administrator.

5. Provide funds to the claims administrator for establishment of a claims paying checking account.
TRAVEL ACCIDENT BENEFITS

$0 - $10,000 of Coverage

The first $10,000 in benefits is provided by the chancellor’s office through Alliant Insurance Services. All athletic related travel accident claims should be submitted to:

Broker: Alliant Insurance Services, Inc.
Carrier: Life Insurance Company of North America (CIGNA)
Policy #: SPS 040 558 102

Claims in excess of $10,000

Alliant Insurance Services will coordinate to secure fully insured coverage to provide benefits for claims that exceed $10,000. This portion of the Travel Accident benefits is provided through Mutual of Omaha, Coverage levels are provided below (see full policy for all benefits and exclusions):

Carrier: Mutual of Omaha
Policy #: T5MP-P-034363

Covered Activity: Travel to or from a sponsored game (activity) as part of a group in transportation arranged by the Policyholder.

Medical Benefit: $90,000.00
Accident Medical Deductible (reducing*): $10,000.00

*Eligible medical expenses payable under any other insurance policy or service contract will be used to satisfy or reduce the Medical Deductible.

Loss period: Initial treatment received within 365 days of Injury

Benefit period: Benefits payable for 5 years from the accident date.
ACCIDENTAL DEATH & DISMEMBERMENT BENEFITS

Accidental Death & Dismemberment benefits are provided within the aforementioned Travel Accident Policy through Mutual of Omaha Policy #: T5MP-P-034363.

The Accidental Death & Specific Loss benefit is limited to:
1) Traveling directly to or from play or practice of an intercollegiate sport, as a team or member of a team which is sponsored and authorized by the California State University.
2) Participating in play or practice of an intercollegiate sport, sponsored by the California State University.
3) Off-season physical conditioning of a participating intercollegiate sport, sponsored and supervised by the California State University.

Principal Sum: $15,000.00
Loss Period: Loss within 365 Days of Injury

If an Insured person’s injury results in any of the following losses within the Loss Period of 365 days after the date of injury, the Company will pay the sum shown opposite the loss:

Life ............................................................................................................. $ 15,000.00
Both Hands or Both Feet or sight of Both Eyes ........................................ $ 15,000.00
One Hand and One Foot ........................................................................ $ 15,000.00
Speech and Hearing ................................................................................ $ 15,000.00
Either Hand or Foot and Sight of One Eye ............................................ $ 15,000.00
Either Hand or Foot ............................................................................... $ 7,500.00
Sight of One Eye .................................................................................... $ 7,500.00
Speech or Hearing ................................................................................ $ 7,500.00
Thumb and Index Finger of Either Hand .............................................. $ 3,750.00

Loss shall mean with regard to:
  a) hands and feet, actual severance through or above the wrist or ankle joints;
  b) sight, speech or hearing, entire and irrecoverable loss thereof;
  c) thumb and index finger, actual severance through or above the metacarpophalangeal joints.

The Company will not pay more than the Principal Sum for all losses due to the same accident.

Benefits payable are in addition to benefits under Part A of the Plan of Benefits.
**2012-2013 Renewal Policy**

Policy Date July 1, 2005  
Policy No. T5MP-P-034363

MUTUAL OF OMAHA INSURANCE COMPANY (called "We," "Us" or "Our") agrees to insure certain persons (called Insureds) and promises to pay benefits according to the terms of this policy. The application of the Policyholder and payment of all premiums put this policy in force. This policy is issued to:

California State University Risk Management Authority  
401 Golden Shore, Fifth Floor  
Long Beach, California 90802  
(called the Policyholder)

POLICY TERM – RENEWAL

This policy goes into effect on the Policy Date shown above. The initial term ends on July 1, 2006. This policy may be renewed for additional terms with our consent. Each term begins and ends at 12:01 a.m., Standard Time, at the main office of the Policyholder.

This policy is signed for us by the Officers named below.

Daniel P. Neary  
Chairman of the Board and  
Chief Executive Officer

Michael Huss  
Corporate Secretary

Form T5MP -- Series 6661S

Blanket Policy

THIS POLICY IS NOT A MEDICARE SUPPLEMENT POLICY.  
If you are eligible for Medicare, review the Guide to Health Insurance for People with Medicare available from the company.
PART A.  DEFINITIONS

"Hospital" means any of the following places: (a) a place which is licensed or recognized as a general hospital by the proper authority of the state in which it is located; (b) a place operated for the care and treatment of resident inpatients with a registered graduate nurse (RN) always on duty and with a laboratory and X-ray facility; (c) a place recognized as a general hospital by the Joint Commission on the Accreditation of Hospitals; or (d) a place certified as a hospital by Medicare. Not included is a hospital or institution or a part of such hospital or institution which is licensed or used principally: (1) for the treatment or care of drug addicts or alcoholics; or (2) as a clinic, continued or extended care facility, skilled nursing facility, convalescent home, rest home, nursing home or home for the aged.

"Injuries" means accidental bodily injuries: (a) received while insured under this policy; and (b) resulting, independently of sickness and all other causes, in loss specified in the Benefit Provision(s) and Insuring Provision(s). The Plan of Insurance specifies the Benefit and Insuring Provision(s) applicable to each class of Insureds. Benefits are payable for an Insured's injuries under only one Insuring Provision for any one accident.

PART B.  INDIVIDUAL PROVISIONS

1. Eligibility: All persons within the classes stated in the Plan of Insurance are eligible for insurance under this policy.

2. Effective Date of Individual Insurance: Each eligible person will become insured on the date stated in the Plan of Insurance.

3. Individual Terminations: Unless otherwise stated in the Plan of Insurance, the insurance of any Insured shall end on the first of the following dates:
   (a) The date any premium for the Insured is due and unpaid.
   (b) The date the Insured ceases to be within a class of persons eligible for coverage under this policy.
   (c) The date this policy is terminated.

4. Change in Coverage: Any change in an Insured's coverage because of a change in class will become effective as stated in the Plan of Insurance.

5. Reinstatement or Reenrollment: If the Insured's insurance is terminated for any reason, then again made effective through reinstatement or reenrollment, only covered loss resulting from covered injuries received after the date of reinstatement or reenrollment will be covered.

6. Change of Beneficiary; Assignment: Only the Insured has the right to change the beneficiary. Consent of the beneficiary is not required to make any change in this policy. Also, no such consent is required for surrender or assignment of the Insured's right under this policy.

PART C.  CLAIMS PROVISIONS

1. Notice of Claim: Written notice of a claim must be given to us within 30 days after loss covered by this policy occurs or starts. If notice is not given within that time, it must be given as soon as is reasonably possible. The Insured can give the notice or have someone else do it for him or her. Notice must be given to us at Omaha, Nebraska, or to any of our agents. It must identify the Insured.

2. Claim Forms: When we receive the Insured's notice, we will send the forms for filing proof of loss. If we do not send them within 15 days, the Insured can meet the proof of loss requirement by giving us a written statement of what happened. We must receive this statement within the time given for filing proof of loss.

3. Proof of Loss: The Insured must give us written proof of loss within 90 days after the date of the loss or as soon as is reasonably possible. Proof must, however, be furnished no later than 12 months from the time it is otherwise required, except in the absence of legal capacity.
4. **Payment of Claims**: All benefits will be paid to the Insured, the Insured's beneficiary or the Insured's estate as soon as we receive proof of loss.

Benefits for loss of life, if any, will be paid to the Insured's beneficiary (the Insured's estate if no beneficiary is named). Other benefits unpaid at the Insured's death will be paid, at our option, to the Insured's estate or the Insured's beneficiary.

If any benefits are payable to the Insured's estate, to a minor or to any person not legally able to give a valid release, we may pay up to $1,000.00 to any relative of the Insured who we find entitled to the payment. Payment made in good faith shall fully discharge us to the extent of the payment.

5. **Legal Actions**: The Insured may not bring a legal action to recover under this policy for at least 60 days after the Insured has given us written proof of loss. The Insured may not start such an action more than three years after the date proof of loss is required.

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**PART D. POLICY PROVISIONS**

1. **Entire Contract; Changes**: This policy, and any attachments, is the entire contract of insurance. No agent may change it in any way. Only an officer of ours can approve a change. Any such change must be shown in your policy.

2. **Records -- Information To Be Furnished**: The Policyholder shall furnish us or our authorized agent with the information as we may deem necessary for the proper administration of this insurance. The records of the Policyholder which may have a bearing on this insurance shall be open to us for inspection at any time during the policy term and within one year after termination of this policy.

3. **Clerical Error**: Clerical error on our or the Policyholder's part in keeping records or furnishing information shall not void insurance otherwise in force or continue insurance otherwise terminated under the terms of this policy.

4. **Grace Period**: Premiums must be paid on or before the date they are due or during the 31-day grace period that follows. This policy stays in force during the grace period. A grace period always applies unless we inform the Policyholder that it does not apply.

5. **Time Limit on Certain Defenses**: After two years from the Policy Date, we cannot use misstatements, except fraudulent misstatements in the Policyholder's application to void coverage. After two years from the date an Insured becomes covered under this policy, we cannot use misstatements, except fraudulent misstatements, in his or her application to void coverage or deny a claim for loss that happens after the two-year period.

6. **Physical Examination and Autopsy**: We, at our expense, have the right to have you examined when and as often as is reasonable during the handling of a claim and to have an autopsy done where it is not forbidden by law.

7. **Cancellation**: After this policy has been in force for one year, it may be canceled at any time, by either the Policyholder or us, with written notice to the other stating the date and hour cancellation becomes effective. We shall give 60 days' prior notice to cancellation. Upon cancellation any unearned premium shall be returned.

8. **Not in Lieu of Workmen's Compensation**: This policy is not in lieu of and does not affect any requirement for coverage by workmen's compensation insurance.

9. **Conformity with State Statutes**: The provisions of this policy must conform with the laws of the state in which the Insured resides on the Policy Date. If any do not, they are hereby amended to conform.

Countersigned by:

______________________________
Licensed Resident Agent
Policyholder Name: California State University Risk Management Authority

Policy Number: T5MP-P-034363

RENEWAL PLAN OF INSURANCE

Term of Coverage: July 1, 2012 to July 1, 2013

Aggregate Limit: None

Eligibility: (100% Participation) All intercollegiate athletes, coaches, managers and trainers and band members of the schools affiliated with risk management authority listed below:

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

Covered Intercollegiate Sports:
Baseball (M), Basketball (M/W), Cheerleading (M/W), Crew/Rowing (M/W), Cross Country (M/W), Dance (W), Equestrian (W), Fall Football (M), Spring Football (M), Golf (M/W), Gymnastics (W), Lacrosse (W), Rugby (M), Sailing (M/W), Soccer (M/W), Softball (W), Swim/Diving (M/W), Tennis (M/W), Track/Indoor Track (M/W), Volleyball (M/W), Water Polo (M/W), Wrestling (M), Band (M/W) and Managers/Trainers (M/W).

Effective Date of Individual Insurance:
Each eligible person becomes an Insured Person on the later of:
(a) the policy effective date;
(b) the date the person becomes eligible for coverage under this policy.

Individual Terminations: (Individual Provision No. 3 applies if this space is left blank)

Change in Coverage:
No change may be made unless authorized by the Company. If there is a change in the amount or type of benefits provided by the Policy, such change shall apply only to covered losses that occur on or after the effective date of the change.
Benefits:

A. Class | Insuring Provision(s) Applicable | Benefit Provision(s) Applicable
--- | --- | ---
All | 00L8M Participating Sports including Off-season conditioning | 6653M AD & Specific Loss

Covered Activity: The Accidental Death and Specific Loss benefits will be provided during participation in play, practice or off season conditioning of a participating intercollegiate sport and travel to and from sponsored activities as part of a group in transportation arranged by the Policyholder.

All | 0LJ4M Covered Activities | 6425M Accident Medical Expense

Covered Activity: The Accident Medical Expense benefits will be provided only during travel to and from a sponsored game (activity) as part of a group in transportation arranged by the Policyholder.

B. The amount of benefits for each Benefit Provision shown above is as follows:

**Accidental Death & Specific Loss**
- Principal Sum: $15,000.00
- Loss Period: Loss within 365 Days of Injury

**Accident Medical Expense: (Full Excess)**
- Medical Benefit: $90,000.00
- Accident Medical Deductible (Reducing*): $10,000.00
- Loss Period: Initial treatment received within 365 Days of Injury
- Benefit Period: Benefits payable for 5 years from accident date

*Eligible medical expenses payable under any other insurance policy or service contract will be used to satisfy or reduce the Medical Deductible.

The following riders are attached to and made a part of this policy:
- Full Excess Coverage Amendment Rider 6925M
- Facility of Payment Amendment Rider 6926M
- Assignment of Medical Transportation Amendment Rider 7988M
- Beneficiary Designation Amendment Rider 9008M
- Guarantee Association Act Notice M19902_0910
- Consumer Notice M20664
- Independent Medical Review M20828
- Amendment Rider: 335MS-NN
  - Delete item (c) of Exclusions and Limitation within Benefit Provision 6425M
INSURING PROVISION
Coverage for Participating Sports
(To include Off-season Physical Conditioning)

This provision applies only to the class or classes of Insureds specified in the Plan of Insurance.

Provision Date (same as the Policy Date or Certificate Date if no date is shown)

For injuries occurring while insured under the policy or the certificate and this provision, coverage is provided while:

(a) participating in play or practice of an intercollegiate sport, as specified in the Plan of Insurance, sponsored and supervised by the Policyholder;
(b) participating in play only of a participating sport, to include intramural, as specified in the Plan of Insurance, sponsored and supervised by the Policyholder;
(c) traveling directly to or from play or practice of an intercollegiate sport, as specified in the Plan of Insurance, as a team or member of a group, which is sponsored and authorized by the Policyholder; or
(d) off-season physical conditioning of a participating sport, not including intramural, as specified in the Plan of Insurance, sponsored and supervised by the Policyholder.

PART A. DEFINITION

The definitions in the policy or certificate apply to this Insuring Provision. In addition, the following definitions are added.

"Intoxicated" means a blood alcohol level which equals or exceeds the legal limits for operating a motor vehicle in the state where the injuries occurred.

"Legally Qualified Physician" means a physician: (a) other than the insured; (b) practicing within the scope of his or her license; and (c) recognized in the state where the services are rendered.

"Off-season Physical Conditioning" means a physical conditioning activity, which is not the play or practice of the insured sport, that is officially scheduled and authorized by a regularly employed coach and trainer.

PART B. EXCLUSIONS AND LIMITATIONS

The policy or certificate does not cover: (a) suicide, attempted suicide or intentionally self-inflicted injury while sane or insane (in Missouri, while sane only); (b) injuries caused by an act of declared or undeclared war; (c) injuries received while in the armed service (upon notice to us of entry into an armed service, the pro rata premium will be refunded); (d) injuries received while acting as a pilot or crew member; (e) injuries received while traveling as a passenger by air, except as specifically defined in this provision; (f) injuries resulting from the Insured's engagement in or attempt to commit a felony or being engaged in an illegal occupation; (g) injuries received while under the influence of any controlled substance, unless administered on the advice of a legally qualified physician; or (h) injuries received while intoxicated as specifically defined in this provision.
INSURING PROVISION
COVERAGE FOR SPONSORED ACTIVITIES

This provision applies only to the class or classes of Insureds specified in the Plan of Insurance.

The Insured is covered for Injuries received while insured under this provision. Such Injuries must be received while participating in activities sponsored and supervised by the Policyholder.

Provision Date (same as the Policy Date or Certificate Date if no date is shown)

DEFINITIONS

The definitions in the policy, certificate and Benefit Provision(s) apply to this Insuring Provision. In addition, the following definitions are added.

"Intoxicated" means a blood alcohol level which equals or exceeds the legal limit for operating a motor vehicle in the state where the Injuries occurred.

"Legally Qualified Physician" means a physician:

(a) other than the Insured;
(b) practicing within the scope of his or her license; and
(c) recognized as a physician in the state where services are rendered.

EXCLUSIONS AND LIMITATIONS

This provision does not cover Injuries:

(a) resulting from suicide, attempted suicide, or intentionally self-inflicted injury while sane or insane (in Missouri, while sane only);
(b) caused by an act of declared or undeclared war;
(c) received while in the armed service (upon notice to us of entry into an armed service, the pro rata premium will be refunded);
(d) received while acting as a pilot or crew member;
(e) resulting from air travel, except while as a passenger for transportation only;
(f) resulting from the Insured's engagement in or attempt to commit a felony or being engaged in an illegal occupation;
(g) received while under the influence of any controlled substance, unless administered on the advice of a Legally Qualified Physician; or
(h) received while Intoxicated as specifically defined in this provision.
BENEFIT PROVISION
Accidental Death and Specific Loss Benefits

This provision applies only to the class or classes of Insureds specified in the Plan of Insurance.

The Insured is covered for Injuries received while insured under the policy or certificate and this provision.

Provision Date (same as Policy Date or Certificate Date if no date is shown)

PART A. DEFINITIONS

The definitions in the policy, certificate and Insuring Provision(s) apply to this Benefit Provision. In addition, the following definitions are added.

"Loss of Eye or Eyes" means the total and irrecoverable loss of the entire sight thereof.

"Loss of Hand or Hands or Foot or Feet" means severance at or above the wrist or ankle joint, respectively.

"Loss of Speech and Hearing" means the total and irrecoverable loss thereof. Loss of hearing that can be corrected by the use of any hearing aid or device shall not be considered an irrecoverable loss.

"Loss of Thumb and Index Finger of the Same Hand" means severance of two or more entire phalanges of both the thumb and the index finger.

PART B. BENEFITS

When, because of covered Injuries, the Insured sustains any of the following losses within 365 days after the date of the accident, benefits will be paid as follows:

<table>
<thead>
<tr>
<th>Loss of Life</th>
<th>Principal Sum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of Both Feet, Both Hands or Both Eyes</td>
<td>Principal Sum</td>
</tr>
<tr>
<td>Loss of One Hand and One Foot</td>
<td>Principal Sum</td>
</tr>
<tr>
<td>Loss of One Hand and One Eye or One Foot and One Eye</td>
<td>Principal Sum</td>
</tr>
<tr>
<td>Loss of One Hand, One Foot or One Eye</td>
<td>One-half Principal Sum</td>
</tr>
<tr>
<td>Loss of Speech and Hearing</td>
<td>Principal Sum</td>
</tr>
<tr>
<td>Loss of Speech or Hearing</td>
<td>One-half Principal Sum</td>
</tr>
<tr>
<td>Loss of Thumb and Index Finger of the Same Hand</td>
<td>One-fourth Principal Sum</td>
</tr>
</tbody>
</table>

Only one of the amounts shown above (the largest applicable) will be paid for covered Injuries resulting from one accident. The benefit for loss of: (a) two limbs; (b) both eyes; (c) one limb and one eye; (d) speech and hearing; or (e) thumb and index finger of the same hand is payable only when such double loss is the result of the same accident.

PART C. EXCLUSIONS AND LIMITATIONS

This provision is subject to the Exclusions and Limitations of the Insuring Provision(s) applicable to the Insured.
BENEFIT PROVISION
Accident Medical Expense Benefits
(Includes Ambulance Service and Orthopedic Appliances)

This provision applies only to the class or classes of Insureds specified in the Plan of Insurance.

The Insured is covered for Injuries received while insured under the policy or certificate and this provision. The Medical Benefit and Medical Deductible are specified in the Plan of Insurance.

Provision Date (same as the Policy Date or Certificate Date if no date is shown)

PART A. DEFINITIONS

The definitions in the policy, certificate and Insuring Provision(s) apply to this Benefit Provision. In addition, the following definitions are added.

"Ambulatory Surgical Center" means a facility which is licensed as an Ambulatory Surgical Center by the state in which it is located.

"Medical Expense" means expense incurred for Medically Necessary services and supplies ordered or prescribed by a Legally Qualified Physician. Not included are amounts in excess of the Usual and Customary Charges. Medical Expense is incurred on the date the service or supply is received.

"Legally Qualified Physician" means a physician: (a) other than the Insured; (b) practicing within the scope of his or her license; and (c) recognized as a physician in the state where the services are rendered.

A "Medically Necessary" service or supply means one which: (a) is recommended by the attending Legally Qualified Physician; (b) is appropriate and consistent with the diagnosis in accord with accepted standards of community practice; and (c) could not have been omitted without adversely affecting the Insured's condition or the quality of medical care.

"Usual and Customary Charges" means those comparable charges for similar treatment, services and supplies in the geographic area where treatment is performed.

PART B. BENEFITS

When covered Injuries result in treatment by a Legally Qualified Physician beginning within 365 days after the date of the accident, we will pay the Medical Expense incurred in excess of the Medical Deductible, if any. Benefits shall not exceed the Usual and Customary Charges. Eligible Medical Expenses are as follows:

(a) Treatment by a Legally Qualified Physician;
(b) Care or services from a Hospital or Ambulatory Surgical Center;
(c) Services from a registered graduate nurse (RN or LPN) not related to the Insured by blood or marriage;
(d) Professional ambulance service;
(e) Orthopedic appliances.

Only covered Medical Expense incurred by the Insured within five (5) years from the date of the accident is covered. Benefits for any one accident shall not exceed, in the aggregate, the Medical Benefit.
PART C. EXCLUSIONS AND LIMITATIONS

This provision is subject to the Exclusions and Limitations of the Insuring Provisions applicable to the Insured. Exclusions and Limitations also include: (a) the cost of eyeglasses, contact lenses or examinations for either; (b) the cost of dental treatment, except as specifically provided for Injuries to sound, natural teeth; (c) Injuries covered by workers' compensation or employer's liability laws; (d) treatment of a hernia; or (e) prescription drugs.
FULL EXCESS COVERAGE AMENDMENT RIDER

This rider applies only to the class or classes of Insureds specified in the Plan of Insurance.

This rider is made a part of the policy or certificate to which it is attached. It is subject to all of the terms of the policy or certificate which are not in conflict with this rider.

Rider Date (same as the Policy Date or Certificate Date if no date is shown)

PART A. DEFINITIONS

The definitions in the policy, certificate, Insuring Provision(s) and Benefit Provision(s) apply to this rider.

PART B. AMENDMENT

The Medical Expense benefit provision is amended. Benefits for Medical Expense will be paid only for such expense which is not recoverable from any other insurance policy, service contract or workers' compensation.

PART C. EXCLUSIONS AND LIMITATIONS

This rider is subject to the Exclusions and Limitations of the Insuring Provision(s) and Benefit Provision(s) applicable to the Insured.

MUTUAL OF OMAHA INSURANCE COMPANY

[Signature]

Corporate Secretary
FACILITY OF PAYMENT AMENDMENT RIDER

This rider applies to the class or classes of Insureds specified in the Plan of Insurance.

This rider is made a part of the policy or certificate to which it is attached and is subject to all of the terms of the policy or certificate which are not in conflict with this provision.

Rider Date (same as the Policy Date or Certificate Date if no date is shown)

PART A. DEFINITIONS

The definitions in the policy, certificate, insuring provision(s) and benefit provision(s) apply to this rider.

PART B. AMENDMENT

In the absence of a written assignment of benefits, all or a portion of any medical benefits provided by the policy or certificate may be reimbursed to the provider rendering the treatment or service. Such payment will be at our option.

MUTUAL OF OMAHA INSURANCE COMPANY

[Signature]
Corporate Secretary
BENEFICIARY DESIGNATION AMENDMENT RIDER

This rider applies only to the class or classes of Insureds specified in the Plan of Insurance.

This rider is made a part of the policy or certificate to which it is attached and is subject to all of the terms of the policy or certificate which are not in conflict with this rider.

Rider Date (same as the Policy Date or Certificate Date if no date is shown)

PART A. DEFINITIONS

The definitions in the policy, certificate, Insuring Provision(s) and Benefit Provision(s) apply to this rider.

PART B. AMENDMENT

The General Provision captioned Payment of Claims is hereby deleted in its entirety and the following is substituted.

Payment of Claims: Indemnity for loss of life will be payable in accord with the beneficiary designation made in writing by the Insured and on file with the Company. In the absence of such beneficiary designation, or in the event the designated beneficiary predeceases the Insured, indemnity for loss of life will be paid to the first of the following surviving beneficiaries: the Insured's: (a) lawful spouse; (b) child or children, jointly; (c) parents, jointly if both are living, or the surviving parent if only one survives; (d) brothers and sisters, jointly; (e) estate. Any other accrued indemnities unpaid at the Insured's death may, at Our option, be paid either to the Insured's beneficiary or to his or her estate. All other indemnities will be payable to the Insured.

PART C. EXCLUSIONS AND LIMITATIONS

This rider is subject to the Exclusions and Limitations of the Insuring Provision(s) and Benefit Provision(s) applicable to the Insured.

MUTUAL OF OMAHA INSURANCE COMPANY

[Signature]
Corporate Secretary
ASSIGNMENT OF MEDICAL TRANSPORTATION BENEFITS
AMENDMENT RIDER

This rider is made a part of the policy to which it is attached. It is subject to all provisions of the policy which are not in conflict with this rider.

The Rider Date is the Policy Date or Jan. 1, 1987, whichever is later.

If your policy or any attached riders provide benefits for medical transportation service, such benefits shall be payable directly to the provider of the medical transportation service. This will be done unless we receive proof that such expense has already been paid. This rider applies to such benefits payable on or after the Rider Date.

MUTUAL OF OMAHA INSURANCE COMPANY

Michael Huss
Corporate Secretary
Residents of California who purchase life and health insurance and annuities should know that the insurance companies licensed in this state to write these types of insurance are members of the California Life and Health Insurance Guarantee Association ("CLHIGA"). The purpose of this Association is to assure that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes financially unable to meet its obligations. If this should happen, the Guarantee Association will assess its other member insurance companies for the money to pay the claims of insured persons who live in this state and, in some cases, to keep coverage in force. The valuable extra protection provided through the Association is not unlimited, as noted in the box below, and is not a substitute for consumers' care in selecting insurers.

The California Life and Health Insurance Guarantee Association may not provide coverage for this policy. If coverage is provided, it may be subject to substantial limitations or exclusions, and require continued residency in California. You should not rely on coverage by the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your policy or any portion of it that is not guaranteed by the insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice. However, insurance companies and their agents are prohibited by law from using the existence of the Guarantee Association to induce you to purchase any kind of insurance policy.

Policyholders with additional questions should first contact their insurer or agent or may then contact

California Life and Health Insurance Guarantee Association or Consumer Service Division
P.O. Box 17319 California Department of Insurance
Beverly Hills, CA 90209-3319 300 South Spring Street

Below is a brief summary of this law's coverages, exclusions and limits. This summary does not cover all provisions of the law; nor does it in any way change anyone's rights or obligations under the Act or the rights or obligations of the Association.

**COVERAGE**

Generally, individuals will be protected by the California Life and Health Insurance Guarantee Association if they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees of insured persons are protected as well, even if they live in another state.
EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Guarantee Association if:

- Their insurer was not authorized to do business in this state when it issued the policy or contract;
- Their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- They are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose guaranty association protects insureds who live outside that state.

The Guarantee Association also does not provide coverage for:

- Unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- Employer and association plans, to the extent they are self-funded or uninsured;
- Synthetic guaranteed interest contracts;
- Any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- Any policy of reinsurance unless an assumption certificate was issued;
- Interest rate yields that exceed an average rate;
- Any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNTS OF COVERAGE  The Act limits the Association to pay benefits as follows:

LIFE AND ANNUITY BENEFITS

- 80% of what the life insurance company would owe under a life policy or annuity contract up to:
  - $100,000 in cash surrender values,
  - $250,000 in present value of annuities, or
  - $300,000 in life insurance death benefits.
- A maximum of $300,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.
- With respect to any one owner of multiple nongroup policies of life insurance, whether the policy owner is an individual, firm, corporation, or other person, and whether the persons insured are officers, managers, employees, or other persons, in no event shall the association be obligated to cover more than $5,000,000 in benefits, regardless of the number of policies and contracts held by the owner.

HEALTH BENEFITS

- A maximum of $200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the Act applies.
NOTICE

If a problem occurs, the Department of Insurance should be contacted only after the contacts between you and your insurance company or its representatives have failed to produce a satisfactory solution to the problem.

To contact the Department of Insurance, write or call:

Consumer Division
Department of Insurance, Los Angeles Office
300 South Spring Street
Los Angeles, California 90013

Toll-free number 1-800-927-4357
INDEPENDENT MEDICAL REVIEW

If an insured person's proposed covered services are denied on the basis that the treatment is investigational or experimental, he or she may request an independent medical review process. We will provide the necessary information at the time the insured person requests such independent medical review, subject to the following conditions. We will pay for the cost of such review.

Conditions

1. The independent medical review process is available only when:
   (a) the insured person has a terminal condition that, as diagnosed by a physician, has a high probability of causing death within two years from the date of the request for such review;
   (b) the physician determines that such condition has not improved by using standard therapies, or for which standard therapies would be inappropriate, or for which there is no other standard therapy other than as described in item (c);
   (c) Either:
      (1) the physician has recommended a drug, device, procedure, or other therapy that he or she has certified in writing that is likely to be more beneficial than any available standard therapies; or
      (2) the insured person or the physician who specializes in the insured person's condition has requested a therapy that, based on two documents from the Medical and Scientific Evidence, is likely to be more beneficial than any available standard therapy; and
   (d) services as described in item (c) are denied by us; unless specifically excluded under the policy, or would be covered except for our determination that such services are considered experimental or under investigation.

2. Benefits will be payable under the terms of the policy if the majority of the panel of experts who conduct the independent medical review recommend providing the therapy.

Definition

Medical and Scientific Evidence means the following sources:
   (a) Peer-reviewed scientific studies published in or accepted for publication by medical journals that meet nationally recognized requirements for scientific manuscripts and that submit most of their published articles for review by experts who are not part of the editorial staff;
   (b) Peer-reviewed literature, biomedical compendia and other medical literature that meet the criteria of the National Institute of Health's National Library of Medicine for indexing in Index Medicus Excerpta Medicus (EMBASE), Medline and MEDLARS database Health Services Technology Assessment Research (HSTAR);
   (c) Medical journals recognized by the Secretary of Health and Human Services, under Section 1861 (t) (2) of the Social Security Act;
   (d) The following standard reference compendia: The American Hospital Formulary Service-Drug Information, the American medical Association Drug Evaluation, the American Dental Association Accepted Dental Therapeutics and The United States Pharmacopoeia-Drug Information;
   (e) Findings, studies or research conducted by or under the auspices of federal government agencies and nationally recognize federal research institutes including the Federal Agency for Health Care Policy and Research, National Institutes of health, National Cancer Institute, National Academy of Sciences, Health Care Financing Administration, Congressional Office of Technology Assessment, and any national board recognized by the National Institutes of Health for the purpose of evaluating the medical value of health services; and
   (f) Peer-reviewed abstracts accepted for presentation at major medical association meetings.
AMENDMENT RIDER

This rider is attached to and made a part of Policy No. T5MP-P-034363 and is subject to the provisions and conditions contained therein.

The effective date of this rider is the Policy Date.

The policy to which this rider is attached is hereby amended as follows:

- The following exclusion is deleted from the Accident Medical Expense Benefit Provision 6425M:

  (c) Injuries covered by workers' compensation or employer's liability laws

  Benefits will now be provided, however, not in excess of the Medical Benefit.

MUTUAL OF OMAHA INSURANCE COMPANY

[Signature]

Corporate Secretary

California State University Risk Management Authority
062111 cg
**Coverage Summary**

Coverage: Foreign Travel Insurance Program

Coverage Term: July 1, 2012 – July 1, 2013

Policy Number: GLMN04950872R / PHFD37258337

Insurer: ACE USA- U.S. International Advantage Program

Insured: California State University Risk Management Authority (CSURMA)
California State University (CSU)
CSU Auxiliary Organizations

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

Coverage Territory: ANYWHERE IN THE WORLD but excluding:
1. The United States of America, Puerto Rico, (including its territories and possessions); and
2. Any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America

Coverage & Limits:

**Primary General Liability**

$5,000,000 Coverage A – Bodily Injury/Property Damage Each Occurrence

$5,000,000 Aggregate Limit/Products/Completed Ops

$1,000,000 Premises Damage Limit

$5,000,000 Coverage B – Personal Injury & Advertising Injury – Aggregate Limit

$ 10,000 Coverage C – Medical Expense Limit (any one person)

$1,000,000 Employee Benefits Liability Endorsement- Each Claim (Subject to $1,000 Deductible) (Claims Made Coverage) and Annual Aggregate

**Contingent Auto Liability (Excess)**

$1,000,000 Bodily Injury/Property Damage Liability Each “accident”

$ 100,000 Hired Auto Physical Damage/any one policy period

$ 25,000 Auto Medical Payments/each person/ each accident

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage & Limits
(cont.):

<table>
<thead>
<tr>
<th>Coverage &amp; Limits</th>
<th>Employers Responsibility Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Voluntary Compensation</td>
</tr>
<tr>
<td>State of Hire</td>
<td>North Americans – State of Hire</td>
</tr>
<tr>
<td>Country Origin</td>
<td>Third Country Nationals – Country of Origin</td>
</tr>
<tr>
<td>Country Origin</td>
<td>Local Nationals – Country of Origin</td>
</tr>
</tbody>
</table>

Employers Liability

- $1,000,000 Bodily Injury by Accident/each Accident
- $1,000,000 Bodily Injury by Disease/each Employee (including Endemic Disease)
- $1,000,000 Bodily Injury by Disease/Policy Limit (including Endemic Disease)

Primary Medical Expense

- $250,000 Employee/Student (Primary Med Expense)
- $250,000 Spouse/Dependent/Volunteer (Primary Med Expense)
- $1,000 Maximum Preexisting Conditions
- $1,000 Maximum for Dental Treatment – Injury Only
- $500 Alleviation of Pain - Maximum
- $2,000 Emergency Medical Treatment of Pregnancy

Emergency Medical Benefits

- Up to $10,000 Emergency Medical Benefit Maximum (Employee/Student)

Emergency Medical Evacuation

- 100% of Covered Expense Emergency Medical Evacuation Benefit Maximum (Employee/Student)

Repatriation of Remains Benefit

- 100% of Covered Expense Repatriation of Remains Benefit Maximum (Employee/Student)

Emergency Reunion

- $5,000 Benefit Maximum
- $300 Daily Benefit Maximum
- 10 Days Maximum Number of Days
- Round Trip Ticket to fly to injured participant

Political Evacuation & Repatriation Benefit War Risk Coverage

- $2,000,000 Aggregate Limit/Benefit Maximum

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
### Coverage & Limits (cont.):

<table>
<thead>
<tr>
<th>Benefit</th>
<th>Faculty/Employee</th>
<th>Student/Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>$100,000 Accidental Death &amp; Dismemberment Benefit</td>
<td>$60.00*</td>
<td>$50.00*</td>
</tr>
<tr>
<td>Employee – AD&amp;D Benefit</td>
<td>$75.00*</td>
<td>$60.00*</td>
</tr>
<tr>
<td>$50,000 Student – AD&amp;D Benefit</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Accidental Death & Dismemberment Benefit
- Employee – AD&D Benefit
- Student – AD&D Benefit

### Trip Cancellation
- $2,500 Benefit Maximum
- Reimbursement of non-refundable covered expenses paid for trip up to Benefit Maximum if prevented from taking trip as a result of injury, sickness, or death

### Trip Interruption Benefit
- $2,500 Benefit Maximum
- Reimbursement of cost for one-way economy air/or ground transportation ticket, up to benefit maximum, if participant’s trip is interrupted as a result of a death of a family member or unforeseen injury or sickness of participant’s family member.

### Trip Cancellation (Self Funded)
- $2,500 Benefit Maximum
- Limited self-insured coverage for trip cancellation, addressing the cost of cancelling or early return from travel triggered by critical events that may not be covered under the insurance program (recent examples – Tsunami in Japan and the disruption caused by the Icelandic volcano).

### Premium Rates:
- **Faculty/Employee**
  - $60.00* Trips up to 15 days duration per trip/employee
  - $75.00* Trips up to 30 days duration per trip/employee
- **Students/Other**
  - $50.00* Trips up to 15 days duration per trip/student
  - $60.00* Trips up to 30 days duration per trip/student

*Note: Additional Premium for high-hazardous / war risk countries. Contact Alliant Program Administrator for details

### Claims Reporting:
- ACE Travel Assistance Program
  - 1-800-243-6124 (Inside the USA)
  - 1-202-659-7803 (Outside USA Call Collect)
- Email: [OPS@europassistance-use.com](mailto:OPS@europassistance-use.com)
- Plan Number: 01AH585
- Policyholder: California State University Trustees
- Policy Number: GLMN04950872R
- Assistance Provider: Europ Assistance USA

Note: This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
ACE INA PRIVACY STATEMENT

The ACE INA group of companies strongly believes in maintaining the privacy of information we collect about individuals. We want you to understand how and why we use and disclose the collected information. The following provides details of our practices and procedures for protecting the security of nonpublic personal information that we have collected about individuals. This privacy statement applies to policies underwritten by ACE American Insurance Company.

INFORMATION WE COLLECT

The information we collect will vary depending on the type of product or service individuals seek or purchase, and may include:

- Information we receive from individuals, such as their name, address, age, phone number, social security number, assets, income, or beneficiaries;
- Information about individuals' transactions with us, with our affiliates, or with others, such as policy coverage, premium, payment history, motor vehicle records; and
- Information we receive from a consumer reporting agency, such as a credit history.

INFORMATION WE DISCLOSE

We do not disclose any personal information to anyone except as is necessary in order to provide our products or services to a person, or otherwise as we are required or permitted by law.

We may disclose any of the information that we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

THE RIGHT TO VERIFY THE ACCURACY OF INFORMATION WE COLLECT

Keeping information accurate and up to date is important to us. Individuals may see and correct their personal information that we collect except for information relating to a claim or a criminal or civil proceeding.

CONFIDENTIALITY AND SECURITY

We restrict access to personal information to our employees, our affiliates' employees, or others who need to know that information to service the account or in the course of conducting our normal business operations. We maintain physical, electronic, and procedural safeguards to protect personal information.

CONTACTING US

If you have any questions about this privacy statement or would like to learn more about how we protect privacy, please write to us at ACE INA Customer Services, P.O. Box 1000, 436 Walnut Street, WA04F, Philadelphia, PA 19106. Please include the policy number on any correspondence with us.

ACE American Insurance Company

PI-19668 (02/06)
Residents of California who purchase life and health insurance and annuities should know that the
insurance companies licensed in this state to write these types of insurance are members of the
California Life and Health Insurance Guaranty Association. The purpose of this Association is to assure
that policyholders will be protected, within limits, in the unlikely event that a member insurer becomes
financially unable to meet its obligations. If this should happen, the Association will assess its other
member insurance companies for the money to pay the claims of insured persons who live in this state
and, in some cases, to keep coverage in force. The valuable extra protection provided through the
Association is not unlimited, as noted in the box below, and is not a substitute for consumers’ care in
selecting well managed and financially stable insurers.

The California Life and Health Insurance Guaranty Association may not provide coverage for
this insurance. If coverage is provided, it may be subject to substantial limitations or
exclusions, and require continued residency in the state. You should not rely on coverage by
the Association in selecting an insurance company or in selecting an insurance policy.

Coverage is NOT provided for your insurance or any portion of it that is not guaranteed by the
Insurer or for which you have assumed the risk, such as a variable contract sold by prospectus.

Insurance companies or their agents are required by law to give or send you this notice.
However, insurance companies and their agents are prohibited by law from using the existence
of the Association to induce you to purchase any kind of insurance policy.

If you have additional questions, you should first contact your insurer or agent and then may
contact:

California Life and Health Insurance Guaranty Association OR Consumer Service Division
P.O. Box 16860 California Department of Insurance
Beverly Hills, CA 90209-3319 300 South Spring Street, South Tower
Below is a brief summary of this law’s coverages, exclusions and limits. This summary does not cover all
provisions of the law; nor does it in any way change anyone’s rights or obligations under the Act or the
rights or obligations of the Association.

COVERAGE

Generally, individuals will be protected by the California Life and Health Insurance Guaranty Association if
they live in this state and hold a life or health insurance contract, or an annuity, or if they are insured
under a group insurance contract, issued by a member insurer. The beneficiaries, payees or assignees
of insured persons are protected as well, even if they live in another state.
EXCLUSIONS FROM COVERAGE

However, persons holding such policies are not protected by this Association if:
- their insurer was not authorized to do business in this state when it issued the policy or contract;
- their policy was issued by a health care service plan (HMO), Blue Cross, Blue Shield, a charitable organization, a fraternal benefit society, a mandatory state pooling plan, a mutual assessment company, an insurance exchange, or a grants and annuities society;
- they are eligible for protection under the laws of another state. This may occur when the insolvent insurer was incorporated in another state whose Guaranty Association protects insureds who live outside that state.

The Association also does not provide coverage for:
- unallocated annuity contracts; that is, contracts which are not issued to and owned by an individual and which guarantee rights to group contract holders, not individuals;
- employer and association plans to the extent they are self-funded or uninsured;
- synthetic guaranteed interest contracts;
- any policy or portion of a policy which is not guaranteed by the insurer or for which the individual has assumed the risk, such as a variable contract sold by prospectus;
- any policy of reinsurance unless an assumption certificate was issued;
- interest rate yields that exceed an average rate; and
- any portion of a contract that provides dividends or experience rating credits.

LIMITS ON AMOUNT OF COVERAGE

The Act limits the Association to pay benefits as follows:

**Life and Annuity Benefits**
- 80% of what the life insurance company would owe under a life policy or annuity contract up to
  - $100,000 in cash surrender values;
  - $100,000 in present value of annuities; or
  - $250,000 in life insurance death benefits.
- A maximum of $250,000 for any one insured life no matter how many policies and contracts there were with the same company, even if the policies provided different types of coverages.

**Health Benefits**
- A maximum of $200,000 of the contractual obligations that the health insurance company would owe were it not insolvent. The maximum may increase or decrease annually based upon changes in the health care cost component of the consumer price index.

PREMIUM SURCHARGE

Member insurers are required to recoup assessments paid to the Association by way of a surcharge on premiums charged for health insurance policies to which the act applies.
This Endorsement form is made a part of the Policy to which it is attached as of the Effective Date shown above. If no Effective Date is shown, this form takes effect as of the Policy Effective Date shown in the Policy’s Master Application. This form is subject to all of the terms, limitations and exclusions of the Policy except as they are changed by it.

I. This definition is added to the Definitions section of the Policy:

Participating Organization – means any individual, firm, corporation or other organization which meets these tests:

1. it elects coverage or elects to offer coverage under the Policy by completing a Participating Organization Application; and
2. its Application has been accepted by Us; and
3. it pays any required premium when due;

while coverage through the Participating Organization is available under the Policy.

II. This section is added to the Policy:

PARTICIPATING ORGANIZATION EFFECTIVE AND TERMINATION DATES

A. EFFECTIVE DATE. A Participating Organization’s coverage under the Policy begins on the later of:

1. the Participating Organization Effective Date shown in the Participating Organization Application at 12:01 a.m. at the address of the Participating Organization shown in the Participating Organization Application; or
2. the Policy Effective Date shown in the Master Application.

B. TERMINATION DATE. We may terminate the Participating Organization’s coverage under the Policy by giving 31 days advance notice in writing to the Participating Organization. Either We or the Participating Organization may terminate the Participating Organization’s coverage under the Policy on any premium due date by giving 31 days advance written notice to the other party. The Participating Organization’s coverage under the Policy may also, at any time, be terminated by the mutual written consent of Us and the Participating Organization.
A Participating Organization’s coverage terminates automatically on the first of these dates:

1. the Participating Organization Termination Date shown on the Participating Organization Application; or
2. the premium due date if any required premiums are not paid when due; or
3. the date the Policy terminates.

Termination of the Participating Organization’s coverage takes effect at 11:59 p.m. at the Participating Organization’s address on the date of termination.

III. This language applies to each Amendment form attached to the Policy:

Any Amendment form applies only to accidents that occur on or after the later of:

1. the effective date of each such form; or
2. the effective date of the Participating Organization’s coverage under the Policy.

Each such form applies to a Participating Organization’s coverage only if the Participating Organization has elected the coverage described in the form as shown in the Participating Organization Application.


JOHN J. LUPICA, President

CARMINE A. GIGANTI, Secretary
I. Application is hereby made for a plan of blanket travel Accident and Sickness insurance based on the following statements and representations:

1. Identification of Policyholder:

   Name of Policyholder: Trustee of ACE USA Accident & Health Insurance Trust
   Address of Policyholder: Washington, D.C.
   Policy Number: GLM N04950872R

2. Identification of Participating Organization:

   Name of Participating Organization: California State University
   Address of Participating Organization: 401 Golden Shore
   Long Beach, CA 90802

3. Classification of Eligible Persons:

   Class 1 All students and employees of the Participating Organization traveling outside of the United States.

   *Dependents of Class(es) 1 are eligible for coverage under this Policy.

4. Participating Organization Riders and/or Endorsements:

   The following Riders and/or Endorsements, if any, are attached to and made part of the Participating Organization’s coverage under the Policy as of the Participating Organization Effective Date. Each Rider and/or Endorsement is subject to all provisions, limitations and exclusions of the Policy that are not specifically modified by the Rider and/or Endorsement.

   **FORM NO. DESCRIPTION**

   AH10051a Participating Organization Endorsement

5. Participating Organization Coverage:

   **Covered Activities:**

   Class 1 Educational Travel

   Dependents of Class 1 Educational Travel
Benefits:  
Medical Expense Benefits  
Emergency Medical Benefits  
Emergency Medical Evacuation Benefit  
Repatriation of Remains Benefit  

Additional Benefits:  
Emergency Reunion Benefit  
Home Country Extension Benefit  
Security Evacuation Benefit  
Trip Cancellation Benefit  
Trip Interruption Benefit  
Accidental Death & Dismemberment  
Coma Benefit  
Felonious Assault Benefit  
Hijacking and Air Piracy Benefits  

6. Premiums:  

Such Premiums are due and payable in the following manner: The Applicant agrees to pay, in advance, the required Premium for these coverages.  

7. Participating Organization’s Policy Term:  
July 1, 2012 to June 30, 2013  

II. The undersigned Participating Organization hereby elects the blanket travel Accident and Sickness Insurance Benefits provided by ACE American Insurance Company as outlined on this Participating Organization Application and agrees to be bound by the terms and provisions of the Trust Agreement establishing the ACE USA Accident & Health Insurance Trust. It is understood and agreed that such terms and provisions may be amended at any time and from time to time. It is agreed that this Application for Insurance Benefits replaces any prior application made for the same coverage.  

WARNING: IT IS A CRIME TO PROVIDE FALSE OR MISLEADING INFORMATION TO AN INSURER FOR THE PURPOSE OF DEFRAUDING THE INSURER OR ANY OTHER PERSON. PENALTIES INCLUDE IMPRISONMENT AND/OR FINES. IN ADDITION, AN INSURER MAY DENY INSURANCE BENEFITS IF FALSE INFORMATION MATERIALLY RELATED TO A CLAIM WAS PROVIDED BY THE APPLICANT.  

______________________________  
Signed for the Participating Organization  

______________________________  
Title  

______________________________  
Date  

______________________________  
Signed by Licensed Resident Agent  
(Where Required by Law)
POLICYHOLDER: Trustee of the ACE USA Accident & Health Insurance Trust on behalf of the Participating Organization

PARTICIPATING ORGANIZATION: California State University

POLICY NUMBER: GLM N04950872R

POLICY EFFECTIVE DATE: July 1, 2012

POLICY TERM: July 1, 2012 to June 30, 2013

STATE OF DELIVERY: District of Columbia

This Policy takes effect at 12:01 a.m. at the Participating Organization’s address on the Policy Effective Date shown above. It will remain in effect for the duration of the Policy Term shown above if the premium is paid according to the agreed terms. This Policy terminates at 11:59 p.m. at the Participating Organization’s address, on the last day of the Policy Term.

This Policy is governed by the laws of the state in which it is delivered.

Signed for ACE AMERICAN INSURANCE COMPANY at Philadelphia, Pennsylvania

JOHN J. LUPICA, President

CARMINE A. GIGANTI, Secretary

THIS IS A BLANKET ACCIDENT AND SICKNESS INSURANCE POLICY. IT PAYS OUT-OF-COUNTRY MEDICAL EXPENSE BENEFITS ONLY. PLEASE READ THE POLICY CAREFULLY.
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SCHEDULE OF BENEFITS

PREMIUM DUE DATE: On or before the Policy Effective Date.

CLASSES OF ELIGIBLE PERSONS:

A person may be insured only under one Class of Eligible Persons even though he or she may be eligible under more than one class. Also, a person may not be insured as a Dependent and an Insured at the same time.

Class 1 All students and employees of the Participating Organization traveling outside of the United States.

*Dependents of Class(es) 1 Insureds are eligible for Coverage under this Policy.

COVERED ACTIVITIES:

Class 1 Educational Travel
Dependents of Class 1 Educational Travel

BENEFITS:

Medical Expense Benefits
Total Maximum for all Accident or Sickness Expense Benefits:
Class 1: $250,000
Spouse of Class 1 $250,000
Children of Class 1 $250,000

Maximum for Preexisting Conditions: treated as any other medical condition

Maximum for Dental Treatment
(Injury Only): $1,000
(Alleviation of Pain): $500

Maximum for Emergency Medical
Treatment of Pregnancy: To be treated as any other medical condition

Maximum for Room & Board Charges: The average semi private room rate

Maximum for ICU Room & Board Charges: Two times the average semi private room rate
Maximum for Prescription Drugs:
- Inpatient Co-insurance: 100%
- Outpatient Co-insurance: 80%

Maximum for Therapeutic Termination of Pregnancy: $2,000

Deductible: $0 per Covered Accident or Sickness

Co-insurance Rate: 100% of the Usual and Customary Charges

Incurral Period: 60 days after the date of Covered Accident or Sickness

Maximum Benefit Period: The earlier of the date the Covered Person’s Trip ends, or 364 days from the date of a Covered Accident or Sickness

Maximum Period of Coverage: 364 days

**Emergency Medical Benefits**
- Benefit Maximum: up to $10,000

**Emergency Medical Evacuation Benefit**
- Benefit Maximum: 100% of the Covered Expenses

**Repatriation of Remains Benefit**
- Benefit Maximum: 100% of the Covered Expenses

**Emergency Reunion Benefit**
- Benefit Maximum: $5,000
- Daily Benefit Maximum: $300
- Maximum Number of Days: 10

**Home Country Extension Benefit**
- Benefit Maximum: up to the Medical Expense Benefit Maximum
- Deductible: $0
- Maximum Benefit Period: 60 days

**Security Evacuation Expense Benefit**
- Benefit Maximum: $50,000
- Aggregate Limit per Occurrence: $500,000

**Trip Cancellation Benefit**
- Benefit Maximum: $2,500 per Policy Term
Trip Interruption Benefit
Benefit Maximum: $2,500

AGGREGATE LIMIT:
Benefit Maximum: $2,000,000

We will not pay more than the Benefit Maximum for all Accidental Death & Dismemberment losses per Covered Accident. If, in the absence of this provision, We would pay more than Benefit Maximum for all losses from one Covered Accident, then the benefits payable to each person with a valid claim will be reduced proportionately, so the total amount We will pay is the Benefit Maximum.

Accidental Death & Dismemberment Benefits
Principal Sum:
   Class 1 $100,000
   Spouse of Class 1 $50,000
   Children of Class 1 $50,000

Time Period for Loss: 365 days from the date of a Covered Accident

Coma Benefit
Benefits are payable initially as 1% of the Principal Sum per Month up to 11 months and thereafter in a lump sum of 100% of the Principal Sum.

Felonious Assault Benefit
Benefit Amount: 5% of the Covered Person’s Principal Sum up to a Maximum Benefit of $5,000

Hijacking and Air Piracy Benefit
Benefit Amount: 5% of the Covered Person’s Principal Sum up to a Maximum Benefit of $5,000
DEFINITIONS

Please note, certain words used in this document have specific meanings. These terms will be capitalized throughout the document. The definition of any word, if not defined in the text where it is used, may be found either in this Definitions section or in the Schedule of Benefits.

“Active Service” means a Covered Person is either 1) actively at work performing all regular duties at his or her employer’s place of business or someplace the employer requires him or her to be; 2) employed, but on a scheduled holiday, vacation day, or period of approved paid leave of absence; or 3) if not employed, able to engage in substantially all of the usual activities of a person in good health of like age and sex and not confined in a Hospital or rehabilitation or rest facility.

“Country of Permanent Assignment” means a country, other than a Covered Person’s Home Country, in which the Participating Organization requires a Covered Person to work for a period of time that exceeds continuous days.

“Country of Permanent Residence” means a country or location in which the Covered Person maintains a primary permanent residence.

“Covered Accident” means an accident that occurs while coverage is in force for a Covered Person and results directly and independently of all other causes in a loss or Injury covered by the Policy for which benefits are payable.

“Covered Activity” means any activity in which a Covered Person must be engaged when a Covered Accident occurs in order to be eligible for benefits under the Policy. These Covered Activities are listed in the Schedule of Benefits and described in the Hazards section of the Policy.

“Covered Expenses” means expenses actually incurred by or on behalf of a Covered Person for treatment, services and supplies covered by the Policy. Coverage under the Participating Organization’s Policy must remain continuously in force from the date of the Covered Accident or Sickness until the date treatment, services or supplies are received for them to be a Covered Expense. A Covered Expense is deemed to be incurred on the date such treatment, service or supply, that gave rise to the expense or the charge, was rendered or obtained.

“Covered Loss” or “Covered Losses” means an accidental death, dismemberment, or other Injury covered under the Policy.

“Covered Person” means any eligible person, including Dependents if eligible for coverage under the Policy, for whom the required premium is paid. If the cost for this insurance is paid for by the Participating Organization, individual applications are not required for an eligible person to be a Covered Person.

“Deductible” means the dollar amount of Covered Expenses that must be incurred as an out-of-pocket expense by each Covered Person per Covered Accident or Sickness basis before Medical Expense Benefits and/or other Additional Benefits paid on an expense incurred basis are payable under the Policy.

“Dependent” means an Insured’s lawful spouse under age 70 or an Insured’s unmarried child, from the moment of birth to age 19, 25 if a full-time student, who is chiefly dependent on the
Insured for support. A child, for eligibility purposes, includes an Insured’s natural child; adopted child, beginning with any waiting period pending finalization of the child’s adoption; or a stepchild who resides with the Insured or depends on the Insured for financial support. A Dependent may also include any person related to the Insured by blood or marriage and for whom the Insured is allowed a deduction under the Internal Revenue Code.

Insurance will continue for any Dependent child who reaches the age limit and continues to meet the following conditions: 1) the child is handicapped, 2) is not capable of self-support and 3) depends mainly on the Insured for support and maintenance. The Insured must send Us satisfactory proof that the child meets these conditions, when requested. We will not ask for proof more than once a year.

“Dependent” also means an Insured’s Domestic Partner. “Domestic Partner” means a person of the same or opposite sex of the Insured who:

1) shares the Insured’s primary residence;
2) has resided with the Insured for at least 12 months prior to the date of enrollment and is expected to reside with the Insured indefinitely;
3) is financially interdependent with the Insured in each of the following ways;
   a. by holding one or more credit or bank accounts, including a checking account, as joint owners;
   b. by owning or leasing their permanent residence as joint tenants;
   c. by naming, or being named by the other as a beneficiary of life insurance or under a will;
   d. by each agreeing in writing to assume financial responsibility for the welfare of the other.
4) has signed a Domestic Partner declaration with Insured, if recognized by the laws of the state in which he or she resides with the Insured;
5) has not signed a Domestic Partner declaration with any other person within the last 12 months.
6) is 18 years of age or older;
7) is not currently married to another person;
8) is not in a position as a blood relative that would prohibit marriage.

“Doctor” means a licensed health care provider acting within the scope of his or her license and rendering care or treatment to a Covered Person that is appropriate for the conditions and locality. It will not include a Covered Person or a member of the Covered Person’s Immediate Family or household.

“Home Country” means a country from which the Covered Person holds a passport. If the Covered Person holds passports from more than one Country, his or her Home Country will be the country that he or she has declared to Us in writing as his or her Home Country. Home Country also includes the Covered Person’s Country of Permanent Assignment or Country of Permanent Residence.

“Hospital” means an institution that: 1) operates as a Hospital pursuant to law for the care, treatment, and providing of inpatient services for sick or injured persons; 2) provides 24-hour nursing service by Registered Nurses on duty or call; 3) has a staff of one or more licensed Doctors available at all times; 4) provides organized facilities for diagnosis, treatment, and surgery, either: (i) on its premises; or (ii) in facilities available to it, on a prearranged basis; 5) is not primarily a nursing care facility, rest home, convalescent home, or similar establishment, or
any separate ward, wing, or section of a Hospital used as such; and 6) is not a place for drug addicts, alcoholics, or the aged.

“Injury” means accidental bodily harm sustained by a Covered Person that results directly and independently from all other causes from a Covered Accident. The Injury must be caused solely through external, violent, and accidental means. All injuries sustained by one person in any one Covered Accident, including all related conditions and recurrent symptoms of these injuries, are considered a single Injury.

“Insured” means a person in a Class of Eligible Persons for whom the required premium is paid making insurance in effect for that person.

“Medical Emergency” means a condition caused by an Injury or Sickness that manifests itself by symptoms of sufficient severity that a prudent lay person possessing an average knowledge of health and medicine would reasonably expect that failure to receive immediate medical attention would place the health of the person in serious jeopardy.

“Medically Necessary” means a treatment, service, or supply that is: 1) required to treat an Injury or Sickness; 2) prescribed or ordered by a Doctor or furnished by a Hospital; 3) performed in the least costly setting required by the Covered Person’s condition; and 4) consistent with the medical and surgical practices prevailing in the area for treatment of the condition at the time rendered. Purchasing or renting 1) air conditioners; 2) air purifiers; 3) motorized transportation equipment; 4) escalators or elevators in private homes; 5) eyeglass frames or lenses; 6) hearing aids; 7) swimming pools or supplies for them; and 8) general exercise equipment are not Medically Necessary. A service or supply may not be Medically Necessary if a less intensive or more appropriate diagnostic or treatment alternative could have been used. We may consider the cost of the alternative to be the Covered Expense.

“Preexisting Condition” means an illness, disease, or other condition of the Covered Person that in the period before the Covered Person’s coverage became effective under the Policy:
1. first manifested itself, worsened, became acute, or exhibited symptoms that would have caused a person to seek diagnosis, care, or treatment; or
2. required taking prescribed drugs or medicines, unless the condition for which the prescribed drug or medicine is taken remains controlled without any change in the required prescription; or
3. was treated by a Doctor or treatment had been recommended by a Doctor.

“Sickness” means an illness, disease, or condition of the Covered Person that causes a loss for which a Covered Person incurs medical expenses while covered under this Policy. All related conditions and recurrent symptoms of the same or similar condition will be considered one Sickness.

“Trip” means Participating Organization sponsored travel by air, land, or sea from the Covered Person’s Home Country. It includes the period of time from the start of the trip until its end provided the Covered Person is engaged in a Covered Activity or Personal Deviation if covered under the Policy.

“Usual and Customary Charge” means the average amount charged by most providers for treatment, service, or supplies in the geographic area where the treatment, service, or supply is provided.
“We,” “Our,” “Us” means the insurance company underwriting this insurance or its authorized agent.
ELIGIBILITY FOR INSURANCE

Each person in one of the Classes of Eligible Persons shown in the Schedule of Benefits is eligible to be insured on the Policy Effective Date, or the day he or she becomes eligible, if later. We maintain the right to investigate eligibility status and attendance records to verify eligibility requirements are met. If We discover the eligibility requirements are not met, Our only obligation is to refund any premium paid for that person.

An Insured’s Dependent is eligible on the date:
1. the Insured is eligible, if the Insured has Dependents on that date; or
2. the date the person becomes a Dependent, if later.

In no event will a Dependent be eligible if the Insured is not eligible.

EFFECTIVE DATE OF INSURANCE

An Eligible Person will be insured on the later of Policy Effective Date or the date he or she is eligible, if not required to contribute to the cost of this insurance.

If an Eligible Person or Dependent is not in Active Service on the date insurance would otherwise be effective, it will be effective on the date he or she returns to Active Service. A Dependent’s insurance will not be in effect prior to the date an Eligible Person is insured.

TERM OF COVERAGE

This coverage will start on the actual start of the Trip. It does not matter whether the Trip starts at the Covered Person’s home, place of work, or other place. It will end on the first of the following dates to occur:
1. the date the Covered Person returns to his or her Home Country;
2. the scheduled Trip return date; or
3. the date the Covered Person makes a Personal Deviation (unless otherwise provided by the Policy).

“Personal Deviation” means:
1. An activity that is not reasonably related to the Covered Activity; and
2. Not incidental to the purpose of the Trip.

TERMINATION DATE OF INSURANCE

An Insured’s coverage will end on the earliest of the date:
1. the Policy terminates;
2. the Insured is no longer eligible; or
3. the period ends for which premium is paid.

A Dependent’s coverage will end on the earliest of the date:
1. he or she is no longer a Dependent;
2. the Insured’s coverage ends; or
3. the period ends for which premium is paid.
DESCRIPTION OF BENEFITS

The following Provisions explain the benefits available under the Policy. Please see the Schedule of Benefits for the applicability of these benefits on a class level.

Medical Expense Benefits

We will pay Medical Expense Benefits for Covered Expenses that result directly, and from no other cause, from a Covered Accident or Sickness. These benefits are subject to the Deductible, Co-insurance Rate, Maximum Benefit Period, Benefit Maximum, and other terms or limits shown in the Schedule of Benefits.

Medical Expense Benefits are only payable:
1. for Usual and Customary Charges incurred after the Deductible, if any, has been met;
2. for those Medically Necessary Covered Expenses that the Covered Person incurs;
3. for charges incurred for services rendered to the Covered Person while on a covered Trip; and
4. provided the first charge is incurred within the Incurral Period shown in the Schedule of Benefits.

Covered Medical Expenses

- Hospital semi-private room and board (or room and board in an intensive care unit);
- Hospital ancillary services (including, but not limited to, use of the operating room or emergency room)
- Services of a Doctor or a registered nurse (R.N.)
- Ambulance service to or from a Hospital
- Laboratory tests
- Radiological procedures
- Anesthetics and their administration
- Blood, blood products, artificial blood products, and the transfusion thereof
- Physiotherapy
- Chiropractic expenses on an inpatient or outpatient basis
- Medicines or drugs administered by a Doctor or that can be obtained only with a Doctor’s written prescription
- Dental charges for Injury to sound, natural teeth
- Emergency medical treatment of pregnancy
- Therapeutic termination of pregnancy
- Artificial limbs or eyes (not including replacement of these items)
- Casts, splints, trusses, crutches, and braces (not including replacement of these items or dental braces)
- Oxygen or rental equipment for administration of oxygen
- Rental of a wheelchair or hospital-type bed
- Rental of mechanical equipment for treatment of respiratory paralysis
- Mental and Nervous Disorders: limited to one treatment per day. “Mental and Nervous Disorders” means neurosis, psychoneurosis, psychopathy, psychosis, or mental or emotional disease or disorder of any kind
• Pregnancy and childbirth

Emergency Medical Benefits

We will pay Emergency Medical Benefits as shown in the Schedule of Benefits for Covered Expenses incurred for emergency medical services to treat a Covered Person. Benefits are payable up to the Benefit Maximum shown in the Schedule of Benefits if the Covered Person:
1. suffers a Medical Emergency during the course of the Trip; and
2. is traveling on a covered Trip.

Covered Expenses:
1. Medical Expense Guarantee: expenses for guarantee of payment to a medical provider.
2. Hospital Admission Guarantee: expenses for guarantee of payment to a Hospital or treatment facility.

Benefits for these Covered Expenses will not be payable unless:
1. the charges incurred are Medically Necessary and do not exceed the charges for similar treatment, services, or supplies in the locality where the expense is incurred; and
2. do not include charges that would not have been made if there were no insurance.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

Emergency Medical Evacuation Benefit

We will pay Emergency Medical Evacuation Benefits as shown in the Schedule of Benefits for Covered Expenses incurred for the medical evacuation of a Covered Person. Benefits are payable up to the Benefit Maximum shown in the Schedule of Benefits, if the Covered Person:
1. suffers a Medical Emergency during the course of the Trip;
2. requires Emergency Medical Evacuation; and
3. is traveling on a covered Trip.

Covered Expenses:
1. Medical Transport: expenses for transportation under medical supervision to a different hospital, treatment facility or to the Covered Person's place of residence for Medically Necessary treatment in the event of the Covered Person's Medical Emergency and upon the request of the Doctor designated by Our assistance provider in consultation with the local attending Doctor.
2. Dispatch of a Doctor or Specialist: the Doctor’s or specialist’s travel expenses and the medical services provided on location, if, based on the information available, a Covered Person's condition cannot be adequately assessed to evaluate the need for transport or evacuation and a doctor or specialist is dispatched by Our service provider to the Covered Person’s location to make the assessment.
3. Return of Dependent Child(ren): expenses to return each Dependent child who is under age 18 to his or her principal residence if a) the Covered Person is age 18 or older; and b) the Covered Person is the only person traveling with the minor Dependent child(ren); and c) the Covered Person suffers a Medical Emergency and must be confined in a Hospital.
4. Escort Services: expenses for an Immediate Family Member or companion who is traveling with the Covered Person to join the Covered Person during the Covered Person’s emergency medical evacuation to a different hospital, treatment facility, or the Covered Person’s place of residence.

“Immediate Family Member” means a Covered Person’s spouse, child, brother, sister, parent, grandparent, or in-law.

Benefits for these Covered Expenses will not be payable unless:
1. the Doctor ordering the Emergency Medical Evacuation certifies the severity of the Covered Person’s Medical Emergency requires an Emergency Medical Evacuation;
2. all transportation arrangements made for the Emergency Medical Evacuation are by the most direct and economical conveyance and route possible;
3. the charges incurred are Medically Necessary and do not exceed the charges for similar transportation, treatment, services, or supplies in the locality where the expense is incurred; and
4. do not include charges that would not have been made if there were no insurance.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider. In the event the Covered Person refuses to be medically evacuated, we will not be liable for any medical expenses incurred after the date medical evacuation is recommended.

Repatriation of Remains Benefit

We will pay Repatriation Benefits as shown in the Schedule of Benefits for preparation and return of a Covered Person’s body to his or her home if he or she dies as a result of a Medical Emergency while traveling on a covered Trip. Covered expenses include:
1. expenses for embalming or cremation;
2. the least costly coffin or receptacle adequate for transporting the remains;
3. transporting the remains;
4. Escort Services: expenses for an Immediate Family Member or companion who is traveling with the Covered Person to join the Covered Person’s body during the repatriation to the Covered Person’s place of residence.

All transportation arrangements must be made by the most direct and economical route and conveyance possible and may not exceed the Usual and Customary Charges for similar transportation in the locality where the expense is incurred. Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

Emergency Reunion Benefit

We will pay up to the Benefit Maximum as shown in the Schedule of Benefits for expenses incurred to have a Covered Person’s Family Member accompany him or her to the Covered Person’s Home Country or the Hospital where the Covered Person is confined if the Covered Person is: 1) confined in a Hospital for at least 24 consecutive hours due to a covered Injury or Sickness and the attending Doctor believes it would be beneficial for the Covered Person to have an Family Member at his or her side; or 2) the victim of a Felonious Assault. The Family
Member’s travel must take place within 7 days of the date the Covered Person is confined in the Hospital, or the date of the occurrence of the Felonious Assault.

“Felonious Assault” means a violent or criminal act reported to the local authorities which was directed at the Covered Person during the course of, or an attempt of, a physical assault resulting in serious injury, kidnapping, or rape.

Covered expenses include an economy airline ticket and other travel related expenses not to exceed the Daily Benefit Maximum and the Maximum Number of Days shown in the Schedule of Benefits.

All transportation and lodging arrangements must be made by the most direct and economical route and conveyance possible and may not exceed the usual level of charges for similar transportation or lodging in the locality where the expense is incurred. Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

“Family Member” means a Covered Person’s parent, sister, brother, husband, wife, child, grandparent, or immediate in-law.

**Home Country Extension Benefit**

We will pay benefits for Covered Medical Expenses up to the Benefit Maximum shown in the Schedule of Benefits if the Covered Person obtains treatment of a covered Injury or Sickness while he or she is in his or her Home Country provided treatment is rendered within the Incurral Period shown in the Schedule of Benefits. These benefits are limited to the benefits that would be otherwise payable under the Medical Expense Benefit if the Covered Person were outside of his or her Home Country. Benefits are payable under the Policy only to the extent that Covered Expenses are not payable under any other domestic health care plan.

Coverage under this benefit begins on the date the Covered Person arrives in his or her Home Country. It ends the later of: 1) the Maximum Benefit Period shown in the Schedule of Benefits, or 2) the date the Covered Person leaves his or her Home Country.

Home Country Extension Benefit payments are subject to the Deductible, Coinsurance Rate, and Benefit Maximum shown in the Schedule of Benefits for Medical Expense Benefits.

**Security Evacuation Expense Benefit**

We will pay Security Evacuation Expense Benefits to the Covered Person, if:
1. an Occurrence takes place during the Covered Activity described in the Policy and his or her Term of Coverage; and
2. while he or she is traveling outside of his or her Home Country.

Benefits will be subject to the Benefit Maximum shown in the Schedule of Benefits.

Benefits will be paid for:
1. the Covered Person’s Transportation and Related Costs to the Nearest Place of Safety necessary to ensure his or her safety and well-being as determined by the Designated Security Consultant.
2. the Covered Person’s Transportation within 5 days of the Security Evacuation to either of the following locations as chosen by the Covered Person:
   a. back to the country in which the Covered Person is traveling during the Covered Activity but only if 1) coverage remains in force under the Policy; and 2) there is no U.S. State Department Travel Warning in place on the date the Covered Person is scheduled to return; or
   b. the Covered Person’s Home Country; or
   c. where the Policyholder that sponsored the Covered Person’s Trip is located.
3. consulting services by a Designated Security Consultant for seeking information on a Missing Person or kidnapping case, if the Covered Person is considered kidnapped or a Missing Person by local or international authorities.

Security Evacuation Expense Benefits are payable only once for a Covered Person for any one Occurrence.

Benefits will not be payable unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider. Our assistance provider is not responsible for the availability of Transport services. Where a Security Evacuation becomes impractical due to hostile or dangerous conditions, a Designated Security Consultant will endeavor to maintain contact with the Covered Person until a Security Evacuation occurs.

Right of Recovery - If, after a Security Evacuation is completed, it becomes evident that the Covered Person was an active participant in the events that led to the Occurrence, We have the right to recover all Transportation and Related Costs from the Covered Person.

Changes in Terms and Conditions - The terms and conditions of this benefit may be changed at any time to reflect conditions that, in Our opinion, constitute a change in the Policyholder’s Security Evacuation exposure. We will give at least 31 days advance written notice (or authorized electronic or telephonic means) to the Policyholder of any change in the terms and condition of this benefit.

“Appropriate Authority(ies)” means the U.S. State Department, the government authority(ies) in the Covered Person’s Home Country or Country of Residence or the government authority(ies) of the Host Country.

“Designated Security Consultant” means an employee of a security firm under contract with Us or Our assistance provider who is experienced in security and measures necessary to ensure the safety of the Covered Person(s) in his or her care.

“Evacuation Advisory” means a formal recommendation issued by the Appropriate Authority(ies) that the Covered Person or citizens of his or her Home Country or Country of Residence or citizens of the Host Country leave the Host Country.

“Host Country” means any country, other than an OFAC excluded country, in which the Covered Person is traveling while covered under the Policy.

“Missing Person” means a Covered Person who disappeared for an unknown reason and whose disappearance was reported to the Appropriate Authority(ies).
“Natural Disaster” means storm (wind, rain, snow, sleet, hail, lightning, dust or sand), earthquake, flood, volcanic eruption, wildfire or other similar event that:
1. is due to natural causes; and
2. results in such severe and widespread damage that the area of damage is officially declared a disaster area by the government in which the Covered Person’s Trip occurs and the area is deemed to be uninhabitable or dangerous.

Natural disaster does not mean nuclear reactions, uninhabitable property, transportation strikes, lost or stolen passport or travel documents, radiation or radioactive contamination, civil disorder and other similar events.

“Nearest Place of Safety” means a location determined by the Designated Security Consultant where:
1. the Covered Person can be assumed safe from the Occurrence that precipitated the Covered Person’s Security Evacuation; and
2. the Covered Person has access to Transportation; and
3. the Covered Person has the availability of temporary lodging, if needed.

“Occurrence” means any of the following situations involving a Covered Person that trigger the need for a Security Evacuation:
1. expulsion from a Host Country or being declared persona non-grata on the written authority of the recognized government of a Host Country;
2. political or military events involving a Host Country, if the Appropriate Authority(ies) issue an advisory stating that citizens of the Covered Person’s Home Country or Country of Residence or citizens of the Host Country should leave the Host Country;
3. Natural Disaster within seven (7) days of an event;
4. deliberate physical harm of the Covered Person confirmed by documentation or physical evidence or a threat against the Covered Person’s health and safety as confirmed by documentation and/or physical evidence;
5. the Covered Person had been deemed kidnapped or a Missing Person by local or international authorities and, when found, his or her safety and/or well-being are in question within seven days.

“Related Costs” means lodging and, if necessary, physical protection for the Covered Person during or while waiting for Transport to the Nearest Place of Safety. Related Costs will include temporary lodging, if necessary, while a Covered Person is waiting to be transported back to the Host Country, Home Country or other country where the Policyholder that sponsored the Covered Person’s Trip is located. Benefits will not be payable for Related Costs unless We (or Our authorized assistance provider) authorize in writing, or by an authorized electronic or telephonic means, all expenses in advance, and services are rendered by Our assistance provider.

“Security Evacuation” means the extrication of a Covered Person from the Host Country due to an Occurrence which could result in grave physical harm or death to the Covered Person.

“Transport” or “Transportation” means the most efficient and available method of conveyance, where practical, economy fare will be utilized. If possible, the Covered Person’s common carrier tickets will be used.

Additional Exclusions - We will not pay Security Evacuation Expense Benefits for expenses and fees:
1. payable under any other provision of the Policy.
2. that are recoverable through the Covered Person’s employer or other entity sponsoring the Covered Person’s Trip.
3. arising from or attributable to an actual fraudulent, dishonest or criminal act committed or attempted by the Covered Person, acting alone or in collusion with other persons.
4. arising from or attributable to an alleged:
   a. violation of the laws of the country in which the Covered Person is traveling while covered under the Policy; or
   b. violation of the laws of the Covered Person’s Home Country or Country of Residence.
5. due to the Covered Person’s failure to maintain and possess duly authorized and issued required travel documents and visas.
6. for repatriation of remains expenses.
7. for common or endemic or epidemic diseases or global pandemic disease as defined by the World Health Organization.
8. for medical services.
9. for monies payable in the form of a ransom, if a Missing Person case evolves into a kidnapping.
10. arising from or attributable, in whole or in part, to:
    a. a debt, insolvency, commercial failure, the reposition of any property by any title holder or lien holder or any other financial cause;
    b. non-compliance by the Covered Person with regard to any obligation specified in a contract or license.
11. due to military or political issues if the Covered Person’s Security Evacuation request is made more than 10 days after the Appropriate Authority(ies) Advisory was issued.
12. failure of a Covered Person to cooperate with Us or Our assistance provider with regard to a Security Evacuation. Such cooperation includes, but is not limited to, failure to provide any documents needed to extricate the Covered Person, failure to follow the directions given by Our designated security consultants during a Security Evacuation.

If a Covered Person refuses to participate in a Security Evacuation, or any part of a Security Evacuation, no further benefits will be payable under the Security Evacuation Expense Benefit for that Occurrence.

Trip Cancellation Benefit

We will reimburse the Covered Person for the amount of non-refundable Covered Expenses the Covered Person paid for his or her Trip, up to the Benefit Maximum shown in the Schedule of Benefits, if the Covered Person is prevented from taking his or her Trip as the result of Injury, Sickness, or death to the Covered Person or a Family Member prior to the scheduled Trip departure date. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be canceled. If the Covered Person must cancel the Trip due to Injury or Sickness of a Family Member, it must be because his or her condition is life-threatening, or because the Family Member requires the Covered Person’s care. Cancellation due to the death of a Family Member is covered only if the death occurs within 30 days of the Covered Person’s scheduled Trip departure date.

Covered Expenses:
1. any cancellation charges imposed by a travel agency, tour operator, or other recognized travel supplier for the Covered Trip;
2. any prepaid, unused, non-refundable airfare and sea or land accommodations;
3. any other reasonable additional Trip expenses for travel, lodging, or scheduled events that are prepaid, unused, and non-refundable.

“Family Member” means a Covered Person’s spouse, child, brother, sister, parent, grandparent, or immediate in-law.

**Trip Interruption Benefit**

We will reimburse the cost of a one-way economy air and/or ground transportation ticket for a Covered Person’s Trip, up to the Maximum Benefit shown in the Schedule of Benefits, if his or her Trip is interrupted as the result of:

1. the death of a Family Member; or
2. the unforeseen Injury or Sickness of the Covered Person or a Family Member. The Injury or Sickness must be so disabling as to reasonably cause a Trip to be interrupted; or
3. a Medically Necessary covered Emergency Medical Evacuation to return the Covered Person to his or her Home Country or to the area from which he or she was initially evacuated for continued treatment, recuperation and recovery of an Injury or Sickness; or
4. substantial destruction of the Covered Person’s principal residence by fire or weather related activity.

“Family Member” means a Covered Person’s parent, sister, brother, spouse, child, grandparent, or in-law.

**Accidental Death and Dismemberment Benefits**

If Injury to the Covered Person results, within the Time Period for Loss shown in the Schedule of Benefits, in any one of the losses shown below, We will pay the Benefit Amount shown below for that loss. The Principal Sum is shown in the Schedule of Benefits. If multiple losses occur, only one Benefit Amount, the largest, will be paid for all losses due to the same Covered Accident.

<table>
<thead>
<tr>
<th>Covered Loss</th>
<th>Benefit Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Life</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Two or more Members</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>Quadriplegia</td>
<td>100% of the Principal Sum</td>
</tr>
<tr>
<td>One Member</td>
<td>50% of the Principal Sum</td>
</tr>
<tr>
<td>Hemiplegia</td>
<td>50% of the Principal Sum</td>
</tr>
<tr>
<td>Paraplegia</td>
<td>50% of the Principal Sum</td>
</tr>
<tr>
<td>Thumb and Index Finger of the Same Hand</td>
<td>25% of the Principal Sum</td>
</tr>
<tr>
<td>Uniplegia</td>
<td>25% of the Principal Sum</td>
</tr>
</tbody>
</table>

“Quadriplegia” means total Paralysis of both upper and lower limbs. “Hemiplegia” means total Paralysis of the upper and lower limbs on one side of the body. “Uniplegia” means total Paralysis of one lower limb or one upper limb. “Paraplegia” means total Paralysis of both lower limbs or both upper limbs. “Paralysis” means total loss of use. A Doctor must determine the loss of use to be complete and not reversible at the time the claim is submitted.

“Member” means Loss of Hand or Foot, Loss of Sight, Loss of Speech and Loss of Hearing. “Loss of Hand or Foot” means complete Severance through or above the wrist or ankle joint.
“Loss of Sight” means the total, permanent Loss of Sight of one eye. “Loss of Speech” means total and permanent loss of audible communication that is irrecoverable by natural, surgical or artificial means. “Loss of Hearing” means total and permanent Loss of Hearing in both ears that is irrecoverable and cannot be corrected by any means. “Loss of a Thumb and Index Finger of the Same Hand” means complete Severance through or above the metacarpophalangeal joints of the same hand (the joints between the fingers and the hand). “Severance” means the complete separation and dismemberment of the part from the body.

**Coma Benefit**

We will pay the Coma Benefit shown in the Schedule of Benefits if a Covered Person becomes Comatose within 31 days of a Covered Accident and remains in a Coma for at least 31 days.

We reserve the right, at the end of the first 31 days of Coma, to require proof that the Covered Person remains Comatose. This proof may include, but is not limited to, requiring an independent medical examination at Our expense.

We will pay this benefit in periodic payments and a lump sum as shown in the Schedule of Benefits. Periodic payments will end on the first of the following dates:
1. the end of the month in which the Covered Person dies;
2. the end of the 11th month for which this benefit is payable;
3. the end of the month in which the Insured recovers from the Coma.

A person is deemed “Comatose” or in a “Coma” if he or she is in a profound stupor or state of complete and total unconsciousness, as the result of a Covered Accident.

**Felonious Assault Benefit**

We will pay the Felonious Assault Benefit shown in the Schedule of Benefits, if a Covered Person dies as the result of an Injury that occurs as a direct result of a Felonious Assault. A person other than another person covered by the Policy, a Covered Person’s Immediate Family Member or household member must inflict the assault.

“Felonious Assault” means an act of physical violence against a person covered by this Policy. “Immediate Family Member” means a Covered Person’s parent, sister, brother, husband, wife or children.

**Hijacking and Air Piracy Benefit**

We will pay the Hijacking and Air Piracy Benefit shown in the Schedule of Benefits, if the Covered Person suffers a Covered Loss that results directly, and from no other cause, from a Covered Accident that occurs during the hijacking, air piracy, or unlawful seizure or attempted seizure of an aircraft.

**HAZARDS INSURED AGAINST**

We will pay benefits described in this Policy when a Covered Person suffers a loss or Injury as a result of a Covered Accident or Sickness during one of the Covered Activities listed in the Schedule of Benefits. We will only pay benefits if the Insured is engaged in one of the hazards
described below when the Covered Accident occurs. Unless otherwise specified, We pay benefits only once for any one Covered Accident or Sickness, even if it is covered by more than one hazard.

**Educational Travel**

We will pay the benefits described in this Policy only if a Covered Person suffers a loss or incurs a Covered Expense as the direct result of a Covered Accident or Sickness while traveling:
1. outside of his or her Home Country;
2. up to the Maximum Period of Coverage shown in the Schedule of Benefits under the Medical Expense Benefit; and
3. engaging in educational activities sponsored by the Policyholder.

**Exposure & Disappearance**

Coverage under this hazard includes exposure to the elements after the forced landing, stranding, sinking, or wrecking of a vehicle in which the Covered Person was traveling.

A Covered Person is presumed dead if:
1. he or she is in a vehicle that disappears, sinks, or is stranded or wrecked on a trip covered by this Policy; and
2. the body is not found within one year of the Covered Accident.

**EXCLUSIONS AND LIMITATIONS**

We will not pay benefits for any loss or injury that is caused by or results from:
- intentionally self-inflicted injury; suicide or attempted suicide (Applicable to accident benefits only).
- war or any act of war, whether declared or not.
- a Covered Accident that occurs while a Covered Person is on active duty service in the military, naval or air force of any country or international organization. Upon receipt of proof of service, we will refund any premium paid for this time. Reserve or National Guard active duty training is not excluded unless it extends beyond 31 days.
- piloting or serving as a crewmember in any aircraft (unless otherwise provided in the Policy).
- commission of, or attempt to commit, a felony.
- sickness, disease, bodily or mental infirmity, bacterial or viral infection, or medical or surgical treatment thereof, except for any bacterial infection resulting from an accidental external cut or wound or accidental ingestion of contaminated food (Applicable to accident benefits only).
- the Covered Person being legally intoxicated as determined according to the laws of the jurisdiction in which the Injury occurred (Applicable to accident benefits only).
- riding in any aircraft except as a fare-paying passenger on a regularly scheduled or charter airline.
- travel in any Aircraft owned, leased or controlled by the Policyholder, or any of its subsidiaries or affiliates. An Aircraft will be deemed to be “controlled” by the Policyholder, if the Aircraft may be used as the Policyholder wishes for more than 10 straight days, or more than 15 days in any year.
• commission of or active participation in a riot or insurrection.

In addition, We will not pay Medical Expense Benefits for any loss, treatment, or services resulting from:
• routine physicals and care of any kind.
• routine dental care and treatment.
• routine nursery care.
• cosmetic surgery, except for reconstructive surgery needed as the result of an Injury.
• eye refractions or eye examinations for the purpose of prescribing corrective lenses or for the fitting thereof; eyeglasses, contact lenses, and hearing aids.
• services, supplies, or treatment including any period of Hospital confinement which is not recommended, approved, and certified as Medically Necessary and reasonable by a Doctor, or expenses which are non-medical in nature.
• treatment or service provided by a private duty nurse.
• treatment by any Immediate Family Member or member of the Insured’s household. “Immediate Family Member” means a Covered Person’s spouse, child, brother, sister, parent, grandparent, or in-laws.
• expenses incurred during travel for purposes of seeking medical care or treatment, or for any other travel that is not in the course of the Participating Organization’s activity (unless Personal Deviations are specifically covered).
• medical expenses for which the Covered Person would not be responsible to pay for in the absence of the Policy. Expenses incurred for services provided by any government Hospital or agency, or government sponsored-plan for which, and to the extent that, the Covered Person is eligible for reimbursement.
• any treatment provided under any mandatory government program or facility set up for treatment without cost to any individual.
• custodial care.
• services or expenses incurred in the Covered Person’s Home Country.
• elective treatment, exams or surgery; elective termination of pregnancy.
• expenses for services, treatment or surgery deemed to be experimental and which are not recognized and generally accepted medical practices in the United States.
• expenses payable by any automobile insurance policy without regard to fault.
• organ or tissue transplants and related services.
• Injury or Sickness for which benefits are paid or payable under any Workers’ Compensation or Occupational Disease Law or Act, or similar legislation, whether United States federal or foreign law.
• Injury sustained while participating in club, intramural, intercollegiate, interscholastic, professional or semi-professional sports.
• expenses incurred for services related to the diagnostic treatment of infertility or other problems related to the inability to conceive a child, including but not limited to, fertility testing and in-vitro fertilization.
• Injury caused by or resulting from travel in or on any off-road motorized vehicle not requiring licensing as a motor vehicle, or a motor vehicle not designed primarily for use on public streets or highways.
• birth defects and congenital anomalies, or complications which arise from such conditions.
• Injury resulting from off-road motorcycling; scuba diving; jet, snow or water skiing; mountain climbing (where ropes or guides are used); sky diving; amateur automobile
racing; automobile racing or automobile speed contests; bungee jumping; spelunking; white water rafting; surfing; or parasailing.

- sexually transmitted diseases or immune deficiency disorders and related conditions. This exclusion does not apply to the care or treatment of Acquired Immune Deficiency Syndrome (AIDS), AIDS Related Complex (ARC), or Human Immunodeficiency Virus (HIV) infection, or any illness or disease arising from these medical conditions.

If We determine the benefits paid under this Policy are eligible benefits under any other benefit plan, We may seek to recover any expenses covered by another plan to the extent that the Insured is eligible for reimbursement.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

CLAIM PROVISIONS

Notice Of Claim: A claimant must give Us or Our authorized representative written (or authorized electronic or telephonic) notice of claim within 90 days after any loss covered by the Policy occurs. If notice cannot be given within that time, it must be given as soon as reasonably possible. This notice should identify the Covered Person and the Policy Number.

Claim Forms: Upon receiving written notice of claim, We will send claim forms to the claimant within 15 days. If We do not furnish such claim forms, the claimant will satisfy the requirements of written proof of loss by sending the written (or authorized electronic or telephonic) proof as shown below. The proof must describe the occurrence, extent, and nature of the loss.

Proof Of Loss: Written (or authorized electronic or telephonic) proof of loss must be sent to the agent authorized to receive it. Written (or authorized electronic or telephonic) proof must be given within 90 days after the date of loss. If it cannot be provided within that time, it should be sent as soon as reasonably possible. In no event, except in the absence of legal capacity, should proof of loss be sent later than one year from the time proof is otherwise required.

Claimant Cooperation Provision: Failure of a claimant to cooperate with Us in the administration of a claim may result in the termination of a claim. Such cooperation includes, but is not limited to, providing any information or documents needed to determine whether benefits are payable or the actual benefit amount due.

Time Payment Of Claims: Any benefits due will be paid when We receive written (or authorized electronic or telephonic) proof of loss.

Payment Of Claims: If the Insured dies, any death benefits or other benefits unpaid at the time of the Insured’s death will be paid to the beneficiary our records indicate the Insured designated for these plan benefits.

If there is no named beneficiary or surviving beneficiary on record with us or Our authorized agent, We pay benefits in equal shares to the first surviving class of the following: 1) Spouse; 2)
Children; 3) Parents; 4) Brothers and sisters. If there are no survivors in any of these classes, We will pay the Insured’s estate.

The Policyholder shall be the beneficiary for any Insured whose place of employment is other than: 1) the United States of America; 2) Puerto Rico; or 3) the Dominion of Canada. The Policyholder shall hold these proceeds in a fiduciary capacity and pay them to the Insured’s beneficiary of record. All other benefits will be paid to the Insured. If the Insured or beneficiary is 1) a minor; or 2) in Our opinion unable to give a valid release because of incompetence, We may pay any amount due to a parent, guardian, or other person actually supporting him or her. Any payment made in good faith will end Our liability to the extent of the payment.

**Beneficiary:** The Insured may designate a beneficiary for Accidental Death Benefits, if any. The Insured has the right to change the beneficiary at any time by written (or electronic and telephonic) notice. If the Insured is a minor, his or her parent or guardian may exercise this right for him or her. The change will be effective when We or Our authorized agent receive it. When received, the effective date is the date the notice was signed. We are not liable for any payments made before the change was received. We cannot attest to the validity of a change.

The Insured is the beneficiary for any covered Dependent.

**Assignment:** We may pay benefits directly to any Hospital or person rendering covered services, unless the Covered Person requests otherwise in writing no later than the time he or she submits written proof of loss. Any payment made in good faith will end our liability to the extent of the payment.

**Physical Examinations And Autopsy:** We have the right to have a Doctor of Our choice examine the Covered Person as often as is reasonably necessary. This section applies when a claim is pending or while benefits are being paid. We also have the right to request an autopsy in the case of death, unless the law forbids it. We will pay the cost of the examination or autopsy.

**Legal Actions:** No lawsuit or action in equity can be brought to recover on this Policy: (1) before 60 days following the date proof of loss was given to Us; or (2) after 3 years following the date proof of loss is required.

**ADMINISTRATIVE PROVISIONS**

**Premiums:** The premiums for this Policy will be based on the rates currently in force, the plan and amount of insurance in effect.

**Changes In Premium Rates:** We may change the premium rates from time to time with at least 31 days advanced written, or authorized electronic or telephonic notice. We reserve the right to change rates at any time if any of the following events take place.
1. The terms of the Policy change.
2. A division, subsidiary, affiliated organization, or eligible class is added or deleted from the Policy.
3. Any federal or state law or regulation is amended to the extent it affects Our benefit obligation.
4. There is a change in the market factors or factors bearing on the risk assumed.
If an increase or decrease in rates takes place on a date that is not a Premium Due Date, a pro rata adjustment will apply from the date of the change to the next Premium Due Date.

**Payment of Premium:** The first Premium is due on the Policy Effective Date. If any premium is not paid when due, the Policy will be canceled as of the Premium Due Date, except as provided in the Policy Grace Period section.

**Policy Grace Period:** A Policy Grace Period of 31 days will be granted for the payment of the required premiums. The Policy will remain in force during the Grace Period. If the required premiums are not paid during the Policy Grace Period, insurance will end on the last Premium Due Date on which required premiums were paid. The Participating Organization will be liable to Us for any unpaid premium for the time the Policy was in force.

**GENERAL PROVISIONS**

**Entire Contract; Changes:** The Policy (including any endorsements or amendments), the signed application of the Participating Organization, and any individual applications of Covered Persons, are the entire contract. Any statements made by the Participating Organization or Covered Persons will be treated as representations and not warranties. No such statement shall void the insurance, reduce the benefits, or be used in defense of a claim for loss incurred unless it is contained in a written application.

To be valid, any change or waiver must be in writing (or authorized electronic or telephonic communications). It must be signed by our president or secretary and be attached to the Policy. No agent has authority to change or waive any part of the Policy.

**Policy Effective Date And Termination Date:** The Policy begins on the Policy Effective Date shown on page 1 of the Policy. We may terminate this Policy by giving 31 days advance notice in writing (or authorized electronic or telephonic means) to the Participating Organization. The Participating Organization may terminate this Policy on any Premium Due Date by giving 31 days advance written (or authorized electronic or telephonic) notice to Us. This Policy terminates automatically on the earlier of: 1) the last day of the Policy Term; or 2) the Premium Due Date if Premiums are not paid when due. Termination takes effect at 11:59 p.m. at the Participating Organization's address on the last day of the Policy Term.

**Clerical Error:** If a clerical error is made, it will not affect the insurance of any Covered Person. No error will continue the insurance of a Covered Person beyond the date it should end under the Policy terms.

**Examination Of Records And Audit:** We shall be permitted to examine and audit the Participating Organization’s books and records at any time during the term of the Policy and within 2 years after the final termination of the Policy as they relate to the premiums or subject matter of this insurance.

**Certificates Of Insurance:** Where it is required by law, or upon the request of the Participating Organization, We will make available certificates outlining the insurance coverage and to whom benefits are payable under the Policy.
Conformity With State Laws: On the effective date of this Policy, any provision that is in conflict with the laws in the state where it is issued is amended to conform to the minimum requirements of such laws.

Not In Lieu Of Workers’ Compensation: This Policy is not a workers’ compensation policy. It does not provide workers’ compensation benefits.
Insurance policies providing certain health insurance coverage issued or renewed on or after September 23, 2010 are required to comply with all applicable requirements of the Patient Protection and Affordable Care Act ("PPACA"). However, there are a number of insurance coverages that are specifically exempt from the requirements of PPACA (See §2791 of the Public Health Services Act). ACE maintains this insurance is short-term, limited duration insurance and is not subject to PPACA.

ACE continues to monitor federal and state laws and regulations to determine any impact on its products. In the event these laws and regulations change, your plan and rates will be modified accordingly.

Please understand that this is not intended as legal advice. For legal advice on PPACA, please consult with your own legal counsel or tax advisor directly.
I. INTRODUCTION

This is your Commercial Insurance Policy. It offers a wide range of protection designed to meet today’s complex insurance needs. Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

II. HOW TO READ THIS POLICY

This policy is keyed to the coverages shown in the Declarations. You have only those coverages for which a limit or other specification is shown in the Declarations.

This policy may provide several different kinds of coverage. The forms included explain the coverages shown in the Declarations, and include certain extensions of coverage that may apply.

The titles and headings to the various parts, sections, subsections and endorsements of this policy are included solely for ease of reference and do not in any way limit, expand or otherwise affect the provisions of such parts, sections, subsections or endorsements. The singular of a term includes the plural, and vice versa.

Whenever a loss occurs or a claim is to be presented, there are certain things you must do to help us settle the claim. These are described in the CONDITIONS sections of your policy.

Finally, read the COMMON POLICY CONDITIONS. This section gives you information on when and where the policy will be in effect, the payment of premiums, changes in the policy and cancellation. The COMMON POLICY CONDITIONS also contains other important information about the policy.

III. YOU AND YOUR

Throughout the policy the terms “you” and “your” mean the person, people, or organization shown as the Named Insured in the Declarations. Besides “you,” there may be other people “insured” under certain parts of the policy.

IV. WE, US, AND OUR

Throughout the policy the terms “we”, “us”, and “our” mean the insurance company issuing this policy.

V. INSURED

The word “insured” means any person or organization qualifying as such under the WHO IS AN INSURED sections of the coverage form in which they appear.

VI. WORDS IN QUOTATION MARKS

Words and phrases that appear in quotation marks have the special meaning given to them in the DEFINITIONS sections of the coverage form in which they appear.

By signing and delivering the policy to you, we state that it is a valid contract when counter-signed by our authorized representative.

ACE AMERICAN INSURANCE COMPANY

CARMINE A. GIGANTI, 
Corporate Secretary for ACE American

JOHN J. LUPICA, President
GENERAL DECLARATIONS

INTERNATIONAL ADVANTAGE® COMMERCIAL INSURANCE POLICY

COMPANY NAME: ACE AMERICAN INSURANCE COMPANY

POLICY SYMBOL AND NUMBER:

| PHF | D37258337 |

Renewed or in place of:

| RENEWAL | D37259603 |

NAMED INSURED AND MAILING ADDRESS:

California State University Trustees
401 Golden Shore, 5th Floor
Long Beach, CA 90802

NAMED INSURED IS: California State University Trustees

POLICY PERIOD:

When Coverage Begins: July 01, 2012
When Coverage Ends: July 01, 2013
12:01 A.M. Standard Time at your mailing address shown above

CURRENCY: U.S. DOLLARS

In return for the payment of premium indicated above, we agree with you to provide insurance in accordance with the terms and conditions of this policy. If the Coverage Declarations indicate that this insurance is subject to audit or if there is a reporting condition endorsement, the premium stated is an estimate and subject to adjustment.

These Declarations apply for the policy period shown above. Together with the policy sections for Coverage, Common Policy Conditions and Endorsements, these Declarations complete your policy. For renewal policy periods, all Coverage Forms and Endorsements for the expiring policy period are continued in full force and effect unless specifically deleted.

PRODUCER: ALLIANT INSURANCE SERVICES INC

| Code / Office: | IT9679 | WIL |

NAME AND MAILING ADDRESS:

ALLIANT INSURANCE SERVICES INC

100 PINE STREET
11TH FLOOR
SAN FRANCISCO CA 94111
LIABILITY COVERAGES DECLARATIONS
ACE AMERICAN INSURANCE COMPANY

<table>
<thead>
<tr>
<th>NAMED INSURED:</th>
<th>California State University Trustees</th>
</tr>
</thead>
<tbody>
<tr>
<td>and address:</td>
<td>401 Golden Shore, 5th Floor</td>
</tr>
<tr>
<td></td>
<td>Long Beach, CA 90802</td>
</tr>
<tr>
<td>POLICY NUMBER:</td>
<td>PHFD37258337</td>
</tr>
<tr>
<td>POLICY PERIOD:</td>
<td>July 01, 2012 to July 01, 2013</td>
</tr>
<tr>
<td></td>
<td>at 12:01 Standard Time at the address shown above</td>
</tr>
</tbody>
</table>

**COVERAGES**

*(Insurance applies only to those coverages for which a Limit of Insurance is shown)*

<table>
<thead>
<tr>
<th>LIMITS OF INSURANCE</th>
</tr>
</thead>
<tbody>
<tr>
<td>COMMERCIAL GENERAL LIABILITY COVERAGE FORM</td>
</tr>
<tr>
<td>$5,000,000 Each Occurrence</td>
</tr>
<tr>
<td>$5,000,000 General Aggregate</td>
</tr>
<tr>
<td>$5,000,000 Products-Completed Operations Aggregate</td>
</tr>
<tr>
<td>$1,000,000 Personal and Advertising Injury Limit (any one person or organization)</td>
</tr>
<tr>
<td>$1,000,000 Damage To Premises Rented to You Limit (any one premises)</td>
</tr>
<tr>
<td>$25,000 Medical Expenses Limit (any one person)</td>
</tr>
</tbody>
</table>

| EMPLOYEE BENEFITS LIABILITY COVERAGE FORM                                          |
| $1,000,000 Each Claim                                                              |
| $1,000,000 Annual Aggregate Limit                                                  |

| CONTINGENT AUTO LIABILITY COVERAGE FORM                                           |
| $1,000,000 Each Accident                                                          |

☐ PREMIUM AUDIT APPLIES.  
☒ PREMIUM AUDIT DOES NOT APPLY.
COVERAGE TERRITORY FOR LIABILITY COVERAGES

The Coverage Territory for COMMERCIAL GENERAL LIABILITY COVERAGE, EMPLOYEE BENEFITS COVERAGE, and CONTINGENT AUTO LIABILITY COVERAGE means:

ANYWHERE IN THE WORLD but excluding the United States of America (including its territories and possessions), Canada and Puerto Rico and except as otherwise limited or extended by this insurance.

In jurisdictions where we may be prevented by law or otherwise from paying on behalf of or defending the insured, we will:

1. indemnify the insured for those sums that the “insured” becomes legally obligated to pay as damages to which the insurance applies and;

2. pay the cost of defense and aid and manage the insured’s defense.
EMPLOYERS RESPONSIBILITY COVERAGE DECLARATIONS

I. BENEFITS FOR VOLUNTARY COMPENSATION

North Americans: STATE OF HIRE
Third Country Nationals: COUNTRY OF ORIGIN
Local Nationals: COUNTRY OF ORIGIN

II. EXECUTIVE ASSISTANCE® SERVICES

$1,000,000 policy limit for Medical Assistance Services

III. EMPLOYERS LIABILITY

Bodily Injury by Accident $1,000,000 each accident
Bodily Injury by Disease including by "endemic disease" $1,000,000 each employee
Bodily Injury by Disease including by "endemic disease" $1,000,000 policy limit

In jurisdictions where we may be prevented by law or otherwise from paying on your behalf or defending you, we will:

1. indemnify you for those sums you become legally obligated to pay as damages to which this insurance applies; and
2. pay the cost of your defense and aid and manage such defense.

Coverage Territory for Employers Responsibility Coverages

This insurance applies

1. to claims you make for "voluntary compensation" and repatriation for employees of your workplaces included below;
2. to claims or suits for damages for employers liability brought against you by employees of your workplaces included below;
3. to assistance rendered to employees of your workplaces included below, when traveling 100 miles or more from home, and to "expatriate employees" without limitation of travel distance:

ANYWHERE IN THE WORLD but excluding:

1. the United States of America (including its territories and possessions) Canada and Puerto Rico;
2. any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America.
THIS PAGE IS INTENTIONALLY LEFT BLANK
COMMON POLICY CONDITIONS

All coverages of this policy are subject to the following conditions.

1. Bankruptcy and Insolvency

   Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this policy.

2. Cancellation

   a. The first Named Insured shown in the Declarations ("first Named Insured") may cancel this policy by mailing or delivering to us advance written notice of cancellation.

   b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

      (1) 10 days before the effective date of cancellation if we cancel for nonpayment of premium.

      (2) 90 days before the effective date of cancellation if we cancel for any other reason.

   c. We will mail or deliver our notice to the first Named Insured’s last mailing address known to us.

   d. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

   e. If we cancel this policy, we will send the first Named Insured any premium refund due. The refund will be pro rata. The cancellation will be effective even if we have not made or offered a refund.

   f. If the first Named Insured cancels this policy, we will send the first Named Insured any premium refund due. The refund may be less than pro rata, and will be calculated using the customary standard short rate scale or the cancellation tables promulgated under the laws of the state shown in the first Named Insured’s mailing address on the Declarations, whichever is more beneficial to the first Named Insured. The cancellation will be effective even if we have not made or offered a refund.

   g. If notice is mailed, proof of mailing will be sufficient proof of notice.

3. Changes

   This policy, including all endorsements hereto, contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Concealment, Misrepresentation Or Fraud

   This policy is void in any case of fraud by you as it relates to this policy at any time. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

   (1) This policy;

   (2) The Covered Property or Covered Auto;

   (3) Your interest in the Covered Property or Covered Auto; or
(4) A claim under this policy.

5. Currency

The currency which applies to insurances under this policy is stated in the Declarations. If a loss recoverable under this policy is agreed in another currency, conversion will be at the free rate of exchange on the date of payment. The actual cost of repair or replacement which is not incurred until after the date of agreement will be settled at the time the actual costs are incurred.

6. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

7. Inspections And Surveys

We have the right but are not obligated to:

a. Make inspections and surveys at any time;

b. Give you reports on the conditions we find; and

c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:

a. Are safe or healthful; or

b. Comply with laws, regulations, codes or standards. This condition applies not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.

8. Insurance Under Two Or More Coverages

If two or more of this policy's coverages apply to the same loss or damage, we will not pay more than the actual amount of the loss or damage.

9. Liberalization

If we revise or replace a Coverage Form that is part of this policy during the policy period to provide more coverage without an additional premium charge, that Coverage Form will automatically provide the additional coverage as of the day that we adopt the revision.

10. Premiums

a. The first Named Insured shown in the Declarations:

   (1) Is responsible for the payment of all premiums; and

   (2) Will be the payee for any return premiums we pay.

b. The premium shown in the Declarations was computed based on rates in effect at the time the policy was issued. On each renewal, continuation or anniversary of the effective date of this policy, we will compute the premium in accordance with our rates and rules then in effect.
c. With our consent, you may continue this policy in force by paying a continuation premium for each successive one-year period. The premium must be

(1) Paid in accordance with our payment terms;

(2) Determined in accordance with Paragraph b. above.

Our forms then in effect will apply. If you do not pay the continuation premium, this policy will expire on the first anniversary date that we have not received the premium.

d. Undeclared exposures or change in your business operation, acquisition or use of locations may occur during the policy period that are not shown in the Declarations. If so, we may require an additional premium. That premium will be determined in accordance with our rates and rules then in effect.

11. Premium Audit

a. If this policy is subject to audit as designated on the Declarations, then the premium shown on the Declarations is an advance premium. We will compute the final premium due when we determine your actual exposures.

b. Premium shown in this policy as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.

c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

d. If the first Named Insured does not provide us with all requested information within the time required by us, we will estimate the auditable exposure and calculate the audit premium based on such exposure.

12. Sole Agent

If more than one person or organization is insured under this policy, the first one named in the Declarations ("first Named Insured") will act on behalf of all others.

13. Transfer Of Rights Of Recovery Against Others To Us

a. Applicable to Property Coverage:

If any person or organization to or for whom we make payment under this policy has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them. But you may waive your rights against another party in writing:

(1) Prior to a loss to your Covered Property.

(2) After a loss to your Covered Property only if, at time of loss, that party is one of the following:

(a) Someone insured by this insurance;

(b) A business firm:
(i) Owned or controlled by you; or

(ii) That owns or controls you; or

(c) Your tenant. You may also accept the usual bills of lading or shipping receipts limiting the liability of carriers. This will not restrict your insurance.

b. Applicable to Liability Coverages:

   If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring “suit” or transfer those rights to us and help us enforce them. This condition does not apply to Medical Expenses Coverage.

14. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual Named Insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

15. Unintentional Errors or Omissions

Your unintentional failure or omission to disclose all hazards existing as of the inception date of this policy shall not prejudice coverage afforded by this policy.

16. When We Do Not Renew

If we decide not to renew this policy, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 90 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

17. When Your Coverage Begins

Your coverage under this policy will begin and end at 12:01 a.m. standard time at the address of the Named Insured and on the dates shown in the Declarations. However, if this policy replaces other coverage that ends on the same day this policy begins, this policy will not take effect until the other coverage ends.

18. Trade or Economic Sanctions or Other Laws

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.
SECTION I – COVERAGES

COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY

1. Insuring Agreement
   a. Payment
      (1) We will pay those sums that the insured becomes legally obligated to pay as damages because of “bodily injury” or “property damage” to which this insurance applies.
      (2) The amount we will pay as damages under subparagraph a.(1) is limited as described in SECTION III – LIMITS OF INSURANCE.
   b. Defense, Investigation or Settlement
      (1) We will have the right and duty to defend the insured against any “suit” seeking damages for “bodily injury” or “property damage”. We have the right to settle any such “suit.” However, we will have no duty to defend the insured against any “suit” seeking damages for “bodily injury” or “property damage” to which this insurance does not apply.
      (2) We may, at our discretion, investigate any “occurrence” and settle any claim or “suit” that may result.
      (3) Our right and duty to defend under subparagraph b.(1) ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.
   c. How This Insurance Applies
      (1) This insurance applies to “bodily injury” and “property damage” only if:
         (a) The “bodily injury” or “property damage” is caused by an “occurrence” that takes place in the “coverage territory”;
         (b) The “bodily injury” or “property damage” occurs during the policy period; and
         (c) Prior to the policy period, no insured listed under paragraph 1. of SECTION II – WHO IS AN INSURED or any “employee” authorized by you to give or receive notice of an “occurrence” or claim knew or reasonably could have known that:
            i. the “bodily injury” or “property damage” actually or allegedly sustained by the person(s) or organization(s) making the claim or bringing the “suit” had occurred, in whole or in part; or
            ii. any “bodily injury” or “property damage” arising out of the same “occurrence” had actually or allegedly been sustained by any other person(s) or organization(s).
Any continuation, change or resumption of such “bodily injury” or “property damage” known or reasonably knowable under the standards set forth in (c)i. or ii. above during or after the policy period will be deemed to have been known prior to the policy period.

(2) “Bodily injury” or “property damage” which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under paragraph 1. of SECTION II – WHO IS AN INSURED or any “employee” authorized by you to give or receive notice of an “occurrence” or claim, includes any continuation, change or resumption of that “bodily injury” or “property damage” after the end of the policy period.

(3) “Bodily injury” or “property damage” will be deemed to have been known to have occurred at the earliest time when any insured listed under paragraph 1. of SECTION II – WHO IS AN INSURED or any “employee” authorized by you to give or receive notice of an “occurrence” or claim:

(a) Reports all, or any part, of the “bodily injury” or “property damage” to us or any other insurer;

(b) Receives a written or verbal demand or claim for damages because of the “bodily injury” or “property damage”; or

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

(4) Damages because of “bodily injury” include damages claimed by any person or organization for care, loss of services or death resulting at any time from the “bodily injury”.

2. Exclusions for Coverage A

This insurance does not apply to:

a. Expected or Intended Injury

“Bodily injury” or “property damage” expected or intended from the standpoint of the insured. This exclusion does not apply to “bodily injury” resulting from the use of reasonable force to protect persons or property.

b. Contractual Liability

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

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

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

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

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

“Bodily injury” or “property damage” for which any insured may be held liable by reason of:

1. Causing or contributing to the intoxication of any person;
2. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
3. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

d. Workers’ Compensation Or Similar Law

Any obligation of the insured under a “workers’ compensation or similar law”.

e. Employer’s Liability

“Bodily injury” to:

1. An “employee” of the insured arising out of and in the course of:
   a) Employment by the insured; or
   b) Performing duties related to the conduct of the insured’s business; or
2. The spouse, child, parent, brother or sister of that “employee” as a consequence of paragraph (1) above.

This exclusion applies:

1. Whether the insured may be liable as an employer or in any other capacity; and
2. To any obligation to share damages with or repay someone else who must pay damages because of the injury.

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

f. Pollution

1. “Bodily injury” or “property damage” arising out of or in any way related to “pollution”, however caused.

2. Any loss, cost or expense arising out of any:
   a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of, “pollution”; or
   b) Claim or “suit” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of, “pollution”.

g. Aircraft, Auto, Watercraft

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

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

This exclusion does not apply to:

1. A watercraft while ashore on premises you own or rent;
2. A watercraft you do not own that is:
   a. Less than 50 feet long; and
   b. Not being used to carry persons or property for a charge;
3. Parking an “auto” on, or on the ways next to, premises you own or rent, provided the “auto” is not owned by or rented or loaned to you or the insured;
4. Liability assumed under any “insured contract” for the ownership, maintenance or use of aircraft or watercraft; or
5. “Bodily injury” or “property damage” arising out of:
   a. The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or country where it is licensed or principally garaged; or
   b. The operation of any of the machinery or equipment listed in paragraph f.(2) or f.(3) of the definition of “mobile equipment”.

h. Mobile Equipment

“Bodily injury” or “property damage” arising out of:

1. The transportation of “mobile equipment” by an “auto” owned or operated by or rented or loaned to any insured; or
2. The use of “mobile equipment” in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunting activity.

i. War

“Bodily injury” or “property damage”, however caused, arising, directly or indirectly, out of:

1. War, including undeclared or civil war;
(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

j. Damage to Property

"Property damage" to:

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

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

(3) Property loaned to you;

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

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

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

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate Limit of Insurance applies to Damage to Premises Rented to You in SECTION III – LIMITS OF INSURANCE.

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

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

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

k. Damage to Your Product

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

l. Damage to Your Work

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard."
This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

m. Damage to Impaired Property or Property Not Physically Injured

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

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

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

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

n. Recall of Products, Work or Impaired Property

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

(1) “Your product”;

(2) “Your work”; or

(3) “Impaired property”;

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

o. Personal and Advertising injury

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

p. Electronic Data

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

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

q. Nuclear

"Bodily injury" or “property damage”:

(1) With respect to which an insured under the policy is also insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any other similar nuclear energy liability insurance underwriting association or organization, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
(2) Resulting from the “hazardous properties” of “nuclear material” and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any other law or regulation requiring the insured to maintain such financial protection or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any other country, or any agency thereof, under any agreement entered into by the United States of America, or any other country, or any agency thereof, with any person or organization.

(3) Resulting from “hazardous properties” of “nuclear material”, if:

(a) The “nuclear material”:

   i. is at any “nuclear facility” owned by, or operated by or on behalf of, an insured, or
   ii. has been discharged or dispersed therefrom;

(b) The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(c) The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”.

r. Asbestos

“Bodily injury” or “property damage” arising out of or in any way related to the actual, alleged or threatened presence of, or exposure to, asbestos in any form, or to any substance produced or released by asbestos, whether or not the asbestos was at any time:

(1) Airborne as a fiber, particle, or dust;

(2) Contained in or formed a part of a product, structure, or other real or personal property;

(3) Carried on clothing;

(4) Inhaled or ingested; or

(5) Transmitted by any other means

and including any:

(1) Claim, “suit”, demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, store, handle, transport, abate, remove, contain, treat, dispose of, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos; or

(2) Claim, “suit”, demand, judgment, obligation, order, request or settlement pertaining to any actual, alleged or threatened injury, cost or damage directly or indirectly from asbestos or associated with the testing for, monitoring, cleaning up, storing, handling, transporting, abating, removing, containing, treating, disposing of, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos by any insured or by any other person; or

(3) Obligation or request to investigate, settle or defend any claim or “suit” alleging any of the above.
For purposes of this exclusion, “asbestos” includes, without limitation, any asbestos-containing material, product, substance or dust.

s. German Environmental Liability Act

“Bodily injury” or “property damage” arising out of or in any way related to, or any loss, cost, expense or obligation imposed by or under, the German Environmental Liability Act of 1990 and any amendments thereto.

t. Silica or Silica-Related Dust

(1) “Bodily injury” arising, in whole or in part, out of the actual, alleged, threatened or suspected respiration, inspiration, inhalation, breathing in, or ingestion of “silica” or “silica-related dust”.

(2) “Property damage” arising, in whole or in part, out of the actual, alleged, threatened or suspected contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”.

(3) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

u. Distribution of material in violation of statutes

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

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

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

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

or any similar foreign law.

v. Lead

“Bodily injury” or “property damage” arising out of or in any way related to the toxic properties of lead or lead-containing products, materials or substances.

This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor and fumes. This exclusion applies, but is not limited, to any “bodily injury”, “property damage”, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, treat, or take any remedial action with respect to lead or lead-containing products, materials or substances.

This exclusion does not imply that other policy provisions, including but not limited to any “pollution” exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.
w. Clinical Trials

“Bodily injury” or “property damage” arising out of or allegedly arising out of or in any way related to “clinical trials”.

Only the exclusions a. (Expected Or Intended Injury) and b. (Contractual Liability) apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate Limit of Insurance applies to this coverage as described in SECTION III – LIMITS OF INSURANCE.

COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY

1. Insuring Agreement

a. Payment

(1) We will pay those sums that the insured becomes legally obligated to pay as damages because of “personal and advertising injury” to which this insurance applies.

(2) The amount we will pay as damages under subparagraph a.(1) is limited as described in SECTION III – LIMITS OF INSURANCE.

b. Defense, Investigation or Settlement

(1) We will have the right and duty to defend the insured against any “suit” seeking damages for “personal and advertising injury”. However, we will have no duty to defend the insured against any “suit” seeking damages for “personal and advertising injury” to which insurance does not apply;

(2) We may, at our discretion, investigate any offense and settle any claim or “suit” that may result; or

(3) Our right and duty to defend under subparagraph b.(1) or to reimburse costs under subparagraph b.(3) ends when we have used up the applicable Limit of Insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

c. How This Insurance Applies

This insurance applies to “personal and advertising injury” only if:

(1) The “personal and advertising injury” is caused by an offense arising out of your business; and

(2) The offense was committed in the “coverage territory” during the policy period and

2. Exclusions For Coverage B

This insurance does not apply to:

a. Knowing Violation of Rights of Another
“Personal and advertising injury” caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict “personal and advertising injury”.

b. Material Published with Knowledge of Falsity

“Personal and advertising injury” arising out of oral or written publication of material, if done by or at the direction of the insured with knowledge of its falsity.

c. Material Published Prior to Policy Period

“Personal and advertising injury” arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

d. Criminal Acts

“Personal and advertising injury” arising out of a criminal act committed by or at the direction of any insured.

e. Contractual Liability

“Personal and advertising injury” for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement, or for an “insured contract.”

f. Breach of Contract

“Personal and advertising injury” arising out of a breach of contract, except an implied contract to use another’s advertising idea in your “advertisement”.

g. Quality or Performance of Goods – Failure to Conform to Statements

“Personal and advertising injury” arising out of the failure of goods, products, or services to conform with any statement of quality or performance made in your “advertisement”.

h. Wrong Description of Prices

“Personal and advertising injury” arising out of the wrong description of the price of goods, products or services stated in your “advertisement”.

i. Infringement of Copyright, Patent, Trademark or Trade Secret

“Personal and advertising injury” arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

However, this exclusion does not apply to infringement, in your “advertisement”, of copyright, trade dress or slogan.

Under this exclusion, such other intellectual property rights do not include the use of another’s advertising idea in your “advertisement”.

j. Insureds in Media and Internet Type Businesses

“Personal and advertising injury” committed by an insured whose business is:
(1) Advertising, broadcasting, publishing or telecasting:

(2) Designing or determining content of web-sites for third parties; or

(3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 22. a., b., and c. of “personal and advertising injury” as defined under SECTION V - DEFINITIONS.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

k. Electronic Chatrooms or Bulletin Boards

“Personal and advertising injury” arising out of an electronic chatroom or bulletin board an insured hosts or owns, or over which an insured exercises control.

l. Unauthorized Use of Another’s Name or Product

“Personal and advertising injury” arising out of the unauthorized use of another’s name or production in your e-mail address, domain name or metatag, or any other similar tactics to mislead another’s potential customer.

m. Pollution

“Personal and advertising injury” arising out of or in any way related to pollution, however caused.

n. Pollution-Related

Any loss, cost or expense arising out of any:

(1) Request, demand, or order that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, “pollutants”: or

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

o. Asbestos

“Personal and advertising injury” arising out of or in any way related to the actual, alleged or threatened presence of, or exposure to, asbestos in any form, or to any substance produced or released by asbestos, whether or not the asbestos was at any time:

(1) Airborne as a fiber, particle, or dust;

(2) Contained in or formed a part of a product, structure, or other real or personal property;

(3) Carried on clothing;

(4) Inhaled or ingested; or

(5) Transmitted by any other means
and including any:

(1) Claim, “suit”, demand, judgment, obligation, order, request, settlement, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, store, handle, transport, abate, remove, contain, treat, dispose of, detoxify or neutralize, or in any way respond to, or assess the effects of asbestos; or

(2) Claim, “suit”, demand, judgment, obligation, order, request or settlement pertaining to any actual, alleged or threatened injury, cost or damage directly or indirectly from asbestos or associated with the testing for, monitoring, cleaning up, storing, handling, transporting, abating, removing, containing, treating, disposing of, detoxifying or neutralizing, or in any way responding to, or assessing the effects of asbestos by any insured or by any other person; or

(3) Obligation or request to investigate, settle or defend any claim or “suit” alleging any of the above.

For purposes of this exclusion, “asbestos” includes, without limitation, any asbestos-containing material, product, substance or dust.

p. War

“Personal and advertising injury”, however caused, arising, directly or indirectly, out of:

(1) War, including undeclared or civil war;

(2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

(3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

q. German Environmental Liability Act

“Personal and advertising injury” arising out of or in any way related to, or any loss, cost, expense or obligation imposed by or under, the German Environmental Liability Act of 1990 and any amendments thereto.

r. Silica or Silica Related Dust

(1) “Personal and advertising injury” arising, in whole or in part, out of the actual, alleged, threatened or suspected respiration, inspiration, inhalation, breathing in or ingestion of, contact with, exposure to, existence of, or presence of, “silica” or “silica-related dust”.

(2) Any loss, cost or expense arising, in whole or in part, out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, “silica” or “silica-related dust”, by any insured or by any other person or entity.

s. Distribution of Material In Violation of Statutes

“Personal and advertising injury” arising directly or indirectly out of any action or omission that violates or is alleged to violate:
(1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

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

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

or any similar foreign law, statute, ordinance or regulation.

t. Lead

“Personal and advertising injury” arising out of or in any way related to the toxic properties of lead or lead-containing products, materials or substances.

This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor and fumes. This exclusion applies, but is not limited, to any “personal and advertising injury”, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, treat, or take any remedial action with respect to lead or lead-containing products, materials or substances.

This exclusion does not imply that other policy provisions, including but not limited to any “pollution” exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.

u. Clinical Trials

“Personal or advertising injury” arising out of or allegedly arising out of or in any way related to “clinical trials”.

v. Nuclear

“Personal or advertising injury”:

(1) With respect to which an insured under the policy is also insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any other similar nuclear energy liability insurance underwriting association or organization, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(2) Resulting from the “hazardous properties” of “nuclear material” and with respect to which:

(a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any other law or regulation requiring the insured to maintain such financial protection or any law amendatory thereof, or

(b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any other country, or any agency thereof, under any agreement entered into by the United States of America, or any other country, or any agency thereof, with any person or organization.

(3) Resulting from “hazardous properties” of “nuclear material”, if:
(a) The “nuclear material”:
   i. is at any “nuclear facility” owned by, or operated by or on behalf of, an insured, or
   ii. has been discharged or dispersed therefrom;

(b) The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an insured; or

(c) The “personal or advertising injury” 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”.

**COVERAGE C – MEDICAL PAYMENTS**

1. **Insuring Agreement**
   a. We will pay medical expenses as described below for “bodily injury” caused by an accident:
      (1) On premises you own or rent;
      (2) On ways next to premises you own or rent; or
      (3) Because of your operations;

   provided that:

   (a) The accident takes place in the “coverage territory” and during the Policy Period;
   (b) The expenses are incurred and reported to us within one year of the date of the accident; and
   (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

   b. We will make these payments regardless of fault. These payments will not exceed the applicable Limit of Insurance. We will pay reasonable expenses for:
      (1) First aid administered at the time of an accident;
      (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
      (3) Necessary ambulance, hospital, professional nursing and funeral services.

2. **Exclusions for Coverage C**
   We will not pay for expenses for “bodily injury”:
   a. Any Insured
      To any insured, except “volunteer workers”.
   b. Hired Person
      To a person hired to do work for or on behalf of any insured or a tenant of any insured.
c. Injury on Normally Occupied Premises

To a person injured on that part of premises you own or rent that the person normally occupies.

d. “Workers’ Compensation and Similar Laws”

To a person, whether or not an “employee” of any insured, if benefits for the “bodily injury” are payable or must be provided under “workers’ compensation and similar laws” or disability benefits law or a similar law.

e. Athletics Activities

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

f. Products – Completed Operations Hazard

Included within the “products-completed operations hazard.”

g. Coverage A Exclusions

Excluded under Coverage A.

h. Nuclear

To expenses incurred with respect to “bodily injury” resulting from the “hazardous properties” of “nuclear material” and arising out of the operation of a “nuclear facility” by any person or organization.

SUPPLEMENTARY PAYMENTS – COVERAGES A AND B

1. We will pay, with respect to any claim we investigate or settle, or any “suit” against an insured we defend:

   a. All expenses we incur.

   b. Up to $250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish the bonds.

   c. The cost of bonds to release attachments, but only for the bond amounts within the applicable Limit of Insurance. We do not have to furnish the bonds.

   d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or “suit,” including actual loss of earnings up to $250 a day because of time off from work.

   e. All court costs taxed against the insured in the “suit”.

   f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable Limit of Insurance, we will not pay any prejudgment interest based on that period of time after the offer.

   g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of that judgment that is within the applicable Limit of Insurance.
These payments will not reduce the Limits of Insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

   a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";

   b. This insurance applies to such liability assumed by the insured;

   c. The obligation to defend, or the cost of the defense of, that indemnitee has also been assumed by the insured in the same "insured contract";

   d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;

   e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and

   f. The indemnitee:

      (1) Agrees in writing to:

         (a) Cooperate with us in the investigation, settlement or defense of the "suit";

         (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";

         (c) Notify any other insurer whose coverage is available to the indemnitee; and

         (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

      (2) Provides us with written authorization to:

         (a) Obtain records and other information related to the "suit"; and

         (b) Conduct and control the defense of the indemnitee in such "suit".

As long as the above conditions are met, attorneys’ fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of paragraph 2.b.(2) of SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the Limits of Insurance.

Our obligation to defend an insured’s indemnitee and to pay for attorneys’ fees and necessary litigation expenses as Supplementary Payments ends when:

   a. We have used up the applicable limit of insurance in the payment of judgments or settlements; or
b. The conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as:

   a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.

   b. A partnership or joint venture, you are an insured. Your members, your partners and their spouses are also insureds, but only with respect to the conduct of your business.

   c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.

   d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.

   e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.

2. Each of the following is also an insured:

   a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your “executive officers” (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or “volunteer workers” is an insured for:

      (1) "Bodily injury" or “personal and advertising injury”:

         (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), or to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business or to your other "volunteer workers" while performing duties related to the conduct of your business; or

         (b) To the spouse, child, parent, brother or sister of that co-"employee" or “volunteer worker” as a consequence of paragraph (1)(a) above;

         (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in paragraphs (1)(a) or (b) above; or

         (d) Arising out of his or her providing or failing to provide professional health care services.

      (2) “Property damage” to property:

         (a) Owned, occupied or used by,
(b) Rented to, or in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your “employees”, “volunteer workers”, any partner or member (if you are a partnership or joint venture), or any member (if you are a limited liability company).

b. Any property managers or lessors of premises leased to you, but only for injury or damage for which you have assumed liability in a contract or agreement that is an “insured contract” and which arises out of the ownership, maintenance or use of that part of the premises leased to you. However, this insurance does not apply to:

(1) Any “occurrence” which takes place after you cease to be a tenant in that premises;

(2) Structural alterations, new construction or demolition operations performed by or on behalf of the manager or lessor of premises

c. Any person (other than your “employee” or “volunteer worker”), or any organization while acting as your real estate manager.

d. Any person or organization having proper temporary custody of your property if you die, but only:

(1) With respect to liability arising out of the maintenance or use of that property; and

(2) Until your legal representative has been appointed.

e. Your legal representative if you die, but only with respect to duties as such. That representative will have all of your rights and duties under this Coverage Form.

3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:

a. Coverage under this provision is afforded only until the 180th day after you acquire or form the organization or the end of the policy period, whichever is earlier;

b. Coverage A does not apply to “bodily injury” or “property damage” that occurred before you acquired or formed the organization; and

c. Coverage B does not apply to “personal and advertising injury” arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance for COMMERCIAL GENERAL LIABILITY COVERAGE shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

a. Insureds;

b. Claims made or “suits” brought; or

c. Persons or organizations making claims or bringing “suits”.
2. The General Aggregate Limit is the most we will pay for the sum of:
   
a. Medical expenses under Coverage C;
   
b. Damages under Coverage A, except damages because of “bodily injury” or “property damage” included in the “products-completed operations hazard”; and
   
c. Damages under Coverage B.

3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of “bodily injury” and “property damage” included in the “products-completed operations hazard”.

4. Subject to paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all “personal and advertising injury” sustained by any one person or organization.

5. Subject to paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
   
a. Damages under Coverage A; and
   
b. Medical expenses under Coverage C.

   because of all “bodily injury” and “property damage” arising out of any one “occurrence”.

6. Subject to paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of “property damage” to any one premises, while rented to you or temporarily occupied by you with permission of the owner.

7. Subject to paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of “bodily injury” sustained by any one person.

The Limits of Insurance of this Coverage Form apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured’s estate will not relieve us of our obligations under this Coverage Form.

2. Duties in the Event of Occurrence, Offense, Claim or Suit

   a. You must see to it that we are notified as soon as practicable of an “occurrence” or an offense which may result in a claim. To the extent possible, notice should include:
(1) How, when and where the “occurrence” or offense took place;

(2) The names and addresses of any injured person and witnesses; and

(3) The nature and location of any injury or damage arising out of the “occurrence” or offense.

b. If a claim is made or “suit” is brought against any insured, you must:

(1) Immediately record the specifics of the claim or “suit” and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or “suit” as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or “suit”;

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the claim or defense against the “suit”; and

(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured’s own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Knowledge of Occurrence or Offense

Knowledge of an “occurrence” or offense by the agent, servant or “employee” of any insured will not in itself constitute knowledge by that insured unless one of that insured’s “executive officers” or anyone responsible for administering that insured’s insurance program has knowledge of the same or has been notified of the same by the agent, servant, or “employee”.

4. Legal Action Against Us

No person or organization has a right under this Coverage Form:

a. To join us as a party or otherwise bring us into a “suit” asking for damages from an insured; or

b. To sue us on this Coverage Form unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Form or that are in excess of the applicable Limit of Insurance. An agreed settlement means a settlement and release of liability signed or agreed to by us, the insured and the claimant or the claimant’s legal representative.
5. Notice of Occurrence or Offense

If you report an “occurrence” or offense to an insurer providing other than General Liability insurance, which later develops into a General Liability claim covered under this policy, failure to report such “occurrence” or offense to us at the time of the “occurrence” or offense will not be deemed to be in violation of Duties in the Event of Occurrence, Offense, Claim or Suit conditions, provided that you notify us as soon as you become aware that the “occurrence” or offense is a General Liability claim.

6. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under SECTION I - COVERAGE I - COVERAGES, COVERAGE A - BODILY INJURY AND PROPERTY DAMAGE LIABILITY or COVERAGE B - PERSONAL AND ADVERTISING INJURY LIABILITY, our obligations are limited as follows:

a. Primary Insurance

   (1) This insurance is primary when the conditions of that other insurance or any “underlyer policy” do not apply to a loss covered by this insurance, except when the provisions of paragraph b. below apply.

   (2) If the conditions of that other insurance, not including any “underlyer policy”, apply to a loss covered by this insurance and any of that other insurance is primary, we will share with all that other insurance by the method described in paragraph e. below.

b. Excess Insurance

   This insurance is excess over:

   (1) Any other insurance, whether primary, excess, contingent, or on any other basis:

       (a) That is Fire, Extended Coverage, Builder’s Risk, Installation Risk, or similar coverage for “your work”;

       (b) That is Fire, Extended Coverage, or similar coverage for premises rented to you or temporarily occupied by you with permission of the owner;

       (c) That is insurance purchased by you to cover your liability as a tenant for “property damage” to premises rented to you or temporarily occupied by you with permission of the owner; or

       (d) If the loss arises out of the maintenance or use of aircraft, “autos”, or watercraft to the extent not subject to the exclusion in Section I - COVERAGE I - COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions for Coverage A, g. Aircraft, Autos, Watercraft;

   (2) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.

   (3) Any other valid and collectible insurance that is:

       (a) An “underlyer policy”;
(b) Issued in a country other than the country in which this insurance was issued; or
(c) Issued in this country.

c. When this insurance is excess over any other insurance described in paragraph b.(3)(a), (b) or (c) above, our Limits of Insurance will be reduced by the amount of that other insurance including any deductibles or self-insured retention amounts.

d. When this insurance is excess, we will have no duty under COVERAGE A. or COVERAGE B. to defend any claim or “suit” that any other insurer has a duty to defend. If any other insurer defends, we will have the right, but not the duty, and be given the opportunity to be associated in the defense and trial of any “suit” relative to any “occurrence” or offense which, in our opinion, may create liability on our part under the terms of this Coverage Form. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured’s rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

1. the total amount that all such other insurance would pay for the loss in the absence of this insurance; and

2. the total of all deductible and self-insured amounts under that other insurance.

We will share the remaining loss, if any, with other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Form.

e. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer’s share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

f. Notwithstanding anything to the contrary contained herein, in the event such other insurance is not valid or collectible because of bankruptcy, insolvency, refusal or inability to pay of any insurer of any “underlyer policy”, we will indemnify the first named insured on the Declarations of this Coverage Form on a primary basis, subject to the terms and conditions of this Coverage Form. However, we will not assume any obligation under such “underlyer policy” and you will assign to us your rights to any proceeds under such “underlyer policy.”

7. Representations and Warranties

By accepting this policy, you agree:

a. The statements and warranties in this policy, including, but not limited to, warranties contained within the policy forms, and any statements in the Declarations are accurate and complete;

b. Those statements and warranties constitute representations the first Named Insured shown on the Declarations made to us; and

c. We have issued the policy in reliance upon those representations.

8. Separation of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Form to the first Named Insured, this insurance applies:
a. As if each Named Insured were the only Named Insured; and

b. Separately to each insured against whom claim is made or “suit” is brought.

SECTION V – DEFINITIONS

1. “Advertisement” means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:

   a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and

   b. Regarding web-sites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an “advertisement”.

2. “Auto” means:

   a. A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or

   b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or country where it is licensed or principally garaged. However, “auto” does not include “mobile equipment”.

3. “Biologic” means any product (such as a globulin, serum, vaccine, antitoxin, antigen or analogous product) used in the prevention of treatment of sickness or disease. Biologic products also include blood and blood components used for transfusion or for the manufacture of pharmaceuticals derived from blood and blood components, such as clotting factors.

4. “Bodily injury” means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

5. “By-product material” has the meaning given in the Atomic Energy Act of 1954, as amended.

6. “Clinical trials” means any organized research, clinical evaluation, testing, study or analysis of products or procedures, which adheres to a written protocol for the same and which provides clinical data for the assessment of the effects of a “pharmaceutical”, “biologic”, or “medical device” on humans.

7. “Coverage territory” means Coverage Territory for Liability Coverages shown in the Declarations. The “coverage territory” also includes:

   a. International waters or airspace, provided the injury or damage does not occur in the course of travel or transportation from one place to another when both places are within the United States of America (including its territories and possessions), Puerto Rico and Canada;

   b. The United States of America (including its territories and possessions), Puerto Rico and Canada, if the insured’s responsibility to pay damages is determined in a “suit” on the merits in any country other than the United States of America (including its territories or possessions), Puerto Rico and Canada.

8. “Employee” includes a “leased worker”. “Employee” does not include a “temporary worker”.

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9. “Environment” includes any air, land, structure or the air therein, watercourse or water, including underground water.

10. “Executive officer” means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.

11. “Hazardous properties” includes radioactive, toxic, or explosive properties;

12. “Impaired property” means tangible property, other than “your product” or “your work”, that cannot be used or is less useful because:
   a. It incorporates “your product” or “your work” that is known or thought to be defective, deficient, inadequate or dangerous; or
   b. You have failed to fulfill the terms of a contract or agreement;

   if such property can be restored to use by:
   a. The repair, replacement, adjustment or removal of “your product” or “your work”; or
   b. Your fulfilling the terms of the contract or agreement.

13. “Insured contract” means:
   a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage to premises while rented to you or temporarily occupied by you with permission of the owner is not an “insured contract”.
   b. A sidetrack agreement;
   c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
   d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
   e. An elevator maintenance agreement;
   f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for “bodily injury” or “property damage” to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

   Paragraph f. does not include that part of any contract or agreement:
   (1) That indemnifies a railroad for “bodily injury” or “property damage” arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
   (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
(a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or

(b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or

(3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.

14. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

15. "Loading or unloading" means the handling of property:

   a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";

   b. While it is in or on an aircraft, watercraft or "auto"; or

   c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

16. "Medical device" means any product, other than a "pharmaceutical" or "biologic", which has an application in therapeutic or diagnostic medicine.

17. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:

   a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

   b. Vehicles maintained for use solely on or next to premises you own or rent;

   c. Vehicles that travel on crawler treads;

   d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

      (1) Power cranes, shovels, loaders, diggers or drills; or

      (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

   e. Vehicles not described in a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

      (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

      (2) Cherry pickers and similar devices used to raise or lower workers;
f. Vehicles not described in a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

(1) Equipment designed primarily for:

(a) Snow removal;

(b) Road maintenance, but not construction or resurfacing; or

(c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

(3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well service equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state or country where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

18. "Nuclear facility" means:

a. Any "nuclear reactor";

b. Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel," or (3) handling, processing, or packaging "wastes";

c. Any equipment or device used for the processing, fabricating, or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

d. Any structure, basin, excavation, premises or place prepared or used for 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;

19. "Nuclear material" means "source material", "special nuclear material" or "by-product material".

20. "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;

21. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions. All such exposure to substantially the same general conditions shall be considered as arising out of the same "occurrence", regardless of the frequency or repetition thereof, or the number of claimants.
22. “Personal and advertising injury” means injury, including consequential “bodily injury”, arising out of one or more of the following offenses:

a. False arrest, detention or imprisonment;

b. Malicious prosecution;

c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;

d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person’s or organization’s goods, products or services;

e. Oral or written publication, in any manner of material that violates a person’s right of privacy;

f. The use of another’s advertising idea in your “advertisement”; or

g. Infringing upon another’s copyright, trade dress or slogan in your “advertisement”.

23. “Pharmaceutical” means any substance administered orally, topically, or via injection, to treat, diagnose, cure, mitigate or prevent sickness or disease.

24. “Pollution” includes the actual, alleged or potential presence in or introduction into the “environment” of any substance, if such substance has or is alleged to have the effect of making the environment impure, harmful, or dangerous.

25. “Products-completed operations hazard”:

a. Includes all “bodily injury” and “property damage” occurring away from premises you own or rent and arising out of “your product” or “your work” except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, “your work” will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or sub-contractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

b. Does not include “bodily injury” or “property damage” arising out of:

(1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the “loading or unloading” of that vehicle by any insured;
(2) The existence of tools, uninstalled equipment or abandoned or unused materials; or

(3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

26. “Property damage” means:

   a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or

   b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

   For the purposes of this Coverage Form, electronic data is not tangible property.

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

   For the purposes of the Nuclear exclusions, “property damage” includes all forms of radioactive contamination of property.

27. “Silica” means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.

28. “Silica-related dust” means a mixture or combination of silica and other dust or particles.

29. “Source material” has the meaning given in the Atomic Energy Act of 1954, as amended.

30. “Special nuclear material” has the meaning given in the Atomic Energy Act of 1954, as amended.

31. “Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor”;

32. “Suit” means a civil proceeding in which damages because of “bodily injury”, “property damage”, or “personal and advertising injury” to which this insurance applies are alleged. “Suit” includes:

   a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

   b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

33. “Temporary worker” means a person who is furnished to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.

34. “Underlyer policy” means an insurance policy that is issued by us or requested by us or our affiliated insurance company to be issued to your or one of your subsidiary or affiliated entities.

35. “Volunteer worker” means a person who is not your “employee”, and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for the work performed for you.
36. “Waste” for purposes of the **Nuclear** exclusions, means any waste material (1) containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content and (2) resulting from the operation by any person or organization of any "nuclear facility" included under sub-paragraph (a) or (b) of the definition of "nuclear facility".

37. “Workers’ compensation or similar law” means any workers compensation law, occupational disease law, disability benefits law, or any other legal authority imposing liability for or requiring payment of compensation, benefits, medical care or loss of wages to an “employee” by reason of “bodily injury” or disease arising during the course of employment regardless of whether such payment is required to be made by the employer or any governmental entity.

38. “Your product” means:
   a. Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
      (1) You;
      (2) Others trading under your name; or
      (3) A person or organization whose business or assets you have acquired; and
   b. Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

   “Your product” includes:
   a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your product”; and
   b. The providing of or failure to provide warnings or instructions.

   “Your product” does not include vending machines or other property rented to or located for the use of others but not sold.

39. “Your work” means:
   a. Work or operations performed by you or on your behalf; and
   b. Materials, parts or equipment furnished in connection with such work or operations.

   “Your work” includes:
   a. Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of “your work”; and
   b. The providing of or failure to provide warnings or instructions.
EMPLOYEE BENEFITS LIABILITY COVERAGE FORM ENDORSEMENT

THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE. EXCEPT AS OTHERWISE PROVIDED HEREIN, THIS COVERAGE FORM COVERS ONLY CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO US DURING THE POLICY PERIOD.

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

A. The following is added to SECTION I – COVERAGES:

EMPLOYEE BENEFITS LIABILITY COVERAGE

1. Insuring Agreement

   a. We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any “suit” seeking those damages. However, we will have no duty to defend the insured against any “suit” seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any “claim” or “suit” that may result. But:

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

   (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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

   b. This insurance applies to damages only if:

      (1) The act, error or omission, is negligently committed in the “administration” of your “employee benefit program”;

      (2) A “claim” for damages, because of a negligent act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period; and

      (3) The negligent act, error or omission in the “administration” of your “employee benefit program” was committed entirely within the “Coverage Territory” shown on the LIABILITY COVERAGES DECLARATIONS.

   c. A “claim” seeking damages will be deemed to have been made at the earlier of the following times:

      (1) When notice of such “claim” is received and recorded by any insured or by us, whichever comes first; or

      (2) When we make settlement in accordance with Paragraph 1.a. above.
d. All “claims” for damages made by an “employee” because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such “employee’s” dependents and beneficiaries, will be deemed to have been made at the time the first of those “claims” is made against any insured.

2. Exclusions

This insurance does not apply to:

a. Dishonest, Fraudulent, Criminal Or Malicious Act

   Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. Bodily Injury, Property Damage, Or Personal And Advertising Injury

   “Bodily injury”, “property damage” or “personal and advertising injury”.

c. Failure To Perform A Contract

   Damages arising out of failure of performance of contract by any insurer.

d. Insufficiency Of Funds

   Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the “employee benefit program”.

e. Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation

   Any “claim” based upon:

   (1) Failure of any investment to perform;

   (2) Errors in providing information on past performance of investment vehicles; or

   (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the “employee benefit program”.

f. Workers' Compensation And Similar Laws

   Any “claim” arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. ERISA

   Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. Available Benefits

   Any “claim” for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. Taxes, Fines Or Penalties
Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state, local, or foreign law.

j. Employment-Related Practices

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to SUPPLEMENTARY PAYMENTS – COVERAGE A AND B are replaced by SUPPLEMENTARY PAYMENTS – COVERAGE A, B AND EMPLOYEE BENEFITS LIABILITY.

2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraph 2. of SECTION II – WHO IS AN INSURED is replaced by the following:

2. Each of the following is also an insured:

   a. Each of your “employees” who is or was authorized to administer your “employee benefit program”.

   b. Any persons, organizations or “employees” having proper temporary authorization to administer your “employee benefit program” if you die, but only until your legal representative is appointed.

   c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

D. For the purposes of the coverage provided by this endorsement, SECTION III – LIMITS OF INSURANCE is amended by adding the following:

1. Limits Of Insurance for EMPLOYEE BENEFITS LIABILITY COVERAGE

   a. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:

      (1) Insureds;

      (2) “Claims” made or “suits” brought;

      (3) Persons or organizations making “claims” or bringing “suits”;

      (4) Acts, errors or omissions; or

      (5) Benefits included in your “employee benefit program”.

   b. The Annual Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the “administration” of your “employee benefit program”.

   c. Subject to the Annual Aggregate Limit, the Each Claim Limit is the most we will pay for all damages sustained by any “employee”, including damages sustained by such “employee’s” dependents and beneficiaries, as a result of:

      (1) An act, error or omission; or
(2) A series of related acts, errors or omissions negligently committed in the “administration” of your “employee benefit program”.

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the “employee benefit program”.

The Limits of Insurance for EMPLOYMENT BENEFITS LIABILITY COVERAGE apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

2. Special Deductible for EMPLOYEE BENEFITS LIABILITY COVERAGE

a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of $1,000 deductible as applicable to each “claim”. We will subtract this amount from the amount of damages payable for each “claim”.

b. If there is a Deductible Endorsement (however titled) applicable to this Coverage Form, the terms and conditions of such endorsement, including but not limited to the deductible amount, shall apply, and the Special Deductible set forth in a. above shall be in addition to such deductible amount.

E. For the purposes of the coverage provided by this endorsement, Conditions 2. and 6. of SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS are deleted and replaced by the following:

2. Duties In The Event Of An Act, Error Or Omission, Or “Claim” Or “Suit”

a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a “claim”. To the extent possible, notice should include:

(1) What the act, error or omission was and when it occurred; and

(2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a “claim” is made or “suit” is brought against any insured, you must:

(1) Immediately record the specifics of the “claim” or “suit” and the date received; and

(2) Notify us as soon as practicable.

You must see to it that we receive written notice of the “claim” or “suit” as soon as practicable.

c. You and any other involved insured must:

(1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the “claim” or “suit”;

(2) Authorize us to obtain records and other information;

(3) Cooperate with us in the investigation or settlement of the “claim” or defense against the “suit”; and
(4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

6. Other Insurance

This insurance will be excess over any other valid and collectible insurance available to the insured for a loss covered by EMPLOYEE BENEFITS LIABILITY COVERAGE, whether primary, excess, contingent or on any other basis.

F. For the purposes of the coverage provided by this endorsement, the following definitions are added to SECTION V - DEFINITIONS:

1. **Administration** means:
   a. Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";
   b. Handling records in connection with the "employee benefit program"; or
   c. Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

   However, "administration" does not include handling payroll deductions.

2. **Cafeteria plans** means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.

3. **Claim** means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.

4. **Employee benefit program** means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
   a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
   b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
   c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
   d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
   e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
G. For the purposes of the coverage provided by this endorsement, **SECTION V – DEFINITIONS** is amended by deleting paragraph 8., the definition of “employee”, and paragraph 30., the definition of “suit”, and replacing them, respectively, with the following:

8. “**Employee**” means a person actively employed, formerly employed, on leave of absence or disabled, or retired. “Employee” includes a “leased worker”. “Employee” does not include a “temporary worker”.

30. “**Suit**” means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. “Suit” includes:

a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or

b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

All other terms, conditions and exclusions of this policy remain unchanged.
CONTINGENT AUTO LIABILITY COVERAGE FORM

THIS INSURANCE MAY NOT BE OFFERED IN SATISFACTION OF INSURANCE REQUIREMENTS OF ANY MOTOR VEHICLE LAW ANYWHERE.

SECTION I – LIABILITY COVERAGE

A. Insuring Agreement

The insurance provided by this Coverage Form is “contingent”.

We will pay all sums an “insured” legally must pay as damages because of “bodily injury” or “property damage” to which this insurance applies, caused by an “accident” and resulting from the ownership, maintenance or use of a covered “auto”.

We will also pay all sums an “insured” legally must pay as a “covered pollution cost or expense” to which this insurance applies, caused by an “accident” and resulting from the ownership, maintenance or use of covered “autos”. However, we will only pay for the “covered pollution cost or expense” if there is either “bodily injury” or “property damage” to which this insurance applies that is caused by the same “accident”.

We have the right and duty to defend any “insured” against a “suit” asking for such damages or for a “covered pollution cost or expense”. However, we have no duty to defend any “insured” against a “suit” seeking damages for “bodily injury” or “property damage” or a “covered pollution cost or expense” to which this insurance does not apply. We may investigate and settle any claim or “suit” as we consider appropriate. Our duty to defend or settle ends when the Contingent Auto Liability Coverage Form Limit of Insurance has been exhausted by payment of judgments or settlements.

Subject to the settlement, investigation and defense provisions, Policy Period, and Coverage Territory Conditions, this insurance applies to claims made or “suits” brought worldwide.

B. Supplementary Payments

In addition to the Limit of Insurance, we will pay for the “insured”:

1. All expenses we incur.

2. Up to $2,000 for cost of bail bonds (including bonds for related traffic law violations) required because of an “accident” we cover. We do not have to furnish these bonds.

3. The cost of bonds to release attachments in any “suit” against the “insured” we defend, but only for bond amounts within our Limit of Insurance.

4. All reasonable expenses incurred by the “insured” at our request, including actual loss of earnings up to $250 a day because of time off from work.

5. All court costs taxed against the “insured” in any “suit” against the “insured” we defend.

6. All interest on the full amount of any judgment that accrues after entry of the judgment in any “suit” against the “insured” we defend, but our duty to pay interest ends when we have paid, offered to pay or deposited in court the part of the judgment that is within our Limit of Insurance.

These payments will not reduce the Limit of Insurance.
C. Exclusions

This insurance does not apply to any of the following:

1. **Expected Or Intended Injury**
   
   “Bodily injury” or “property damage” expected or intended from the standpoint of the “insured”.

2. **Contractual**
   
   Liability assumed under any contract or agreement.
   
   But this exclusion does not apply to liability for damages:
   
   a. Assumed in a contract or agreement that is an “insured contract” provided the “bodily injury” or “property damage” occurs subsequent to the execution of the contract or agreement; or
   
   b. That the “insured” would have in the absence of the contract or agreement.

3. **“Workers’ Compensation and Similar Laws”**
   
   Any obligation for which the “insured” or the “insured's” insurer may be held liable under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

4. **Employee Indemnification And Employer's Liability**
   
   “Bodily injury” to:
   
   a. An “employee” of the “insured” arising out of and in the course of:
      
      (1) Employment by the “insured”; or
      
      (2) Performing the duties related to the conduct of the “insured’s” business; or
   
   b. The spouse, child, parent, brother or sister of that “employee” as a consequence of Paragraph a. above.

   This exclusion applies:
   
   (1) Whether the “insured” may be liable as an employer or in any other capacity; and
   
   (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.
   
   But this exclusion does not apply to “bodily injury” to domestic “employees” not entitled to workers' compensation benefits or to liability assumed by the “insured” under an “insured contract”. For the purposes of this Coverage Form, a domestic “employee” is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. **Fellow Employee**
   
   “Bodily injury” to any fellow “employee” of the “insured” arising out of and in the course of the fellow “employee's” employment or while performing duties related to the conduct of your business.

6. **Care, Custody Or Control**
   
   “Property damage” to or “covered pollution cost or expense” involving property owned or transported by the “insured” or in the “insured's” care, custody or control. But this exclusion does not apply to liability assumed under a sidetrack agreement.

7. **Handling Of Property**
   
   “Bodily injury” or “property damage” resulting from the handling of property:
a. Before it is moved from the place where it is accepted by the “insured” for movement into or onto the covered “auto”; or

b. After it is moved from the covered “auto” to the place where it is finally delivered by the “insured”.

8. Movement Of Property By Mechanical Device

“Bodily injury” or “property damage” resulting from the movement of property by a mechanical device (other than a hand truck) unless the device is attached to the covered “auto”.

9. Operations

“Bodily injury” or “property damage” arising out of the operation of:

a. Any equipment listed in Paragraphs 6.b. and 6.c. of the definition of “mobile equipment”; or

b. Machinery or equipment that is on, attached to, or part of, a land vehicle that would qualify under the definition of “mobile equipment” if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

10. Completed Operations

“Bodily injury” or “property damage” arising out of your work after that work has been completed or abandoned.

In this exclusion, your work means:

a. Work or operations performed by you or on your behalf; and

b. Materials, parts or equipment furnished in connection with such work or operations.

Your work includes warranties or representations made at any time with respect to the fitness, quality, durability or performance of any of the items included in Paragraphs a. or b. above.

Your work will be deemed completed at the earliest of the following times:

(1) When all of the work called for in your contract has been completed.

(2) When all of the work to be done at the site has been completed if your contract calls for work at more than one site.

(3) When that part of the work done at a job site has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

11. Pollution

“Bodily injury” or “property damage” arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of “pollutants”:

a. That are, or that are contained in any property that is:

(1) Being transported or towed by, handled, or handled for movement into, onto or from, the covered “auto”;

(2) Otherwise in the course of transit by or on behalf of the “insured”; or

(3) Being stored, disposed of, treated or processed in or upon the covered “auto”;

b. Before the “pollutants” or any property in which the “pollutants” are contained are moved from the place where they are accepted by the “insured” for movement into or onto the covered “auto”; or
c. After the “pollutants” or any property in which the “pollutants” are contained are moved from the covered “auto” to the place where they are finally delivered, disposed of or abandoned by the “insured”.

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered “auto” or its parts, if:

(1) The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “auto” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and

(2) The “bodily injury”, “property damage” or “covered pollution cost or expense” does not arise out of the operation of any equipment listed in Paragraphs 6.b. and 6.c. of the definition of “mobile equipment”.

Paragraphs b. and c. above of this exclusion do not apply to “accidents” that occur away from premises owned by or rented to an “insured” with respect to “pollutants” not in or upon a covered “auto” if:

(1) The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a covered “auto”; and

(2) The discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused directly by such upset, overturn or damage.

12. War

“Bodily injury”, “property damage” or “covered pollution cost or expense” arising directly or indirectly, out of:

a. War, including undeclared or civil war;

b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

13. Racing

Covered “autos” while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply while that covered “auto” is being prepared for such a contest or activity.

14. Nuclear

Any injury, damage, expense, cost, loss, liability or legal obligation arising out of “nuclear”. We shall have no duty or obligation to provide or pay for the investigation or defense of any “suit” excluded under “nuclear”.

15. Statutory Coverage

Satisfaction of any mandatory insurance or financial responsibility requirement imposed by any statute, ordinance or regulation in any jurisdiction.

SECTION II – COVERED AUTOS

The following are covered “autos”:

A. Owned Autos
Only those “autos” you own (and any “trailers” you don’t own while attached to power units you own). This includes those “autos” you acquire ownership of after the policy begins.

B. Hired Autos

Only those “autos” you lease, hire, rent or borrow. This does not include any “auto” you lease, hire, rent, or borrow from any of your “employees”, partners (if you are a partnership), members (if you are a limited liability company) or members of their households.

C. Non-owned Autos

Only those “autos” you do not own, lease, hire, rent or borrow that are used in connection with your business. This includes “autos” owned by your “employees”, partners (if you are a partnership), members (if you are a limited liability company), or members of their households but only while used in your business or your personal affairs.

D. Mobile Equipment Subject to Compulsory or Financial Responsibility Or Other Motor Vehicle Law Only

Only those “autos” that are land vehicles and that would qualify under the definition of “mobile equipment” under this policy if they were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law where they are licensed or principally garaged.

E. Newly Acquired Autos

Those “autos” that you acquire of the types described in Paragraphs A., B., C., and D. above for the remainder of the Policy Period.

F. Other Covered Autos

The following types of vehicles are also covered “autos” for Liability Coverage:

1. “Trailers” with a load capacity of 2,000 pounds or less designed primarily for travel on public roads.

2. “Mobile equipment” while being carried or towed by a covered “auto”.

3. Any “auto” you do not own while used with the permission of its owner as a temporary substitute for a covered “auto” you own that is out of service because of its:
   a. Breakdown;
   b. Repair;
   c. Servicing;
   d. “Loss”; or
   e. Destruction.

SECTION III - WHO IS AN INSURED

The following are “insureds”:

A. You for any covered “auto”.

B. Anyone else while using with your permission a covered “auto” you own, hire or borrow except:

   1. The owner or anyone else from whom you hire or borrow a covered “auto”. This exception does not apply if the covered “auto” is a “trailer” connected to a covered “auto” you own.
2. Your “employee” if the covered “auto” is owned by that “employee” or a member of his or her household.

3. Someone using a covered “auto” while he or she is working in a business of selling, servicing, repairing, parking or storing “autos” unless that business is yours.

4. Anyone other than your “employees”, partners (if you are a partnership), members (if you are a limited liability company), or a lessee or borrower or any of their “employees”, while moving property to or from a covered “auto”.

5. A partner (if you are a partnership), or a member (if you are a limited liability company) for a covered “auto” owned by him or her or a member of his or her household.

C. Anyone liable for the conduct of an “insured” described above but only to the extent of that liability.

SECTION IV - LIMIT OF INSURANCE

Regardless of the number of covered “autos”, “insureds”, premiums paid, claims made or vehicles involved in the “accident”, the most we will pay for the total of all damages and “covered pollution cost or expense” combined, resulting from any one “accident” is the Limit of Insurance for Liability Coverage shown in the Declarations.

All “bodily injury”, “property damage” and “covered pollution cost or expense” resulting from continuous or repeated exposure to substantially the same conditions will be considered as resulting from one “accident”.

No one will be entitled to receive duplicate payments for the same elements of “loss” under this Coverage Form and any Medical Payments Coverage Endorsement attached to this Coverage Form.

SECTION V – AUTO CONDITIONS

The following conditions apply in addition to the Common Policy Conditions:

A. Duties In The Event Of Accident, Claim, Suit Or Loss

We have no duty to provide coverage under this policy unless there has been full compliance with the following duties:

1. In the event of “accident”, claim, “suit” or “loss”, you must give us or our authorized representative prompt notice of the “accident” or “loss”. Include:

   a. How, when and where the “accident” or “loss” occurred;

   b. The “insured’s” name and address; and

   c. To the extent possible, the names and addresses of any injured persons and witnesses.

2. Additionally, you and any other involved “insured” must:

   a. Assume no obligation, make no payment or incur no expense without our consent, except at the “insured's” own cost.

   b. Immediately send us copies of any request, demand, order, notice, summons or legal paper received concerning the claim or “suit”.

   c. Cooperate with us in the investigation or settlement of the claim or defense against the “suit”.

   d. Authorize us to obtain medical records or other pertinent information.

   e. Submit to examination, at our expense, by physicians of our choice, as often as we reasonably require.
B. Legal Action Against Us

No one may bring a legal action against us under this Coverage Form until:

1. There has been full compliance with all the terms of this Coverage Form; and

2. We agree in writing that the “insured” has an obligation to pay or until the amount of that obligation has finally been determined by judgment after trial. No one has the right under this policy to bring us into an action to determine the “insured’s” liability.

C. Transfer Of Rights Of Recovery Against Others To Us

If any person or organization to or for whom we make payment under this Coverage Form has rights to recover damages from another, those rights are transferred to us. That person or organization must do everything necessary to secure our rights and must do nothing after “accident” or “loss” to impair them.

D. Other Insurance

1. Excess Insurance

The insurance provided by this Coverage Form is excess. This insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis that is “auto” coverage, including, but not limited to, any “auto” coverage required by law, regulation or other governmental authority. Our Limits of Insurance will be reduced by the amount of such other insurance including any deductibles or self-insured retention amounts.

The insurance provided by this Coverage Form will not act as a substitute for any “auto” coverage required by law, regulation or other governmental authority. Failure to maintain such coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the coverage required by law, regulation or other governmental authority was in full force and effect.

2. Primary Insurance

The insurance provided by this Coverage Form will take the place of primary insurance when the insured has no primary insurance, provided that such primary insurance is not required by law, regulation or other governmental authority.

E. Maintenance of Underlying Insurance

1. The “insured” must have maintain “auto” insurance required by law, regulation or other governmental authority in full force and effect during the policy period, except for reduction of aggregate limits due to payments of claims, judgments or settlements.

2. The following additional provisions apply with respect to Owned “Autos” or Hired “Autos (as those terms are described in SECTION II – COVERED AUTOS, A. Owned Autos and B. Hired Autos above) that you lease for a continuous period of more than thirty (30) consecutive days:

   a. The “insured” must have and maintain primary “auto” insurance (herein referred to as “underlying insurance”) in full force and effect throughout the policy period with minimum limits:

      (1) As required by applicable motor vehicle insurance law and/or financial responsibility law; or

      (2) Equivalent to $25,000 each “accident” Combined Single Limit for “bodily injury” and “property damage”; whichever is higher.
b. The coverage provided by this Coverage Form is excess. Our Limits of Insurance will be reduced by the amount of such underlying insurance including any deductibles or self-insured retention amounts.

c. If the “insured” fails to have and maintain such underlying insurance as shown above, the coverage provided herein will apply as if such underlying insurance was in full force and effect.

F. Premium Audit

The estimated premium for this Coverage Form is based on the exposures you told us you would have when this policy began. We will compute the final premium due when we determine your actual exposures. The estimated total premium will be credited against the final premium due and the first Named Insured will be billed for the balance, if any. The due date for the final premium or retrospective premium is the date shown as the due date on the bill. If the estimated total premium exceeds the final premium due, the first Named Insured will get a refund.

If this policy is issued for more than one year, the premium for this Coverage Form will be computed annually based on our rates or premiums in effect at the beginning of each year of the policy.

G. Policy Period, Coverage Territory

Under this Coverage Form, we cover “accidents” and “losses” occurring:

1. During the Policy Period shown in the Declarations; and

2. Within the “coverage territory” for COMMERCIAL AUTO LIABILITY COVERAGE shown in the Declarations.

3. We also cover “accidents” involving a covered “auto” while being transported between places which are in the “coverage territory.”

H. Two Or More Coverage Forms Or Policies Issued By Us

If this Coverage Form and any other Coverage Form or policy issued to you by us or any company affiliated with us apply to the same “accident”, the aggregate maximum Limit of Insurance under all the Coverage Forms or policies shall not exceed the highest applicable Limit of Insurance under any one Coverage Form or policy. This condition does not apply to any Coverage Form or policy issued by us or an affiliated company specifically to apply as excess insurance over this Coverage Form.

I. Knowledge Of An Accident

Knowledge of an “accident” by any of your agents, servants or employees shall not constitute knowledge by you unless one of your executive officers or anyone responsible for administering your insurance program has received notice from the agent, servant or employee.

J. Expanded Coverage Territory and Currency

All payments or reimbursements we make for damages because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the “insured” became legally obligated to pay such sums. All payments or reimbursements we make for expenses under Supplementary Payments will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

SECTION VI – DEFINITIONS

A. “Accident” includes continuous or repeated exposure to the same conditions resulting in “bodily injury” or “property damage”.

B. “Auto” means:
1. A land motor vehicle, “trailer” or semi trailer designed for travel on public roads; or

2. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged.

However, “auto” does not include “mobile equipment”.

C. “Bodily injury” means bodily injury, sickness or disease sustained by a person including death resulting from any of these.

D. “Contingent” means insurance issued to apply to claims or “suits” arising from “accidents” outside the country in which the insurance was issued. “Contingent” insurance takes the place of “primary” insurance when the insured has no “primary” insurance which applies.

“Contingent” insurance will pay only the amount by which its limit exceeds the limits of any “primary” insurance, including “primary” insurance issued on an excess basis, which applies.

When this insurance is “contingent”, we have the right but not the duty to defend.

If no “primary” insurance applies, then we have the duty to defend.

E. “Coverage Territory” means “Coverage Territory for Liability Coverages” shown in the Declarations.

The “coverage territory” also includes:

1. International waters or airspace, provided the “loss” to, or “accident” involving, a covered “auto” was during the course of transportation from one place to another when both places are not within the United States of America (including its territories and possessions), Puerto Rico or Canada;

2. The United States of America (including its territories and possessions), Puerto Rico or Canada, if the “insured’s” responsibility to pay damages is determined in a “suit” on the merits in any country other than the United States of America (including its territories or possessions), Puerto Rico or Canada.

F. “Covered pollution cost or expense” means any cost or expense arising out of:

1. Any request, demand, order or statutory or regulatory requirement that any “insured” or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of “pollutants”; or

2. Any claim or “suit” by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of “pollutants”.

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

a. That are, or that are contained in any property that is:

   (1) Being transported or towed by, handled, or handled for movement into, onto or from the covered “auto”;  

(2) Otherwise in the course of transit by or on behalf of the “insured”;  

(3) Being stored, disposed of, treated or processed in or upon the covered “auto”;  

b. Before the “pollutants” or any property in which the “pollutants” are contained are moved from the place where they are accepted by the “insured” for movement into or onto the covered “auto”; or
c. After the “pollutants” or any property in which the “pollutants” are contained are moved from the covered “auto” to the place where they are finally delivered, disposed of or abandoned by the “insured”.

Paragraph a. above does not apply to fuels, lubricants, fluids, exhaust gases or other similar “pollutants” that are needed for or result from the normal electrical, hydraulic or mechanical functioning of the covered “auto” or its parts, if:

(1) The “pollutants” escape, seep, migrate, or are discharged, dispersed or released directly from an “auto” part designed by its manufacturer to hold, store, receive or dispose of such “pollutants”; and

(2) The “bodily injury”, “property damage” or “covered pollution cost or expense” does not arise out of the operation of any equipment listed in Paragraphs 6.b. or 6.c. of the definition of “mobile equipment”.

Paragraphs b. and c. above do not apply to “accidents” that occur away from premises owned by or rented to an “insured” with respect to “pollutants” not in or upon a covered “auto” if:

(1) The “pollutants” or any property in which the “pollutants” are contained are upset, overturned or damaged as a result of the maintenance or use of a covered “auto”; and

(2) The discharge, dispersal, seepage, migration, release or escape of the “pollutants” is caused directly by such upset, overturn or damage.

G. “Employee” includes a “leased worker”. “Employee” does not include a “temporary worker”.

H. “Insured” means any person or organization qualifying as an “insured” in the Who Is An Insured provision of the applicable coverage. Except with respect to the Limit of Insurance, the coverage afforded applies separately to each “insured” who is seeking coverage or against whom a claim or “suit” is brought.

I. “Insured contract” means:

1. A lease of premises;

2. A sidetrack agreement;

3. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;

4. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;

5. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another to pay for “bodily injury” or “property damage” to a third party or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement;

6. That part of any contract or agreement entered into, as part of your business, pertaining to the rental or lease, by you or any of your “employees”, of any “auto”. However, such contract or agreement shall not be considered an “insured contract” to the extent that it obligates you or any of your “employees” to pay for “property damage” to any “auto” rented or leased by you or any of your “employees”.

An “insured contract” does not include that part of any contract or agreement:
a. That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, roadbeds, tunnel, underpass or crossing; or

b. That pertains to the loan, lease or rental of an "auto" to you or any of your "employees", if the "auto" is loaned, leased or rented with a driver; or

c. That holds a person or organization engaged in the business of transporting property by "auto" for hire harmless for your use of a covered "auto" over a route or territory that person or organization is authorized to serve by public authority.

J. “Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a “temporary worker”.

K. “Loss" means direct and accidental loss or damage.

L. “Mobile equipment” means any of the following types of land vehicles, including any attached machinery or equipment:

1. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;

2. Vehicles maintained for use solely on or next to premises you own or rent;

3. Vehicles that travel on crawler treads;

4. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
   a. Power cranes, shovels, loaders, diggers or drills; or
   b. Road construction or resurfacing equipment such as graders, scrapers or rollers.

5. Vehicles not described in Paragraphs 1., 2., 3., or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
   a. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
   b. Cherry pickers and similar devices used to raise or lower workers.

6. Vehicles not described in Paragraphs 1., 2., 3., or 4. above maintained primarily for purposes other than the transportation of persons or cargo. However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered “autos”:
   a. Equipment designed primarily for:
      (1) Snow removal;
      (2) Road maintenance, but not construction or resurfacing; or
      (3) Street cleaning;
   b. Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
   c. Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting or well servicing equipment.
However, “mobile equipment” does not include land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered “autos”.

M. “Nuclear” means:

1. Under any Liability Coverage, to “bodily injury” or “property damage”:
   a. With respect to which any insured under the policy who is also an insured under a nuclear energy liability Policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any other similar nuclear energy liability insurance underwriting association or organization, or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
   b. Resulting from the “hazardous properties” of “nuclear material” and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any other law or regulation requiring the insured to maintain such financial protection or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any other country, or any agency thereof, under any agreement entered into by the United States of America, or any other country, or any agency thereof, with any person or organization.

2. Under any Medical Payments coverage, to expenses incurred with respect to “bodily injury” resulting from the “hazardous properties” of “nuclear material” and arising out of the operation of a “nuclear facility” by any person or organization.

3. Under any Liability Coverage, to “bodily injury” or “property damage” resulting from the “hazardous properties” of “nuclear material”, if:
   a. The “nuclear material” (a) is at any “nuclear facility” owned by, or operated by or on behalf, of an insured or (b) has been discharged or dispersed therefrom;
   b. The “nuclear material” is contained in “spent fuel” or “waste” at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of any insured; or
   c. The “bodily injury” or “property damage” arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any “nuclear facility”.

As used in this definition of “nuclear”:

a. “Hazardous properties” includes radioactive, toxic, or explosive properties;

b. “Nuclear material” means “source material,” “special nuclear material” or “by-product material”;

c. “Source material”, “special nuclear material” and “by-product material” have the meanings given them in Atomic Energy Act of 1954 or any law amendatory thereof;

d. “Spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a “nuclear reactor”;

e. “Waste” means any waste material (1) containing by-product material other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its “source material” content and (2) resulting from the operation by any person or organization of any “nuclear facility” included under Paragraph (1) or (2) of the definition of “nuclear facility”;

f. “Nuclear facility” means:
(1) Any “nuclear reactor”;

(2) Any equipment or device designed or used for (a) separating the isotopes of uranium or plutonium, (b) processing or utilizing “spent fuel,” or (c) handling, processing, or packaging “wastes”;

(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 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;

g. “Nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

h. “Property damage” includes all forms of radioactive contamination of property.

N. “Pollutants” means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, waste, biological material, bacteria, virus and intangibles which negatively affect the health and welfare of people, disrupt ecological balance, or desecrate the environment and negatively impact plants and non-human species. Waste means any substance or material that: (a) is left over, or no longer in use, or discarded; (b) is to be reclaimed, recycled, or reconditioned; or (c) has been removed, treated, stored, or disposed of as part of any environmental remediation, clean-up or response effort. Waste includes, but is not limited to, animal, human, medical and biological waste, even if used or intended for use as fertilizer or for any other use.

O. “Primary” means insurance issued to respond prior to other insurance to claims or “suits” brought in the country in which such insurance was issued. “Primary” insurance may include insurance for claims or “suits” arising from “occurrences” which take place outside the country in which such insurance was issued.

P. “Property damage” means damage to or loss of use of tangible property.

Q. “Suit” means a civil proceeding in which:

1. Damages because of “bodily injury” or “property damage”; or

2. A “covered pollution cost or expense”;

to which this insurance applies, are alleged.

“Suit” includes:

   a. An arbitration proceeding in which such damages or “covered pollution costs or expenses” are claimed and to which the “insured” must submit or does submit with our consent; or

   b. Any other alternative dispute resolution proceeding in which such damages or “covered pollution costs or expenses” are claimed and to which the “insured” submits with our consent.

R. “Temporary worker” means a person who is furnished to you to substitute for a permanent “employee” on leave or to meet seasonal or short-term workload conditions.

S. “Trailer” includes a semi-trailer.
T. “Workers’ Compensation and Similar Laws” means any workers compensation law, occupational disease law or any other legal authority imposing liability for or requiring payment of compensation, benefits, medical care or loss of wages to an “employee” by reason of “bodily injury” or disease arising during the course of employment regardless of whether such payment is required to be made by the employer or any governmental entity.
EMPLOYERS RESPONSIBILITY COVERAGES
WITH EXECUTIVE ASSISTANCE®

THIS INSURANCE MAY NOT BE OFFERED IN SATISFACTION OF THE INSURANCE REQUIREMENTS OF ANY “WORKERS COMPENSATION LAW” ANYWHERE.

VOLUNTARY COMPENSATION COVERAGE

“Voluntary compensation” coverage applies when you make a claim for bodily injury by accident, bodily injury by disease, or bodily injury by “endemic disease.” The bodily injury must be injury to your “employee” and must arise out of and in the course of employment by you. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the Policy Period.

2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The “employee's” last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Policy Period.

3. Bodily injury by “endemic disease” must be caused by disease which your “employee” may reasonably be thought to have contracted by being in a place as a result of your employment. The “employee” must have been in a place where the disease contracted is known to occur. The time the “employee” was in the place where the disease occurs must have been within the Policy Period. The “employee's” last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Policy Period.

We will adjust the claim with the “employee” by applying the “workers compensation law” of the “state” you choose when you make the claim. The “state” whose law you choose must be one which is shown in the Declarations. The workplace of the “employee” must be within the “coverage territory.”

We Will Pay Benefits

We will pay promptly the benefits which would be required of you by the “workers compensation law” of the “state” you choose when making the claim. The “state” you choose must be one which is shown in the Declarations for the following:

1. North Americans, meaning “employees” who are citizens or legal permanent residents of the United States (including its territories and possessions), and Puerto Rico;

2. Third Country Nationals, meaning “employees” who are not citizens of the country of their workplace and who are not described in 1. above; and

3. Local Nationals, meaning “employees” while traveling outside the country of their workplace and who are citizens of the country of their workplace but who are not described in 1. above.

If “State of Hire” appears after the words “North Americans:” in the Declarations for Voluntary Compensation, then with respect to “employees” for whom you wish to provide the benefits of a “state” of the United States of America (including its territories and possessions), or Puerto Rico, but who were not hired in any of those places, the benefits will be:
1. those of the “state” to which you agreed with the “employee” prior to the accident or the discovery of the disease; or

2. if no “state” was agreed with the “employee” prior to the accident or the discovery of the disease, the benefits of the specific “state” shown in the Declarations for “North Americans” as an alternative to “state of hire”, or

3. if no “state” was agreed with the “employee” prior to the accident or the discovery of the disease, and no specific “state” is shown above for “North Americans”, the benefits of the “state” shown in the address of the insured on the first page of the Declarations for this policy.

Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the “workers compensation law,” including those required because:

1. of your serious and willful misconduct;
2. you knowingly employ an “employee” in violation of law;
3. you fail to comply with a health or safety law or regulation; or
4. you discharge, coerce or otherwise discriminate against any “employee” in violation of the “workers compensation law.”

If we make any payments in excess of the benefits regularly provided by the “workers compensation law” on your behalf, you will reimburse us promptly.

Before We Pay

Before we pay benefits to the persons for whom you have made claims, they must:

1. Release you and us, in writing, of all responsibility for the injury or death, if we so request;
2. Transfer to us their right to recover from others who may be responsible for the injury or death; and
3. Cooperate with us and do everything necessary to enable us to enforce the right to recover from others.

If the persons for whom you have made claims under this coverage fail to do those things, our duty to pay ends at once. If they claim damages from you or from us for the injury or death, our duty to pay ends at once.

Recovery From Others

If we make a recovery from others, we will keep an amount equal to our expenses of recovery and the benefits we paid. We will pay the balance to the persons entitled to it. If the persons who receive the benefits of this insurance make a recovery from others, they must reimburse us for the benefits we paid them.

EXECUTIVE ASSISTANCE® SERVICES

When an “employee” that is covered under this coverage part becomes injured or ill while traveling on your business within the “coverage territory,” Executive Assistance® Services are available. We will provide your “employee”, subject to the Limits of Insurance shown in the Declarations under II. Executive Assistance Services, Medical Assistance Services with the services listed below.

Executive Assistance Services are Medical Assistance, Personal Assistance, Travel Assistance and Security Assistance as described herein.
Executive Assistance is serviced by a third party provider of the Medical Assistance, Personal Assistance, Travel Assistance and Security Assistance services described in this section.

Executive Assistance Services are available to "you," your "expatriate employees" and "employees" engaged in "temporary travel," including their accompanying spouse, child(ren) or other companion(s) engaged in "temporary travel." For Executive Assistance Services, the definition of "employee" is extended to include accompanying spouse, child(ren) or other companion(s). "Employees" may contact the service provider at any hour on any day.

For Executive Assistance Services, Temporary Travel includes personal travel, but only if such personal travel does not exceed a total of fourteen consecutive days, and is incidental to travel on your business, outside of the country of an “employee’s” workplace.

The service provider is staffed with trained multi-lingual personnel, including doctors on round-the-clock call for emergency medical consultation and assistance as described in these Executive Assistance Services. This center handles requests for referrals to English-speaking doctors, and specialists, as well as all aspects of coordinating an emergency medical evacuation.

Information about Executive Assistance Services, as well as access to the online Security Assistance services listed above, will be available through a password protected website address: www.aceExecutiveAssistance.com. The Login Name and Password for this website is provided to you under separate cover in your policy packet. Security assistance will be one of several information services available through this website. There are no restrictions to the number of times an insured may access this website including the Security information services. Executive Assistance wallet cards and passport stickers also will be available to insureds online through this website, as PDF documents that can be downloaded and printed at the convenience of ACE policy holders.

Medical Assistance Services

We will not pay more for all Medical Assistance Services expense in any one policy year than the amount shown in the Declarations as the policy limit for Medical Assistance Services, regardless of the number of "employees" to whom services were rendered. If we incur expenses for Medical Assistance Services in any one policy year in excess of the policy limit, you agree to reimburse us or our designee for the amount in excess of the policy limit.

All services and payments must be arranged and pre-approved by the service provider. Evacuations/Repatriations must be ordered by a legally licensed physician and approved by the service provider's designated physician to certify that the severity of the "employees" injury or sickness warrants an emergency evacuation/repatriation. All transportation arrangements must be by the most direct and economical route possible. In the event you are seriously ill or injured and cannot call, you must contact the service provider as soon as you are able.

Hospital Admission Deposit

We will either guarantee the payment of or wire any required emergency hospital admission deposit up to US$10,000. You or your "employee" will repay any such deposit to us within 45 days (without interest). If you fail to repay to us such deposit in the time allowed or we are required to pay on our guarantee, then such money becomes a service rendered, and we have the additional rights set out under the heading “Transfer of Rights of Recovery against Others to Us.”

Medical Monitoring

The service provider will monitor the “employee's” condition when hospitalized abroad and will use best efforts to report regularly the “employee's” condition to a person designated by the “employee.”
Dispatch of a Doctor or Specialist

When the service provider determines, based on information available to them, that an “employee's” condition cannot be adequately assessed to evaluate the need for evacuation, the service provider will dispatch a doctor or specialist to the “employee's” location. We will pay the cost of the doctor's or specialist's travel to the “employee's” location, but we will not pay the cost of any medical services rendered by the doctor or specialist at the location. Medical Expenses are not covered by Executive Assistance and should be submitted to the health carrier, or if work related, submitted to the Workers' Compensation carrier, or similar carrier.

Emergency Medical Evacuation

When the service provider determines adequate medical facilities are not available locally, we will arrange and pay for emergency medical evacuation under medical supervision, if necessary, to the nearest location with adequate facilities. Our obligation is limited to the limits of liability shown in the declarations page.

The service provider will arrange and we will pay the cost for one family member or other traveling companion to continue to accompany the “employee” during evacuation, if it is reasonably possible for that person to accompany the “employee”. Our obligation is limited to the cost of the airfare, and an incidental expense maximum of $300. per day, and $5,000 Maximum for any one occurrence.

“Employee” and any accompanying family member or other traveling companion may be required to release us or a third party assistance provider from liability during emergency evacuation.

Repatriation

If the service provider determines, based on information available to them, that it is medically necessary to repatriate the “employee” to a facility which is in the country of residence of the “employee” or a location in the country of which the “employee” is a citizen, following stabilization, we will arrange and will pay for repatriation under medical supervision, if necessary.

The service provider will arrange and we will pay the cost of one family member or other traveling companion to continue to accompany the "employee" during repatriation, if it is reasonably possible for that person to accompany the “employee”. Our obligation is limited to the cost of the airfare, and an incidental travel expense of a maximum of $300. per day, and Maximum for any one occurrence of $5,000.

“Employee” and any accompanying family member or other traveling companion may be required to release us or a third party assistance provider from liability during repatriation.

Our obligation is limited to the provision of one (1) repatriation attributable to any single medical condition of an “employee.”

Repatriation of Mortal Remains

In the event of an “employee's” death while traveling, the service provider will render every assistance possible to obtain necessary clearances and arrange for the return of the mortal remains in an appropriate transportation container to a location which is consistent with the known reasonable wishes of the “employee” or of the “employee's” family. We will pay reasonable expenses associated with such return, including the cost of embalming to meet any applicable requirements.

We will also pay the cost of one family member or other traveling companion to continue to accompany the mortal remains of the deceased “employee” during repatriation, if it is reasonably possible for that person to accompany the remains. Our obligation is limited to the cost of the airfare, and an incidental travel expense of a maximum of $300. per day, and a Maximum for any one occurrence of $5,000.
Personal Assistance

Pre-Trip Medical Referral Information

The service provider will provide pre-trip referral information to “employees” regarding countries and regions to be visited, including local multi-lingual doctors and/or addresses and phone numbers for hospitals.

Emergency Medication

Should an “employee” require prescription medication that is not available locally, the service provider will make arrangements for the transportation of such medication, when possible and legally permissible, to the “employee” upon the request of the prescribing physician. The “employee” is responsible for the cost of medication and the transportation.

Embassy and Consular Information

The service provider will provide “employees” with contact information for embassies and consulates worldwide.

Lost Document Assistance

The service provider will assist with obtaining replacements if an “employee” loses important travel documents while traveling, including passport and credit cards. We will not pay the cost of obtaining such replacements.

Emergency Message Transmission

The service provider will make reasonable efforts to receive and transmit emergency messages for an “employee” to one family member and/or employer.

Emergency Cash Advance

We will, whenever possible, provide “employees” with a cash advance of up to $1000 in local currency for emergencies. You or your “employee” will repay any such emergency cash advance to us within 45 days (without interest). If you or your “employee” fail to repay to us such advance, then such money becomes a service rendered, and we have the additional rights set out under the heading “Transfer of Rights of Recovery against Others to Us.”

Legal Access

The service provider will provide “employees” with an introduction to local attorneys. Assistance will also be provided in obtaining bail bonds in those areas where such bonds are customarily issued. “Employee” is responsible for contracted legal fees.

Translations & Interpreters

The service provider will provide personal emergency translation services, as well as referrals to interpreter services. When personal presence or other customized interpreter services are required, the “employee” will be responsible to pay locally the cost of such interpreter services.

Benefits Verification and Claims Assistance

The service provider will assist “employees” in verifying their medical insurance benefits when hospitalized overseas and we will assist in coordinating overseas claims procedures with their health insurance and any applicable workers compensation insurance and as you direct.
Travel Assistance

Emergency Family Travel Arrangements

The service provider will coordinate emergency travel arrangements for family members who need to join a hospitalized “employee”, or to accompany the mortal remains of a deceased “employee”. The costs of travel services are the responsibility of the traveler(s).

Return of Traveling Companion/Dependents

When the service provider hospitalizes or evacuates an “employee” and a traveling companion’s air ticket is no longer usable, The service provider will arrange, but not pay the cost of, one way air transportation for the companion to the original departure point, or to their place of residence.

At the request of the “employee”, the service provider will arrange, but not pay the cost of qualified attendants to accompany the return of traveling companions/dependents.

Return of Vehicle

In the event of an “employee's” hospitalization or medical evacuation, the service provider will arrange, but not pay the cost, to have the “employee's” unattended vehicle returned to the rental agency or the “employee's” current principal residence.

Concierge Services

As a benefit to the “employee(s)” the service provider will offer a suite of services that assist in making arrangements or purchases that are useful to “employee(s)” traveling outside of their country of residence.

All costs associated with the purchase and or provision of the “concierge services” will be the sole responsibility of the “employee(s)”.

Where available “Concierge Services” will include:

A. Destination profiles: The service provider shall provide information on every country in the world and over 200 cities worldwide, including information on local entertainment, suggested itineraries, and health advisories.

B. Epicurian needs: The service provider shall arrange the delivery of specialized foods and beverages to the “employee’s” home or office, including gourmet food and fine wine.

C. Event ticketing: The service provider shall arrange for tickets to sporting events, theater or concert event worldwide as long as the tickets are available for purchase.

D. Floral Services: The service provider shall arrange for the purchase and shipment flowers and gift baskets to friends, family members, and business associates.

E. Tee time reservations: The service provider shall provide referrals to golf courses and tee times at golf courses around the world.

F. Hotel accommodations: The service provider shall offer recommendations on hotels worldwide and book reservations if requested by the “employee(s)”.

G. Meet-and-greet services: The service provider shall arrange the pick-up of friends, family members or business associates at airports or other common carrier destinations by limousine personnel.

H. Personalized retail shopping assistance: The service provider shall arrange for the purchase selected retail items at the “employee(s)” request and expense.
I. **Pre-trip assistance**: The service provider shall provide information on travel destinations, city profiles, special events, ATM locations, currency exchange rates, immunization and passport requirements, and related services.

J. **Procurement of hard-to-find items**: The service provider shall use its best efforts to arrange for an obscure or exotic item at the “employee(s)” request.

K. **Restaurant referrals and reservations**: The service provider shall provide the “employee(s)” with information on restaurants worldwide and will book reservations if requested.

L. **Rental car reservations**: The service provider shall arrange for worldwide reservations through most major rental car agencies.

M. **Commercial airline reservations**: The service provider shall arrange for air travel accommodations to destinations worldwide on behalf of the “employee(s)”.

**SECURITY ASSISTANCE**

**Travel Security Information**

We will provide the policy holder with access to the online Security Assistance services through [www.aceExecutiveAssistance.com](http://www.aceExecutiveAssistance.com). Policy holder “employees” can select information at a region, country or city level to access detailed Travel Security Information reports regarding threats posed in a particular city or country by criminal or terrorist activities or political and civil unrest and other factors affecting travel in cities throughout the world. These reports will include an overall security rating across 6 key categories, security alerts, the latest Security, Health and Exit/Entry information, key local contact numbers and a map.

**Emergency Political Repatriation and Relocation**

We will reimburse you or your “employee” for the “Insured Losses” arising from an “Insured Event” for “Emergency Political Repatriation” or “Emergency Relocation” incurred by you or your “employee”.

The most we will reimburse is $2,500 Per “Employee” per “Insured Event” for “Emergency Political Repatriation” and $2,500 Per “Employee” per “Insured Event” for “Emergency Relocation,” subject to a policy limit of $10,000. regardless of the number of “Insured Events”.

This extension is subject to the following additional definitions:

“Insured Event” shall mean the “Emergency Political Repatriation” or “Emergency Relocation” of an “Employee” which takes place within the “Coverage Territory”.

“Policy Limit” shall mean the most we will pay under this policy.

“Emergency Political Repatriation” shall be repatriation arising from:

a. Officials of the “Resident Country” issuing for reasons other than medical, a recommendation that categories of persons, which include “employees”, should leave the country in which the “employee” is a temporary resident; or

b. An “employee” being expelled or declared persona non grata on the written authority of the recognized government of the country in which the “employee” is a temporary resident; or

c. The complete seizure, confiscation or expropriation of property, plant or equipment of the Insured by the authority of the recognized government of the country in which the “employee” is a temporary resident.
“Emergency Relocation” shall be the return of an “employee” who has been subject of an “Emergency Political Repatriation” to the country from which the “employee” was expatriated.

“Repatriation”, for this coverage, shall be the return of an “employee” to the “employee’s” “resident country.”

“Resident Country” shall be the country where the “employee” is a national.

“Insured Losses” shall mean:

a. Transportation costs incurred by you or your “employee” for “Emergency Political Repatriation” to the “employee’s” “resident country” or to the nearest place of safety outside the country where the “insured event” takes place;

b. Reasonable accommodation costs incurred by you or your “employee,” while the subject of Emergency Political Repatriation, for a maximum period of seven days;

c. Economy class transportation costs incurred by you or your “employee” on any licensed common carrier from a published timetable for “Emergency Political Relocation” of the “employee”; and

d. The Fees and expenses of the contracted security provider.

“Insured Losses” shall not include, however:

a. Costs, fees or expenses incurred by you or your “employee” for “Emergency Political Repatriation” or “Emergency Political Relocation” as a result of a violation by you or your “employee” of the laws or regulations of the country in which the “Insured Event” takes place;

b. Costs, fees or expenses incurred by you or your “employee” for “Emergency Political Repatriation” or “Emergency Political Relocation” as a result of the failure of you or your “employee” to properly procure or maintain any immigration, work, residence or similar visas, permits or other documentation in the country in which the “insured event” takes place;

c. Costs, fees or expenses incurred by you or your “employee” for “emergency political repatriation” or “emergency political relocation” from a debt, insolvency, commercial failure, repossession of property by a titleholder, mortgagee, lien holder or other financial clause;

d. Costs, fees or expenses incurred by you or your “employee” for “emergency political repatriation” or “emergency political relocation” for the failure to honor any contractual obligation or bond or obey any condition of a license;

e. Costs, fees or expenses incurred for “emergency political repatriation” or “emergency political relocation” by nationals of the country in which the “insured event” takes place; or

f. Costs, fees or expenses for “emergency political repatriation” or “emergency political relocation” caused by or arising out of natural disasters including, but not limited to:

i. Earthquake, flood, fire, volcanic eruption or windstorm,

ii. Ionizing radiation or contamination by radioactivity from any irradiated nuclear fuel or from any nuclear waste from the combustion of nuclear fuel, or

iii. The Radioactive, toxic, explosive or other hazardous properties of any nuclear assembly or nuclear components thereof.
**Coverage Territory for “Emergency Political Repatriation” or “Emergency Relocation”**

Anywhere in the World, but Excluding:

1. the United States of America (including its territories and possessions) and Puerto Rico
2. any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America:

**Exclusions**

We will not be responsible for the cost of services arising from:

Service provided outside the policy period; if, before the end of the policy period, we have begun to assist an “employee” with any of the services described under the heading “Medical Assistance Services,” we will continue to provide those services for up to seven days from the end of the policy period;

Services rendered without our authorization and/or intervention; but we will pay the cost, if any, which we estimate we would have incurred to provide evacuation and/or repatriation to any “employee” who obtained such services without our authorization and/or intervention.

Services provided for which no charge is normally made;

Expenses incurred if the original or ancillary purpose of the “employee's” trip is to obtain medical treatment;

Intentionally self-inflicted injuries, suicide or any attempt thereof, regardless of mental condition;

Service in the Armed Forces of any country;

Use of any drug unless prescribed by a physician;

The commission of or attempt to commit an unlawful act;

Routine or minor medical problems, tests and exams related to pregnancy;

Transportation for an “employee's” vehicle involving intercontinental and/or marine transportation;

No services shall be available for any “employee” if such services are required as a result of:

1. Mild lesions, simple fractures, or mild sickness, which can be treated by local doctors and do not prevent the “employee” from continuing his/her trip or returning home;

2. Pregnancies except in case of major, vital complication for mother and/or baby; and

3. Services for which request is made after we have paid the policy limit or incurred expenses which exceed the policy limit

**Conditions**

**Errors and Omissions**

We are not liable for any act or omission by a local doctor or attorney who is not our employee nor the employee of a third party provider of the assistance services described in this section of the policy.

We cannot be held responsible for failure to provide, or for delay in providing, services when such failure or delay is caused by conditions beyond our control, including but not limited to flight conditions, strike, riot, civil commotion, war or uprising, or where rendering of service is prohibited by local laws or regulations.
Transfer of Rights of Recovery against Others to Us

If you or the “employee” to whom we render assistance have any rights to recover all or any part of the cost of services rendered under this coverage part from any other people or organization, including rights to recover under any “workers compensation law,” health plan or insurance policies, we are entitled to an assignment of those rights to the extent of our benefit payments. You and your “employee” shall transfer those rights to us and cooperate with us as may be necessary to enforce such rights. You and your “employee” agree to sign any papers, deliver them to us, and do anything else that we may reasonably require to help us pursue such rights.

Suits Against Us

You agree not to bring suit against us unless you have complied with all the terms of this policy. Any such suit must be brought within two years after assistance services are rendered.

No person or organization has any right to bring us into any action to determine your liability.

Return to Work

You have the responsibility for the decision of whether or not an “employee” returns to work. You are responsible for obtaining any medical releases to determine “employee's” suitability to travel or not, or to resume work or not. The decision and the results thereof are solely the responsibility of the “employee,” you, and/or the “employee's” attending physician. We are not involved in such decisions.

Services Not Covered

You agree to reimburse us or our designee for services rendered on your behalf which are not covered in this policy, when such services are requested or approved by a corporate officer whose name you have given us to contact, or when such services are provided in good faith to any “employee” not covered by reason of cancellation of this policy or coverage.

CONTINGENT EMPLOYERS LIABILITY COVERAGE

We will pay all sums you legally must pay as damages because of bodily injury to your “employees,” provided the bodily injury is covered by this Contingent Employers Liability Coverage.

The damages we will pay, where recovery is permitted by law, include damages:

1. for which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your “employee”;

2. for care and loss of services;

3. for consequential bodily injury to a spouse, child, parent, brother or sister of the injured “employee”; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured “employee's” employment by you; and

4. because of bodily injury to your “employee” that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

How This Insurance Applies

This employers liability insurance applies to bodily injury by accident, bodily injury by disease and bodily injury by “endemic disease.” Bodily injury includes resulting death. The bodily injury must arise out of and in the course of the injured “employee's” employment by you. The workplace of the “employee” must be within the “coverage territory.”
1. Bodily injury by accident must occur during the Policy Period.

2. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The “employee’s” last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Policy Period.

3. Bodily injury by “endemic disease” must be caused by disease which your “employee” may reasonably be thought to have contracted by being in a place as a result of your employment. The “employee” must have been in a place where the disease contracted is known to occur. The time the “employee” was in the place where the disease occurs must have been within the Policy Period. The “employee’s” last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Policy Period.

Exclusions

This insurance does not cover:

1. liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;

2. punitive or exemplary damages because of bodily injury to an “employee” employed in violation of law;

3. bodily injury to an “employee” while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;

4. any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;

5. bodily injury intentionally caused or aggravated by you;

6. damages arising out of the discharge of, coercion of, or discrimination against any “employee” in violation of law.

7. bodily injury sustained by any:
   a. master or crew member of any vessel or of the flying crew of any aircraft;
   b. “employee” in the course of any employment subject to United States Government workers compensation laws, including Jones Act, Longshoremen and Harbor Workers Compensation Act, Defense Base Act, or War Hazards Compensation Act or any amendment or replacement of those Acts.

Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in the Declarations. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for “bodily injury by accident-each accident” is the most we will pay for all damages covered by this insurance because of bodily injury to one or more “employees” in any one accident.

   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for “bodily injury by disease including by endemic disease-policy limit” is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease including by “endemic disease,” regardless of the number of “employees” who sustain bodily injury by disease. The limit shown for “bodily injury by disease including by endemic disease-each
employee’ is the most we will pay for all damages because of bodily injury by disease to any one “employee.”

Bodily injury by disease does not include disease that results directly from a bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

EXCLUSION - ALL COVERAGES

War

This insurance does not cover loss arising out of war, whether or not declared, invasions, insurrection, rebellion, hostilities, revolution or usurped power.

CONDITIONS - ALL COVERAGES

Premium Basis

Premiums for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll, allowances relating to expatriate employment and all other remuneration paid or payable during the Policy Period for the services of:

1. all your officers and “employees” engaged in work covered by this policy; and

2. all other persons engaged in work that could make us liable under this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis.

You will allocate reported remuneration or other premium basis between categories for North Americans, Third Country Nationals, and Local Nationals or such other categories as you and we may agree.

Final Premium

The premium shown in the Declarations is an estimate. The final premium for each period of this policy will be determined after the end of such period by using the actual, not the estimated, premium basis and the classifications and rates that apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you.

If this policy is canceled, the final premium will be calculated pro rata based on the time this policy was in force.

Long Term Policy

If the Policy Period is longer than one year and sixteen days, all provisions of this coverage form will apply as though a new policy were issued on each annual anniversary that this policy is in force.

Who is Insured

You are insured if you are an employer shown as a Named Insured in the Declarations. If you are designated in the Declarations as a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership’s “employees.”
We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for “voluntary compensation” benefits, for repatriation, or for damages for employers liability payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. reasonable expenses incurred at our request, but not loss of earnings;
2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
3. litigation costs taxed against you;
4. interest on a judgment as required by law until we offer the amount due under this insurance; and
5. expenses we incur.

Your Duties If Injury Occurs

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Provide for immediate medical and other services required by the “workers compensation law.”
2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
3. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.
4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
5. Do nothing after an injury occurs that would interfere with our right to recover from others.
6. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

Other Insurance

For “Voluntary Compensation” Coverage, the insurance under this policy is “primary.”

For Employers Liability Coverage and Executive Assistance Services, this policy is “contingent.”

If there is other insurance or assistance service which is on the same “contingent” or “primary” basis as this insurance, we will not pay more than our share of benefits and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.
DEFINITIONS - ALL COVERAGES

Contingent

means insurance, including contracts for assistance services, issued to apply to claims, “suits” or requests for assistance services, brought outside the country in which the insurance was issued. “Contingent” insurance takes the place of “primary” insurance when the “insured” has no “primary” insurance coverage which applies.

“Contingent” insurance will pay only the amount by which its limit exceeds the limits of any “primary” insurance, including “primary” insurance issued on an excess basis, which applies.

When this insurance is “contingent,” we have no duty to defend unless

1. the amount of the claim or “suit” exceeds the limits of the “primary” insurance which applies, or
2. no “primary” insurance coverage applies.

Coverage territory

means the Coverage Territory for Employers Responsibility Coverages shown in the Declarations.

Endemic disease

means any disease which is:

1. infectious and generally recognized as a public health hazard;
2. restricted or peculiar to a locality or region; and
3. not disease caused or aggravated by the conditions of your employment.

Employee

means anyone employed by the Named Insured including any voluntary worker. At your option, “employee” may include individuals who are independent contractors with whom you have a written contract in which you agree to provide them the benefits of “voluntary compensation.”

Expatriate Employees

means that for “employees” of your workplaces to which this insurance applies and which are not excluded from the applicable “coverage territory” shown in the Declarations, this insurance applies from the moment you hire or assign such an “employee” to a workplace outside the home country or country of residence of that “employee.” If you agree with an “employee” whose home country or country of residence is other than that of the intended workplace, to grant benefits as though the “employee” had been hired or assigned while outside the country of intended workplace, this insurance will cover such benefits.

This insurance will cease to apply to such an “employee” when the “employee’s” employment or assignment in such workplace ends; however this insurance shall continue to apply during the prompt return of the “employee” to the place from which assignment or employment commenced. If you are found legally liable under the provisions of the “workers compensation law” of any “state” other than that of the workplace for which you hired or to which you assigned such “employee,” we will adjust and settle for you all sums which you become obligated to pay by reason of such law.

Primary

means insurance issued to respond prior to other insurance to claims or “suits” brought in the country in which such insurance was issued. “Primary” insurance may include insurance for claims or “suits” arising from
“occurrences” which take place outside the country in which such insurance was issued.

State

means any nation or political sub-division which has a “workers compensation law” and includes the states of the United States of America (including its territories and possessions), the District of Columbia, and Puerto Rico.

State of hire

means the “state” in which you hire or from which you assign an “employee” for work at a workplace within another country or countries shown in the “coverage territory” to which this insurance applies.

Temporary Travel

means that for “employees” of your workplaces located in the United States of America (including its territories and possessions), and Puerto Rico, this insurance only applies to claims or suits arising from temporary travel on your business outside of the country of their workplace.

For “employees” of your workplaces to which this insurance applies and which are not excluded from the applicable “coverage territory” shown in the Declarations, this insurance also applies to claims or suits arising from temporary travel on your business in the United States of America (including its territories and possessions), and Puerto Rico.

If you are found legally liable under the provisions of the “workers compensation law” of the “state” of an “employee’s” workplace for a claim or suit arising from temporary travel on your business outside the country of the “employee’s” workplace, you may voluntarily submit such claim or suit to us and we will adjust and settle such claims or suits for all sums which you would become obligated to pay by reason of such law.

Voluntary compensation

means the medical, disability and other benefits prescribed by the “workers compensation law” of the “state” you choose when you make a claim. We will not pay the amount of any benefits which are denied an “employee” by reason of:

1. insolvency of another insurance company, “state” fund or self-insurance plan; or

2. your failure to comply with the requirements of any “state” that you maintain workers compensation and employers liability insurance in that “state.”

Workers compensation law

means the workers or workmen’s compensation law and occupational disease law of any “state.” It includes any amendments to that law which are in effect during the Policy Period. It does not include the provisions of any law that provide non-occupational disability benefits. For a “state” which has no comparable law, it means whatever are the customary benefits for medical care and loss of wages that would be provided to an injured worker whether provided by the employer or by the “state.”
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

BROAD FORM NAMED INSURED

This endorsement modifies coverage under the following:

INTERNATIONAL ADVANTAGE® COMMERCIAL INSURANCE POLICY

It is agreed:

1. Throughout this policy, the words “you” and “your” refer to the first Named Insured shown in the GENERAL DECLARATIONS (“First Named Insured”), any other Named Insured shown in the GENERAL DECLARATIONS, and:

   A. California State University Trustees, and

   B. any organization (including joint ventures, partnerships, and limited liability companies that are identified to us, in writing, by the First Named Insured before or during the policy period) incorporated or organized under the laws of any jurisdiction:

   (1) in which the First Named Insured owns, during the policy period, an interest of 100 percent (100%);

   (2) which the First Named Insured “controls” during the policy period; or

   (3) for which the First Named Insured has the responsibility of placing insurance, such as the insurance provided by this policy, during the policy period.

C. With regard to B.(2) and (3) above, the insurance provided to such organizations under this policy will apply only to the extent of the First Named Insured’s ownership interest in such organization, unless greater responsibility is imposed upon the First Named Insured by law or contract entered into before the date of the loss, accident, “occurrence”, offense, or other event or incident required by the applicable insuring agreement of this policy.

   “The extent of the First Named Insured’s ownership interest in such organization” will equal:

   (1) the percentage of the First Named Insured’s ownership interest in such organization (directly or through intervening subsidiaries) at the time of the loss, accident, “occurrence”, offense, or other event or incident required by the applicable insuring agreement of this policy, multiplied by

   (2) the amount of the covered claim, subject to

   (3) the applicable Limits of Insurance and any sublimits of insurance.
Notwithstanding the foregoing, no person or entity shall be a Named Insured if trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims, for, on behalf of, or to such person or entity.

With regard to joint ventures, partnerships, and limited liability companies, no member, partner, or joint venturer of such entity is a Named Insured, “you” or “your” unless separately shown as such in the Declarations or in paragraph A. above.

2. Notwithstanding any provision to the contrary in this policy, if other valid and collectible insurance is available to any organization covered by this policy solely because of the ownership or “control” by the First Named Insured, this insurance shall be excess with regard to such other insurance whether “contingent”, “primary”, excess or any other basis. This provision does not apply to any “underlyer policy”, to which the terms of the Other Insurance condition applicable to the coverage form or part will apply.

3. For purposes of this endorsement:

A. “Control” or “controls” means that the first Named Insured shown in the Declarations owns, during the policy period, a majority ownership of less than 100 percent (100%) in, or has “management control” over, the organization. “Management control” means:

(1) The power to formulate or direct the policy of the organization;

(2) The authority to hire and fire employees of the organization;

(3) The authority to enter into contracts binding on the organization and to purchase or sell assets on behalf of the organization; or

(4) The authority to delegate any of the foregoing to others.

B. “Underlyer policy” means a policy or policies issued in a particular country by an admitted insurer in that country at our request or the request of our affiliated insurance company, and which policy or policies are part of a worldwide liability insurance program for which this policy provides coverage on a difference in conditions and/or difference in limits basis.

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

THE ACE GPS<sup>SM</sup> GLOBAL PROGRAM SOLUTIONS
ENDORSEMENT (Non-Admitted Included), LD-34280 (10/11),

Modifies coverage provided under the following (if box is marked):

- [x] COMMERCIAL GENERAL LIABILITY COVERAGE FORM
- [ ] COMMERCIAL GENERAL LIABILITY COVERAGE FORM CLAIMS MADE
- [x] CONTINGENT AUTO LIABILITY COVERAGE FORM
- [x] EMPLOYEE BENEFITS LIABILITY ENDORSEMENT
- [x] EMPLOYERS RESPONSIBILITY COVERAGES

All other terms and conditions of this policy remain unchanged.
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Issued By (Name of Insurance Company)
ACE American Insurance Company

MINIMUM EARNED PREMIUM ENDORSEMENT

This endorsement modifies coverage under the following:

INTERNATIONAL ADVANTAGE® COMMERCIAL INSURANCE POLICY
COMMON POLICY CONDITIONS

It is agreed that:

The COMMON POLICY CONDITIONS are amended at section 11. Premiums by adding the following:

The minimum premium for this insurance is ______ and shall be considered fully earned as of the inception date of this policy (When Coverage Begins in the POLICY PERIOD item of the GENERAL DECLARATIONS).

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

ADDITIONAL INSURED – VENDORS

This endorsement modifies coverage under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

SCHEDULE

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<tr>
<th>Name Of Additional Insured Person(s) Or Organization(s) (Vendor)</th>
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<td>Any Vendor whom you have agreed to include as an additional insured under a written contract, provided such contract was executed prior to the date of loss.</td>
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It is agreed:

SECTION II – WHO IS AN INSURED is amended to include as an additional insured any person(s) or organization(s) (referred to below as vendor) shown in the Schedule, but only with respect to “bodily injury” or “property damage” arising out of “your products” shown in the Schedule which are distributed or sold in the regular course of the vendor’s business, subject to the following additional exclusions:

1. The insurance afforded the vendor does not apply to:
   a. “Bodily injury” or “property damage” for which the vendor is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages that the vendor would have in the absence of the contract or agreement;
   b. Any express warranty unauthorized by you;
   c. Any physical or chemical change in the product made intentionally by the vendor;
   d. Repackaging, except when unpacked solely for the purpose of inspection, demonstration, testing, or the substitution of parts under instructions from the manufacturer, and then repackaged in the original container;
   e. Any failure to make such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products;
   f. Demonstration, installation, servicing or repair operations, except such operations performed at the vendor’s premises in connection with the sale of the product;
g. Products which, after distribution or sale by you, have been labeled or relabeled or used as a container, part or ingredient of any other thing or substance by or for the vendor; or

h. "Bodily injury" or "property damage" arising out of the sole negligence of the vendor for its own acts or omissions or those of its employees or anyone else acting on its behalf. However, this exclusion does not apply to:

   (1) The exceptions contained in Subparagraphs d. or f.; or

   (2) Such inspections, adjustments, tests or servicing as the vendor has agreed to make or normally undertakes to make in the usual course of business, in connection with the distribution or sale of the products.

2. This insurance does not apply to any insured person or organization, from whom you have acquired such products, or any ingredient, part or container, entering into, accompanying or containing such products.

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

EXCLUSION – ABUSE OR MOLESTATION ENDORSEMENT

This endorsement modifies coverage under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is agreed that:

1. The following exclusion is added to SECTION I – COVERAGES, COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions for Coverage A:

This insurance does not apply to “bodily injury” or “property damage” arising out of:

- **Abuse or Molestation**

  “Bodily injury” or “property damage” based upon, alleging, arising out of or attributable to:

  (1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

  (2) The negligent:

    (a) Employment;

    (b) Investigation;

    (c) Supervision;

    (d) Reporting to the proper authorities, or failure to so report; or

    (e) Retention;

    of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph (1) above.

2. The following exclusion is added to SECTION I – COVERAGES, COVERAGE B – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. Exclusions for Coverage B:

This insurance does not apply to “bodily injury” or “property damage” arising out of:
Abuse or Molestation

“Personal and advertising injury” based upon, alleging, arising out of or attributable to:

(1) The actual or threatened abuse or molestation by anyone of any person while in the care, custody or control of any insured, or

(2) The negligent:

(a) Employment;

(b) Investigation;

(c) Supervision;

(d) Reporting to the proper authorities, or failure to so report; or

(e) Retention;

of a person for whom any insured is or ever was legally responsible and whose conduct would be excluded by Paragraph (1) above.

All other terms and conditions of this policy remain unchanged.
EXCLUSION - INJURY TO PARTICIPANTS

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following exclusion is added to Exclusions of Section I - Coverage A. Bodily Injury And Property Damage Liability and Exclusions of Section I - Coverage B. Personal And Advertising Injury Liability:

SCHEDULE

Description of Operations:

Any theatrical presentation, radio productions, film productions, television productions, musical group, entertainment group, performing artist, tour activity, study group, travel group, class or any similar type of activity that you present, produce, sponsor, conduct or provide.

With respect to any operations shown in the Schedule, this insurance does not apply to “bodily injury”, “property damage”, “personal injury” or “advertising injury” to any “participant”.

The following DEFINITION is added for purposes of this endorsement only:

Participant

means any person who is a student, chaperon, volunteer, performer, artist, crew member or other participant of the operations shown in the Schedule.

All other terms and conditions of this policy remain unchanged.
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Issued By (Name of Insurance Company)
ACE American Insurance Company

EXCLUSION – PROFESSIONAL SERVICES (BROAD FORM)

This endorsement modifies coverage under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

It is agreed that:

1. The following exclusion is added to SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. Exclusions for Coverage A:

This insurance does not apply to:

- Professional Services

  “Bodily injury” or “property damage” arising out of the rendering of or failure to render any professional service, including, but not limited to, the following:

  “Professional Services” means technical or unique services, requiring specialized knowledge, labor or skill, performed by individuals, partnerships, firms, or corporations whose occupation is in the rendering of such services.

  (1) Legal, accounting or advertising services;

  (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

  (3) Supervisory, inspection or engineering services;

  (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

  (5) Any health or therapeutic service treatment, advice or instruction;

  (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

  (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

  (8) Body piercing services;

  (9) Massage services; and
(10) Services in the practice of pharmacy.

2. The following exclusion is added to SECTION I - COVERAGES, COVERAGE B. PERSONAL AND ADVERTISING INJURY LIABILITY, Exclusions for Coverage B:

This insurance does not apply to:

- **Professional Services**

  "Personal and advertising injury" arising out of the rendering of or failure to render any professional service, including, but not limited to, the following:

  (1) Legal, accounting or advertising services;

  (2) Preparing, approving, or failing to prepare or approve maps, drawings, opinions, reports, surveys, change orders, designs or specifications;

  (3) Supervisory, inspection or engineering services;

  (4) Medical, surgical, dental, x-ray or nursing services treatment, advice or instruction;

  (5) Any health or therapeutic service treatment, advice or instruction;

  (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;

  (7) Optometry or optical or hearing aid services including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses and similar products or hearing aid devices;

  (8) Body piercing services;

  (9) Massage Services

  (10) Services in the practice of pharmacy.

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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Issued By (Name of Insurance Company)
ACE American Insurance Company

POLLUTION EXCLUSION - NAMED PERIL EXCEPTION

This endorsement modifies coverage under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

1. SECTION V – DEFINITIONS is amended by adding the following definitions:

- **Pollutant** or **pollutants**
  
  includes any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and “waste”.

- **Waste**, for all purposes except the **Nuclear** exclusions, means any substance or material that:
  
  a. is left over, or no longer in use, or discarded;
  
  b. is to be reclaimed, recycled, or reconditioned, except if such substance is to be reclaimed, recycled or reconditioned by you as “your product”; or
  
  c. has been removed, treated, stored, or disposed of as part of any environmental remediation, clean-up or response effort.

  Waste includes, but is not limited to, animal, human, medical and biological waste, even if used or intended for use as fertilizer or for any other use.

2. SECTION I - COVERAGES, COVERAGE A. BODILY INJURY AND PROPERTY DAMAGE LIABILITY, EXCLUSIONS is amended at sub-section 2. Exclusions. paragraph f. Pollution by adding the following to sub-paragraph (1):

  However, this exclusion does not apply to “bodily injury” or “property damage” caused by:

  (a) A Named Peril which means;

  i. Lightning, windstorm, or earthquake

  ii. Explosion, implosion, collapse, puncture, bursting, rupture, collision, or overturn of a tank, a vessel, machinery, equipment, or other similar apparatus or device (other than an “auto”), including any attached piping, pumps, or valves, if the explosion, implosion, collapse, puncture, bursting, rupture, collision, or overturn is not caused by deterioration, corrosion, erosion, decay, rotting, or wear and tear; or
iii. Vandalism or malicious mischief by someone other than the insured.

All other terms and conditions of this policy remain unchanged.
AUTO MEDICAL PAYMENTS COVERAGE

This endorsement modifies coverage under the following:

CONTINGENT AUTO LIABILITY COVERAGE FORM

SCHEDULE

Limits

$50,000 Each Accident

It is agreed that

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

A. Coverage

We will pay reasonable expenses incurred for necessary medical and funeral services to or for an “insured” who sustains “bodily injury” caused by “accident”. We will pay only those expenses incurred, for services rendered within three years from the date of the “accident”.

B. Who Is An Insured

1. You while “occupying” or, while a pedestrian, when struck by any “auto”.

2. If you are an individual, any “family member” while “occupying” or, while a pedestrian, when struck by any “auto”.

3. Anyone else “occupying” a covered “auto” or a temporary substitute for a covered “auto”. The covered “auto” must be out of service because of its breakdown, repair, servicing, loss or destruction.

C. Exclusions

This insurance does not apply to any of the following:

1. “Bodily injury” sustained by an “insured” while “occupying” a vehicle located for use as a premises.
2. “Bodily injury” sustained by you or any “family member” while “occupying” or struck by any vehicle (other than a covered “auto”) owned by you or furnished or available for your regular use.

3. “Bodily injury” sustained by any “family member” while “occupying” or struck by any vehicle (other than a covered “auto”) owned by or furnished or available for the regular use of any “family member”.

4. “Bodily injury” to your “employee” arising out of and in the course of employment by you. However, we will cover “bodily injury” to your domestic “employees” if not entitled to workers’ compensation benefits. For the purposes of this endorsement, a domestic “employee” is a person engaged in household or domestic work performed principally in connection with a residence premises.

5. “Bodily injury” to an “insured” while working in a business of selling, servicing, repairing or parking “autos” unless that business is yours.

6. “Bodily injury” arising directly or indirectly out of:
   a. War, including undeclared or civil war;
   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

7. “Bodily injury” to anyone using a vehicle without a reasonable belief that the person is entitled to do so.

8. “Bodily Injury” sustained by an “insured” while “occupying” any covered “auto” while used in any professional racing or demolition contest or stunting activity, or while practicing for such contest or activity. This insurance also does not apply to any “bodily injury” sustained by an “insured” while the “auto” is being prepared for such a contest or activity.

D. Limit Of Insurance

Regardless of the number of covered “autos”, “insureds”, premiums paid, claims made or vehicles involved in the “accident”, the most we will pay for “bodily injury” for each “insured” injured in any one “accident” is the Limit Of Insurance for Auto Medical Payments Coverage shown in the Schedule above.

No one will be entitled to receive duplicate payments for the same elements of “loss” under this coverage and any Liability Coverage Form, Uninsured Motorists Coverage Endorsement or Underinsured Motorists Coverage Endorsement attached to this Coverage Part.

E. Changes In Conditions

The Conditions are changed for Auto Medical Payments Coverage as follows:

1. The Transfer Of Rights Of Recovery Against Others To Us Condition does not apply.

2. The reference in Other Insurance in the Business Auto and Garage Coverage Forms and Other Insurance – Primary And Excess Insurance Provisions in the Truckers and Motor Carrier Coverage Forms to “other collectible insurance” applies only to other collectible auto medical payments insurance.
F. **Additional Definitions**

As used in this endorsement:

1. “Family member” means a person related to you by blood, marriage or adoption who is a resident of your household, including a ward or foster child.

2. “Occupying” means in, upon, getting in, on, out or off.

All other terms and conditions of this policy remain unchanged.
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EXCLUSION - INJURY TO PARTICIPANTS

This endorsement modifies insurance provided under the following:

CONTINGENT AUTO LIABILITY COVERAGE FORM

The following is added to Section I – Exclusions of the Contingent Auto Liability Coverage Form:

This insurance does not apply to “bodily injury” or “property damage” to any person who is a student, chaperon or other participant of any presentation, production, musical or entertainment group, performance, tour, study group, travel group, class or similar type activity that you present, produce, sponsor, conduct or provide.

All other terms and conditions of this policy remain unchanged.
EXCLUSION – WAR OR TERRORISM

This endorsement modifies coverage under the following:

CONTINGENT AUTO LIABILITY COVERAGE FORM

It is agreed that:

1. **SECTION I – LIABILITY COVERAGE** is amended by deleting subsection **C. Exclusions**, part 12. **War** in its entirety and replacing it with the following:

   12. **War or Terrorism**

   “Bodily injury” or “property damage” arising, directly or indirectly, out of:

   a. War, including undeclared or civil war;

   b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or

   c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or

   d. “Terrorism”, including any action taken in hindering or defending against an actual or expected incident of “terrorism”

   regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage.

   We will have no duty of any kind with respect to any such loss, demand, claim or “suit.”

2. The following definition is added to the **SECTION VI - DEFINITIONS:**

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

   1. That involves the following or preparation for the following:

      a. Use or threat of force or violence; or
b. Commission or threat of a dangerous act; or

c. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; or

d. Use, release or escape or nuclear materials; or

e. Commission or threat of an act that directly or indirectly results or threatens to result in nuclear reaction or radiation or radioactive contamination; or

f. Dispersal or application of pathogenic or poisonous biological or chemical materials; or

g. Release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the “terrorism” was to release such materials; and

2. When one or both of the following applies:

a. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

b. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

“Terrorism” shall also include any incident determined to be such by a government official, department or agency that has been specifically authorized by federal statute or executive order to make such a determination.

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

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FELLOW EMPLOYEE COVERAGE

This endorsement modifies coverage under the following:

CONTINGENT AUTO LIABILITY COVERAGE FORM

It is agreed that

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

The Fellow Employee Exclusion contained in Section 1.C.5. does not apply.

All other terms and conditions of this policy remain unchanged.
HIRED AUTO PHYSICAL DAMAGE COVERAGE
ENDORSEMENT

This endorsement modifies coverage under the following:

CONTINGENT AUTO LIABILITY COVERAGE FORM

SECTION II – COVERED AUTOS, B. is amended to add the following:

HIRED AUTO PHYSICAL DAMAGE COVERAGE

INSURING AGREEMENT

We will reimburse you, at replacement cost, up to $50,000 per “accident” for physical damage “loss” to a hired “auto” or its equipment while in the care, custody, or control of an insured.

You may pay for “loss” to a hired “auto” that was damaged while in your care, custody, or control. We will reimburse you for that payment. Our consent for such payment is not required, but we do require proof of “loss” and proof that the payment was made for “loss” to a covered “auto” before we will reimburse you.

EXCLUSIONS

In addition to the Contingent Auto Liability Coverage Form exclusions, we will not pay for “loss” to any covered “auto” caused by or resulting from any of the following. Such “loss” is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the “loss”:

1. Racing or Demolition
   We will not pay for “loss” to any covered “auto” while used in any professional or organized racing or demolition contest or stunting activity, or while practicing for such contest or activity. Also, we will not pay for “loss” to any covered “auto” while that covered “auto” is being prepared for such a contest or activity.

2. Wear and tear
   We will not pay for “loss” caused by or resulting from any of the following:
   a. Wear and tear, freezing, mechanical, or electrical breakdown.
   b. Blowouts, punctures or other road damage to tires.

3. Tapes, Records, and Equipment
We will not pay for “loss” to any of the following:

a. Tapes, records, discs or other similar audio, visual or data electronic devices designed for use with audio, visual or data electronic equipment.

b. Equipment designed or used for the detection or location of radar or laser emissions.

c. Any electronic equipment, without regard to whether this equipment is permanently installed, that receives or transmits audio, visual or data signals and that is not designed solely for the reproduction of sound.

d. Any accessories used with the electronic equipment described in paragraph (3) above.

**Care, Custody, or Control**

The exclusion for care, custody or control is deleted solely with respects to this endorsement.

**SECTION IV – LIMIT OF INSURANCE**

The most we will pay for “loss” in any one “accident” or in any one policy period for hired auto physical damage coverage is the lesser of:

1. The replacement cost of the damaged or stolen property as of the time of the “loss”; or

2. The cost of repairing or replacing the damaged or stolen property with other property of like kind and quality; or

3. $50,000 for any one “accident” or $50,000 in any one policy period.

**SECTION V – AUTO CONDITIONS**

**Duties in the Event of Accident, Claim, “Suit” or Loss**

For hired auto physical damage coverage to apply, you must also do the following if there is a loss to a hired “auto” or its equipment:

3. Promptly notify the local police, civil guard, militia, or other appropriate local legal authority if the hired “auto” or any of its equipment is stolen.

4. Take all reasonable steps to protect the hired “auto” from further damage. Also, keep a record of your expenses for consideration in the settlement of the claim.

5. Assume no obligation, make no payment, or incur any expense other than for hired “auto” physical damage coverage without our consent, except at the insured’s own cost.

All other terms and conditions of this policy remain unchanged.
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

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AMENDMENT – VOLUNTARY COMPENSATION COVERAGE ENDORSEMENT

This endorsement modifies insurance under the following:

EMPLOYERS RESPONSIBILITY COVERAGES

A. It is agreed that those policy sections titled VOLUNTARY COMPENSATION COVERAGE and WE WILL PAY BENEFITS are deleted and replaced by the following:

VOLUNTARY COMPENSATION COVERAGE

“Voluntary Compensation” coverage applies to any claim for bodily injury by accident, bodily injury by disease or bodily injury by “endemic disease” whether or not it is subject to or governed by any “workers’ compensation law”. This bodily injury must be injury to your “employee” and must arise out of and in the course of employment by you. Bodily injury includes resulting death.

1. Bodily injury by accident must occur during the Policy Period.

2. Bodily injury by disease must be caused or aggravated by the conditions of employment by you. The “employee’s” last day of exposure to the conditions causing or aggravating such bodily injury by disease must occur during the Policy Period.

3. Bodily injury by “endemic disease” must be caused by disease, which your “employee” may reasonably be thought to have contracted by being in a place as a result of employment by you. The “employee” must have been in a place where the disease contracted is known to occur. The time the “employee” was in the place where the disease occurs must have been within the Policy Period. The “employee’s” last day of exposure to the conditions causing or aggravating such bodily injury by “endemic disease” must occur during the Policy Period.

We will adjust the claim with the “employee” by applying the “workers’ compensation law” of the “state” or “country of origin” that applies. The “state” or “country of origin” must be shown in the Declarations. The workplace of the “employee” must be within the “coverage territory.” In the event an “employee” seeks and/or receives Workers’ Compensation benefits, our obligation to pay “Voluntary Compensation” to such “employee” under this policy ends.

We Will Pay Benefits

We will pay promptly the benefits which would be required of you by the “workers compensation law” of the “state” you choose when making the claim. The “state” you choose must be one which is shown in the Declarations for the following:
1. North Americans means “employees” who are citizens or “legal permanent residents” of the United States (including its territories and possessions), Puerto Rico or Canada.

2. Third Country Nationals means “employees” who are neither citizens nor “permanent residents” of the country of their workplace and who are not described as “North Americans.”

3. Local Nationals means “employees” who are citizens or “permanent residents” of the country of their workplace, but who are not described as “North Americans.”

If “State of Hire” appears after the words “North Americans” in the Declarations for Voluntary Compensation, then with respect to employees for whom you wish to provide the benefits of a “state” of the United States of America (including its territories and possessions), or Puerto Rico, but who were not hired in any of those places, the benefits will be:

1. those of the "state" which you agreed with the employee prior to the accident or the discovery of the disease; or

2. if no “state” was agreed with the employee prior to the accident or the discovery of the disease, the benefits of the specific “state” shown in the Declaration for "North Americans" as an alternative to the “state of hire”, or

3. if no "state" was agreed with the employee prior to the accident or the discovery of the disease, and no specific “state” is shown above for “North Americans”, the benefits of the “state” shown in the address of the insured on the first page of the Declarations for this policy.

If your “employee” files a claim for workers’ compensation benefits under one of the “states” shown in the Declarations, you are solely responsible for the proper administration and handling of such claim. Upon receipt of satisfactory proof of payment, we will reimburse you, or someone on your behalf, for all payments that you, or someone on your behalf, has made in connection with such claim; however, we will not reimburse you or any other person or entity for payments voluntarily made, or for payments made in whole or in part, as a result of improper or inadequate claim handling or defense.

B. The following are added to the section titled “DEFINITIONS - ALL COVERAGES” of the Employers Responsibility Coverages form:

**Legal Permanent Residents**

means “employees” who are not citizens or nationals of the United States, who legally and permanently reside in the United States.

**Permanent Residents**

means “employees” who are not citizens of the country of their workplace and who permanently reside in the country of their workplace.

All other terms and conditions remain unchanged.
This endorsement modifies insurance provided under the following:

EMPLOYERS RESPONSIBILITY COVERAGE FORM

This insurance does not apply to, and we shall have no duty of any kind with respect to, any injury, damage, expense, cost, loss, liability or legal obligation arising out of or allegedly arising out of or in any way related to the toxic properties of lead or lead-containing products, materials or substances.

This exclusion applies to all forms of lead, including but not limited to solid, liquid, vapor and fumes.

This exclusion applies, but is not limited, to any injury, damage, expense, cost, loss, liability or legal obligation to test for, monitor, abate, remove, or take any other remedial action with respect to lead or lead-containing products, materials or substances.

The addition of this endorsement does not imply that other policy provisions, including but not limited to any pollution exclusion, do not also exclude coverage for lead-related injury, damage, expense, cost, loss, liability or legal obligation.

All other terms and conditions remain unchanged.
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ACE American Insurance Company

WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS

This endorsement modifies insurance under the following:

EMPLOYERS RESPONSIBILITY COVERAGES
EMPLOYERS RESPONSIBILITY COVERAGES WITH EXECUTIVE ASSISTANCE

SCHEDULE

Name of person or Organization: Any person or organization against whom you have agreed to waive your right of recovery in a written contract, provided such contract was executed prior to the date of loss.

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

All other terms and conditions remain unchanged.
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ACE American Insurance Company

WAR COVERAGE

This endorsement modifies insurance under the following:

EMPLOYERS RESPONSIBILITY COVERAGES FORMS

The War Exclusion under EXCLUSION - ALL COVERAGES is deleted, but subject to the following conditions:

A. The insurance provided under this endorsement applies only with respect to:
   1. North Americans, meaning “employees” who are citizens or legal permanent residents of the United States (including its territories and possessions), Puerto Rico and;
   2. Third Country Nationals, meaning “employees” who are not citizens of the country of their workplace and who are not described in 1 above.

B. TERRITORY

For the purpose of this endorsement only, the “Coverage Territory” is amended to read: ANYWHERE IN THE WORLD but excludes:

1. The United States of America (including its territories or possessions), Puerto Rico and;
2. any country or jurisdiction which is the subject of trade or economic sanctions imposed by the laws or regulations of the United States of America; and
3. Afghanistan, Algeria, Angola, Bosnia & Herzegovina, Burundi, Central African Republic, Cote d'Ivoire, Cuba, Democratic Republic of Congo (formerly Zaire), Eritrea, Guinea-Bissau, Haiti, Iran, Iraq, Israel, Jordan, Kosovo, Kuwait, Lebanon, Liberia, Libya, North Korea, Oman, Pakistan, Qatar, Rwanda, Serbia, Sierra Leone, Somalia, Sudan, Syria, Uganda, West Bank and Gaza, Yemen, Zimbabwe.

C. CANCELLATION

Coverage provided by this endorsement is subject to 10 days Notice of Cancellation, notwithstanding any cancellation clause to the contrary contained elsewhere in the Policy.

All other terms and conditions of this policy remain unchanged.
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Named Insured
California State University Trustees

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ACE American Insurance Company

TERRORISM SUBLIMIT

This endorsement modifies coverage under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

The following provisions are added to the Coverage Form(s):

SCHEDULE

Limit of Insurance

$1,000,000 Aggregate

1. With respect to any “bodily injury,” “property damage,” “personal injury,” or “advertising injury” arising, directly or indirectly, out of one or more “acts of terrorism”, we will not pay any amounts in excess of the above Limit of Insurance shown in the SCHEDULE above (“Schedule”).

2. Notwithstanding any provision to the contrary in this Coverage Form the Limit of Insurance shown on the Schedule above as the “Aggregate” is the maximum amount we will pay for all damages arising under all Coverage Form(s) named above in this Endorsement, because of “bodily injury”, “property damage”, “personal injury” and “advertising injury” arising, directly or indirectly, out of all “acts of terrorism” to which this insurance applies. The Limit of Insurance shown in the Schedule is included within the Limits of Insurance shown on the Liability Coverages Declarations and is not in addition to such limits.

3. The following is added to SECTION V – DEFINITIONS of the COMMERCIAL GENERAL LIABILITY COVERAGE FORM and :

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

a. That involves the following or preparation for the following:

(1) Use or threat of force or violence; or

(2) Commission or threat of a dangerous act; or

(3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; or

(4) Use, release or escape or nuclear materials; or
(5) Commission or threat of an act that directly or indirectly results or threatens to result in nuclear reaction or radiation or radioactive contamination; or

(6) Dispersal or application of pathogenic or poisonous biological or chemical materials; or

(7) Release of pathogenic or poisonous biological or chemical materials, and it appears that one purpose of the "terrorism" was to release such materials; and

b. When one or both of the following applies:

(1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

(2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

"Acts of Terrorism" shall also include any incidents determined to be such by a government official, department or agency that has been specifically authorized by federal statute or executive order to make such a determination.

4. This endorsement applies only to loss or damage arising, directly or indirectly, out of "acts of terrorism" that take place outside the United States of America (including its territories and possessions and Puerto Rico).

5. This endorsement does not extend, and there is no, coverage for any loss or damage that is otherwise excluded under this Coverage Form.

All other terms and conditions of this policy remain unchanged.
ACE INA Privacy Statement

The ACE INA group of companies strongly believes in maintaining the privacy of information we collect about individuals. We want you to understand how and why we use and disclose the collected information. The following provides details of our practices and procedures for protecting the security of nonpublic personal information that we have collected about individuals. This privacy statement applies to policies underwritten by the ACE INA group member companies listed below.

INFORMATION WE COLLECT

The information we collect will vary depending on the type of product or service individuals seek or purchase, and may include:

- Information we receive from individuals, such as their name, address, age, phone number, social security number, assets, income, or beneficiaries;
- Information about individuals’ transactions with us, with our affiliates, or with others, such as policy coverage, premium, payment history, motor vehicle records; and
- Information we receive from a consumer reporting agency, such as a credit history.

INFORMATION WE DISCLOSE

We do not disclose any personal information to anyone except as is necessary in order to provide our products or services to a person, or otherwise as we are required or permitted by law.

We may disclose any of the information that we collect to companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.

THE RIGHT TO VERIFY THE ACCURACY OF INFORMATION WE COLLECT

Keeping information accurate and up to date is important to us. Individuals may see and correct their personal information that we collect except for information relating to a claim or a criminal or civil proceeding.

CONFIDENTIALITY AND SECURITY

We restrict access to personal information to our employees, our affiliates' employees, or others who need to know that information to service the account or in the course of conducting our normal business operations. We maintain physical, electronic, and procedural safeguards to protect personal information.

CONTACTING US

If you have any questions about this privacy statement or would like to learn more about how we protect privacy, please write to us at ACE INA Customer Services, P.O. Box 1000, 436 Walnut Street, WA04F, Philadelphia, PA 19106. Please include the policy number on any correspondence with us.

ACE American Insurance Company
ACE Fire Underwriters Insurance Company
ACE Indemnity Insurance Company
ACE Insurance Company of the Midwest
ACE Property and Casualty Insurance Company
Atlantic Employers Insurance Company
Bankers Standard Fire and Marine Company
Bankers Standard Insurance Company
Century Indemnity Company
Illinois Union Insurance Company
Indemnity Insurance Company of North America
Insurance Company of North America
Pacific Employers Insurance Company
Westchester Fire Insurance Company
Westchester Surplus Lines Insurance Company
ESIS, Inc.
No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. Please read this Notice carefully.

The Office of Foreign Assets Control (OFAC) administers and enforces sanctions policy, based on Presidential declarations of “national emergency”. OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as “Specially Designated Nationals and Blocked Persons”. This list can be located on the United States Treasury’s web site – http://www.treas.gov/ofac.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.
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Executive Assistance® Services

Around the Clock Protection
When Traveling
Outside Your Home Country

This document provides an explanation of Executive Assistance® Services, as well as other proprietary information regarding how to access and use these Services. This information should be shared with covered employees, volunteers and students.

Overview of Services

Your International Advantage® Package Policy includes ACE Executive Assistance® Services, at no additional premium.

A benefit that complements the International Advantage® Package Policy coverage plan, Executive Assistance® Services are designed to provide your covered employees, volunteers and students, who travel outside their home country on covered trips, with online pre-trip security and travel information and - while they are traveling - with 24 hour access to global providers of emergency medical, personal, legal and travel services, emergency medical and political evacuation or repatriation, and concierge services.

Through pre-eminent global service providers, ACE has created a unique and proprietary combination of online and live services designed to address emergencies faced by those who travel outside their home country on business, with non-profit organizations or as part of educational institution programs. Executive Assistance® Services are a key component of the international risk management solutions ACE delivers to our customers.

Executive Assistance® identification ("wallet") cards and passport stickers are available online to insureds and their covered employees, volunteers or students through www.aceExecutiveAssistance.com, as PDF documents that can be downloaded and printed at the convenience of ACE policy holders as frequently as needed.

Use of this information services, including access to the password protected website provided as part of Executive Assistance® Services, is intended solely for your authorized employees, volunteers or students. Misuse of this information, including the proprietary telephone numbers and User ID and Password shall be the responsibility of the Insured.

HOW TO ACCESS SERVICES

Worldwide Telephone Access*

Call Europ Assistance® USA from anywhere in the world 24 hours a day/7 days a week for Medical and Political Evacuation Emergencies, for Emergency Travel, Legal and Personal Assistance Services, and for Concierge Services. Europ Assistance® professionals will connect policyholders with iJET Intelligent Risk Systems for emergency political evacuations:

Venue: Toll Free When Outside U.S. and Canada - IDD + 800 0200-8888 (available from 40 countries)
Venue: check www.aceExecutiveAssistance.com for complete list of countries
Venue: Collect When Outside the U.S. and Canada - 1 + (202) 659-7777
Venue: If Toll Free or Collect Calls Are Not Available When Outside the U.S. and Canada:
Venue: IDD + 1 + (202) 659-7777
Venue: Toll Free Within the U.S or Canada - 1 + (800) 766-8206
Online Information and Services*

Information about Executive Assistance® Services, as well as access to the Online Security Information, Other Information Services, Online Wallet Card PDF and Passport Stickers PDF is available through a proprietary password protected website. There are no restrictions to the number of times an insured may access this website

β www.aceExecutiveAssistance.com
β User ID: acepremier Password: 7kilt6

For Medical Emergencies
Please be prepared with the following information
1. Name of caller, phone/fax no., relationship to patient
2. Patient’s name, age, sex
3. Description of patient’s condition
4. Name, location and phone number of hospital
5. Name and phone number of treating doctor; where and when treating doctor can be reached
6. Health insurance, workers’ compensation and auto insurance information (if involved in an auto accident)
7. Policy Plan No. 01 SP 585
8. Name of Insured

For Political Evacuation Emergencies
Please be prepared with the following information
1. Name of caller, phone/fax no., relationship to Evacuee(s)
2. Evacuee(s) name, age, sex
3. Description of political emergency and reason for evacuation
4. Name, location and phone number where evacuee(s) can be reached
5. Policy Plan No. 01 SP 585
6. Name of Insured

HOW EXECUTIVE ASSISTANCE® WORKS

Medical Assistance Services*

All services and payments must be arranged and pre-approved by Europ Assistance. Evacuations and repatriations must be ordered by a legally licensed physician and approved by a Europ Assistance designated physician to certify that the severity of the injury or sickness warrants an emergency evacuation/repatriation. All transportation arrangements must be by the most direct and economical route possible. If you are seriously ill or injured and cannot call, you must contact Europ Assistance as soon as you are able.

• Hospital Admission Deposit
   Europ Assistance will either guarantee the payment of or wire any required emergency hospital admission deposit up to USD$10,000. It is the responsibility of the Policyholder or covered employee/volunteer/student to repay deposit to Service Provider within 45 days (without interest).

• Medical Monitoring
   Europ Assistance will monitor your condition when hospitalized abroad and will use best efforts to report your condition regularly to a person designated by you.

• Dispatch of a Doctor or Specialist
   When Europ Assistance determines, based on information available to them, that your condition cannot be adequately assessed to evaluate the need for evacuation, Europ Assistance will dispatch a doctor or specialist to your location. ACE will pay the cost of the doctor's or specialist's travel to your location, but does not pay the cost of any medical services rendered by the doctor or specialist at the location.
• **Emergency Medical Evacuation and Repatriation**

If Europ Assistance determines adequate medical facilities are not available locally, Europ Assistance will arrange and ACE will pay for emergency medical evacuation under medical supervision, if necessary, to the nearest location with adequate facilities.

If Europ Assistance determines that it is medically necessary to repatriate you to a facility in your country of residence or citizenship, following stabilization, Europ Assistance will arrange and ACE will pay for repatriation under medical supervision, if necessary.

Europ Assistance will arrange and ACE will pay the cost of one family member or other traveling companion to continue to accompany you during your evacuation or repatriation, limited to the cost of the airfare, and an incidental expense maximum of USD $300 per day, and USD $5,000 maximum for any one occurrence.

**Personal and Legal Assistance Services®**

- **Pre-Trip Medical Referral Information** to multi-lingual doctors and/or addresses/phone numbers of hospitals Europ Assistance will provide pre-trip referral information to you regarding countries and regions to be visited, including local multi-lingual doctors and/or addresses and phone numbers for hospitals.

- **Emergency Medication** arrangements and transportation should you require prescription medication that is not available locally, Europ Assistance will make arrangements for the transportation of such medication, when possible and legally permissible, upon the request of the prescribing physician.

- **Embassy and Consular Information**

Europ Assistance will provide you or your traveling companions with contact information for embassies and consulates worldwide.

- **Lost Document Assistance**

Europ Assistance will assist with obtaining replacements if you lose important travel documents while traveling, including passport and credit cards. ACE does not pay the cost of obtaining such replacements.

- **Emergency Cash Advance**

Europ Assistance will, whenever possible, provide you with a cash advance of up to USD$1,000 in local currency for emergencies.

- **Legal Access**

Europ Assistance will provide you with an introduction to local attorneys. Assistance also will be provided, but not the cost of, to obtain bail bonds in those areas where such bonds are customarily issued.

- **Translations & Interpreters**

Europ Assistance will provide personal emergency translation services, as well as referrals to interpreter services. When personal presence or other customized interpreter services are required, you are responsible to pay locally the cost of such interpreter services.

**Travel Assistance Services**

When Europ Assistance hospitalizes or evacuates you and a traveling companion's air ticket is no longer usable, Europ Assistance will arrange for, but not pay the cost of, one way air transportation for the companion to the original departure point, or to their residence.

**Online Security Information**

Online worldwide security information services will be provided through Europ Assistance USA and iJET Intelligent Risks Systems. Powered by iJET, the **online Executive Assistance® security information will include rich and dynamic security content for more than 180 countries and more than 200 cities worldwide.** ACE Policyholders with Executive Assistance® Services can select Information at a region, country or city level. Detailed reports will include an overall security rating across six key categories, security alerts, the latest security, health and exit/entry information, key local contact numbers and a map. To access online security information, go to [www.aceExecutiveAssistance.com](http://www.aceExecutiveAssistance.com) **User ID: acepremier** **Password: 7kilt6**
**Emergency Political Evacuation Services**

Insured will have priority access to the emergency political evacuation services of iJET Intelligent Risk Systems, a leading provider of global risk management services. ACE Policyholder will work directly with iJET and all billing for this service will be between IJET and the organization or individuals who are requesting evacuation. All services and payments must be arranged and pre-approved by Europ Assistance and iJET Intelligent Risk Systems. Evacuations and repatriations must be ordered by an authorized representative of the Insured to certify that the severity of the political situation warrants an emergency evacuation/repatriation. All transportation arrangements must be by the most direct and economical route possible.

**Concierge Services**

Europ Assistance® USA will provide worldwide concierge services including: Pre-Trip Assistance, Destination Profiles, Epicurean Needs, Event Ticketing, Floral Services, Tee Time Reservations, Hotels Accommodations, Meet and Greet Services, Personalized Retail Shopping Assistance, Procurement of Hard-to-Find Items, Restaurant Referrals and Reservations, Rental Car Reservations and Airline Reservations. To access these services, call Europ Assistance using the proprietary numbers provided in this document.

**ABOUT OUR SERVICE PROVIDERS**

**Europ Assistance® USA - Worldwide Network and Capabilities**

Europ Assistance USA (EA) is the US branch of Europ Assistance. Europ Assistance USA (EA) relies on the most comprehensive worldwide network of Agents and Offices to provide medical and other assistance services anytime and anywhere. Founded in 1963, the Europ Assistance network includes 34 assistance centers open 24/7, and 183 agent offices, making EA locally present in 208 countries and territories with access to over 850,000 medical and technical professionals. Professionally organized, thoroughly equipped with countless resources, Europ Assistance is dedicated to helping people in both exceptional and everyday situations, anytime, anywhere. Generali Assicurazioni, a Global 500 company, wholly owns Europ Assistance. Generali is one of the largest insurance companies in the world, with assets totaling more than 100 billion dollars. This prestigious shareholder gives Europ Assistance the benefit of stable and long-term investment potential. Generali considers assistance services essential and uses them extensively to enhance its own products.

**iJET Intelligent Risk Systems**

iJET Intelligent Risk Systems is a leader in business resiliency, helping multinational organizations to protect and respond to global threats. iJET was incorporated in 1999 with a mission of protecting international travelers through the use of technology and intelligence. That mission has evolved and broadened through the development of our Worldcue® Global Control Center, integrating world-class open source intelligence with patented technology and an emergency communications center to help multinational corporations and organizations to protect their people, facilities and supply chain assets. iJET helps clients monitor, protect against, and respond to operating threats around the world.

ACE Foreign Casualty specializes in providing global insurance programs to small, mid- and large sized U.S.-based companies and organizations. Insuring overseas risk is our only business. ACE Foreign Casualty is part of ACE USA, the retail U.S.-based operating division of the ACE Group of Companies. For product information, sales materials and applications, go to www.aceadvantage.com.

ACE USA, through its operating companies, is a leading provider of property, casualty, and accident and health insurance, as well as financial products and risk management services. The ACE Group of Companies is a global leader in insurance and reinsurance, serving a diverse group of clients. Headed by ACE Limited (NYSE:ACE) and rated A+ (Superior) by A.M. Best and A+ (Strong) by S&P, the ACE Group of Companies conducts its business on a worldwide basis with operating subsidiaries in more than 50 countries. Additional information can be found at: www.aceusa.com.
HOW TO REPORT YOUR CLAIMS

In the event of a claim, suit or loss under your Policy, contact your agent or broker. To report a claim, occurrence, accident, suit, loss or injury to us, in accordance with and as provided in the respective coverage parts of your Policy, please use any of the following methods, and please provide the information listed below, as well as any information your Policy requires:

EMAIL:
ACEClaimsFirstNotice@acegroup.com
(This e-mail address is to be used for new claim reporting only.)

FAX:
(877) 395-0131 (Toll Free)
(302) 476-7254 (Local)

PHONE:
(800) 433-0385 (Business Hours)
(800) 523-9254 (After Hours)

MAIL:
ACE North American Claims
P.O. Box 5122
Scranton, PA 18505-0554

Please be sure to include the following information, in addition to any specific information required by the applicable coverage part:

- Policy Holder Name
- Policy Number
- Type of loss
- Date of Event
- Description of loss
- Insured contact name and details (phone, e-mail, etc.)
- Third Party contact name and details (phone, e-mail, etc.)
- Any other pertinent information available

If your policy includes Executive Assistance® Services the following information pertains:

KEY CONTACT NUMBERS FOR EMERGENCY SERVICES

24 Hour Emergency Response Executive Assistance® Services

Emergency Medical, Personal, Travel Assistance, Emergency Political Evacuation and Concierge Services. Calling the numbers below will provide the caller access to the Executive Assistance Services. Calling the following numbers does not constitute the report of a claim, occurrence, accident, suit, loss or injury, as provided for in the respective coverage parts of your Policy.
To report a claim, occurrence, accident, suit, loss or injury to us, you must follow one of the methods set out above.

Executive Assistance Toll Free Inside U.S. and Canada: 1 (800) 766-8206

Executive Assistance Toll Free Outside U.S. and Canada: IDD+800-0200-8888 (available from 40 countries)

Executive Assistance Collect Calls Outside the U.S. and Canada: 1 (202) 659-7777

Where Toll Free or Collect Calls are not available
Executive Assistance Outside the U.S. and Canada: IDD 1 (202) 659-7777
**FORMS AND ENDORSEMENTS DECLARATIONS**

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<tr>
<td>NAMED INSURED:</td>
<td>California State University Trustees</td>
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<tr>
<td>POLICY NUMBER:</td>
<td>PHFD37258337</td>
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<td>DECLARATIONS EFFECTIVE:</td>
<td>July 01, 2012</td>
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This policy consists of the Declarations pages and the following forms and endorsements attached to this policy at inception:

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<td>Liability Coverages Declarations</td>
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<td>Broad Form Named Insured</td>
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<td>IT7325</td>
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<td>The ACE GPS&lt;sup&gt;SM&lt;/sup&gt; Global Program Solutions Endorsement (Non-Admitted Included), LD-34280 (10-11)</td>
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<td>Minimum Earned Premium Endorsement</td>
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<td>Pollution Exclusion - Named Peril Exception</td>
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<tr>
<td>IT7455</td>
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<td>Terrorism Sublimit</td>
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</table>

The Declarations pages and the Coverage Forms and endorsements listed above and attached, complete the above numbered policy.
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STUDENT PROFESSIONAL LIABILITY INSURANCE PROGRAM (SPLIP)

Coverage Summary

This is a “claims-made” policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Carrier as soon as practicable, but not later than 3 years after the Policy Period. Coverage is only provided for claims arising from Professional Services which are rendered or Incidents which occurred during the Policy Period.

Named Insured: The California State University (CSU), all campuses

Carrier: Lloyd’s, London

Policy #: ERUSA1200115

Coverage Period: July 1, 2012 - July 1, 2013

Insureds: California State University (CSU)
All campuses of the CSU
Employees, Faculty, Staff of the CSU
CSU Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU.

*Enrolled Students mean students who are enrolled and in good standing while completing an internship and registered/enrolled in a course that requires the internship experience, including academic breaks during the policy period. Enrolled Students also include students who have not received a letter grade in a course (e.g., assigned an “Incomplete”), but remain registered for that course until the Incomplete objectives are met, but for no more than one (1) year from the granting of the Incomplete.

NOTES:
1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Additional Insureds: Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy.

Coverage:
A. General Liability
B. Professional Liability
C. Educator’s Errors & Omissions Liability

Cost: $20.00 per student in Nursing, Allied Health, Social Work, or Education

This flat rate is non-refundable, and is not subject to a prorate premium return if student is enrolled for less than one year.

Coverage Limits: $1,000,000 each Loss
$3,000,000 Aggregate for all Covered Parties, and not per student.

Member’s Deductible: None

Description: Covers General Liability and Professional Liability of CSU students enrolled in a Health Profession practicum, Social Welfare program, Social Work program, or Education Credential program of the CSU who are required by a host institution to obtain general liability and/or professional liability insurance for participation in the institution’s affiliation program.

Coverage Extensions:
1. **Legal Representation**: defense cost included for covered claims.
2. **Personal Injury Liability**: protects up to the Coverage Limits against covered claims arising from charges of privacy violation, libel, slander, assault & battery, and other alleged personal injuries.
3. **School Grievance/ Academic Disciplinary Hearings**: reimburses for expenses incurred for defense of a school grievance or academic disciplinary hearing or proceeding; $5,000 per proceeding; $100,000 aggregate.

NOTES:
1. **Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit** are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
2. **Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU** are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage

4. **Damage to Property of Others**: for damage caused accidentally by a Covered Party to the property of others at your location; $5,000 per incident; $100,000 aggregate.

5. **Assault Coverage**: covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; $5,000 per incident; $100,000 aggregate.

6. **Medical Payments**: reimbursement of medical expenses to others injured on your location; $5,000 per incident; $100,000 aggregate.

7. **First Aid Expenses**: for expenses you incur in rendering first aid to others; $5,000 per defendant; $100,000 aggregate. **Defendant Expense Benefit**: reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim; $5,000 per defendant; $100,000 aggregate.

No Exclusion for:

Sexual Harassment, Abuse or Molestation
Corporal Punishment

Claims/Incident Reporting:

Enrolled Student shall immediately provide written notice of any incident which may result in a claim under this policy to:

Office of Systemwide Risk Management
The California State University
Office of the Chancellor
401 Golden Shore Blvd., 5th Floor
Long Beach, CA 90802-4210

Phone: 562-951-4580
Fax: 562-951-4859

NOTES:

1. **Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.**

2. **Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.**

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
NOTES:

1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.

2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.

COVERED PROFESSIONS, including but not limited to:

NURSING PROFESSIONS

Case Manager
Geriatric Nursing Assistant
Nurses Aide - Facility Setting
Nurses Aide - In-home Setting
Nursing Assistant - Facility Setting
Nursing Assistant - In-home Setting
Home Health Aide
LPN/LVN
Nurse - Anesthetists
Nurse - Midwives
Registered Nurse

ALLIED HEALTH PROFESSIONS

Art Therapist
Athletic Trainer
Audiologist
Blood Bank Technician
Bio-Medical Technician
Cardiographic Technician
Cardiology Technician
Case Manager
Certified Laboratory Technician
Certified Medical Assistant
Certified Occupational Therapy Assistant
Chiropractic Assistant
Circulation Technician
Clinical Laboratory Technician
Community Health Assistant
Community Health Technician
Corrective Therapist
Dance Therapist
Dental Hygienist
Diagnostic Medical Sonographer
Dialysis Technician
Dietitian
EEG (Electroencephalogram) Technician
EKG (Electrocardiogram) Technician
Electrologist
EMT- Paramedic
EMT- Basic/Intermediate
EMT- Volunteer
Enterostomal Therapist
Exercise Physiologist
Health Educator
Histologic Technician
Hospital Pharmacy Technician
Kinesiologist/Kinesiotherapist
Laboratory Aide
Massage Therapist
Medical Assistant
Medical Laboratory Technician
Medical Records Administrator
Medical Records Technician
Medical Technician
Medical Technician Assistant
Mental Retardation Worker
Music Therapist
Nuclear Medical Technician
Nutritionist
Occupational Therapist
Occupational Therapist Assistant
NOTES:
1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
STUDENT ACADEMIC FIELD EXPERIENCE for CREDIT LIABILITY INSURANCE PROGRAM (SAFECLIP)

Coverage Summary

This is a “claims-made” policy. Coverage is only provided for claims which are both: (1) first made against the Insured during the Policy Period; and (2) reported to the Carrier as soon as practicable, but not later than 3 years after the Policy Period. Coverage is only provided for claims arising from Professional Services which are rendered or Incidents which occurred during the Policy Period.

Named Insured: The California State University (CSU), all campuses

Carrier: Lloyd’s, London

Policy #: ERUSA1200116

Coverage Period: July 1, 2012 - July 1, 2013

Insureds:
California State University (CSU)
All campuses of the CSU
Employees, Faculty, Staff of the CSU
CSU Students enrolled in required credited coursework.

*Enrolled Students mean students who are enrolled and in good standing while completing an internship and registered/enrolled in a course that requires the internship experience, including academic breaks during the policy period. Enrolled Students also include students who have not received a letter grade in a course (e.g., assigned an “Incomplete”), but remain registered for that course until the Incomplete objectives are met, but for no more than one (1) year from the granting of the Incomplete.

Additional Insureds:
Any affiliate institution to whom the Named Insured is obligated by written agreement to provide such coverage as is afforded by this policy.

NOTES:
1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
NOTES:
1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.
2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.

Coverage:
A. General Liability
B. Professional Liability

Cost: $5.00 per student performing community service or volunteer work for academic credit and/or students in Radio, Television or Film academic programs.

This flat rate is non-refundable, and is not subject to a prorate premium return if student is enrolled for less than one year.

Coverage Limits: $1,000,000 each Loss
$2,000,000 Aggregate for all Covered Parties, and not per student.

Member’s Deductible: None

Description:
Covers General Liability and Professional Liability of CSU enrolled students performing community service or volunteer work for academic credit; and students enrolled in radio, television or film credential programs of the CSU.

Coverage Extensions:
1. Legal Representation: defense cost included for covered claims.
2. Personal Injury Liability: protects up to the Coverage Limits against covered claims arising from charges of privacy violation, libel, slander, assault & battery, and other alleged personal injuries.
3. School Grievance/Academic Disciplinary Hearings: reimburses for expenses incurred for defense of a school grievance or academic disciplinary hearing or proceeding; $5,000 per proceeding; $100,000 aggregate.
Coverage Extensions (cont’d):

4. **Damage to Property of Others**: for damage caused accidentally by a Covered Party to the property of others at your location; $5,000 per incident; $100,000 aggregate.

5. **Assault Coverage**: covers your medical expenses or reimburses you for damage to your property if you are assaulted at your location; $5,000 per incident; $100,000 aggregate.

6. **Medical Payments**: reimbursement of medical expenses to others injured on your location; $5,000 per incident; $100,000 aggregate.

7. **First Aid Expenses**: for expenses you incur in rendering first aid to others: $5,000 per defendant; $100,000 aggregate.

8. **Defendant Expense Benefit**: reimburses you for lost wages and other expenses incurred when you attend a required trial, hearing or proceeding as a defendant in a covered claim: $5,000 per defendant; $100,000 aggregate.

**No Exclusion for:**
- Sexual Harassment, Abuse or Molestation
- Corporal Punishment

**Claims/Incident Reporting:**
Enrolled Student shall immediately provide written notice of any incident which may result in a claim under this policy to:

Office of Systemwide Risk Management
The California State University
Office of the Chancellor
401 Golden Shore Blvd., 5th Floor
Long Beach, CA 90802-4210

Phone: 562-951-4580
Fax: 562-951-4859

**NOTES:**

1. **Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.**

2. **Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.**

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
NOTES:
1. Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.

2. Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
The following course work are not covered under this Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP), but are covered under the Student Professional Liability Insurance Program (SPLIP):

**NURSING, ALLIED HEALTH, SOCIAL WORK, including:**

- Audiology
- Counseling
- Food and Nutrition
- Health Professions
- Kinesiology and Exercise Physiology
- Nursing
- Occupational Therapy
- Physical Therapy
- Psychology
- Recreation Therapy
- Social Work
- Speech Therapy

**EDUCATION, TEACHING PROFESSIONS, including:**

- Education
- Education Psychology
- Elementary Education
- Secondary Education
- Special Education

**NOTES:**

1. *Students enrolled in Nursing, Allied Health, Social Work, or Education credential programs of the CSU who also perform community service or volunteer work for academic credit are covered by this Student Professional Liability Insurance Program (SPLIP) at no additional premium.*

2. *Other CSU students performing community service or volunteer work for academic credit and students enrolled in radio, television or film academic programs of the CSU are separately covered by the Student Academic Field Experience for Credit Liability Insurance Program (SAFECLIP). Please refer to SAFECLIP summary for details.*

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage Summary

Coverage: Aviation Liability (Non-Owned)

Coverage Term: July 1, 2012 to July 1, 2013

Provider: Westchester Fire Insurance Company (ACE Group)

Policy No: AAC N07385110 002

Named Insured: The California State University and Its Auxiliary Organizations

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

Member Campuses (23):
California State University, Bakersfield
California State University, Channel Islands
California State University, Chico
California State University, Dominguez Hills
California State University, East Bay
California State University, Fresno
California State University, Fullerton
Humboldt State University
California State University, Long Beach
California State University, Los Angeles
California Maritime Academy
California State University, Monterey Bay
California State University, Northridge
California State Polytechnic University, Pomona
California State University, Sacramento
California State University, San Bernardino
San Diego State University
San Francisco State University
San Jose State University
California Polytechnic State University, San Luis Obispo
California State University, San Marcos
Sonoma State University
California State University, Stanislaus

Coverage Limits: $50,000,000 each Occurrence

Self-Insured Retention: $0

Coverage Form: Occurrence basis

Coverage Territory: While the aircraft is in the United States of America (excluding Alaska), Canada, or Mexico, or while the aircraft is being transported between ports in the territory.

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
Coverage:
1. Bodily Injury excluding Passengers
2. Property Damage
3. Passenger Bodily Injury

Coverage is not provided for:
1. Hull (aircraft physical damage)
2. Medical Payments

Special Conditions:
1. Maximum Seats including Crew: 40
2. Pilot must be properly certificated and rated for the flight involved.
3. Aircraft is regularly based in the Coverage Territory.

Claims Reporting:
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA  94111-5101

Robert Frey
Toll Free:  (877) 725-7695
Direct:    (415) 403-1445
Fax:       (415) 403-1466
E-mail:    rfrey@alliantinsurance.com

Diana Walizada
Toll Free:  (877) 725-7695
Direct:    (415) 403-1453
Fax:       (415) 403-1466
E-mail:    dwalizada@alliantinsurance.com

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
CLAIMS REPORTING INFORMATION

All claim functions for your airport and aircraft insurance with Member Insurance Companies of the ACE USA Group are handled by ACE USA Aerospace Claims in Chicago. The staff of ACE USA Aerospace Claims is one of the most experienced and efficient in the aviation claims business. Bryan Doyle, experienced Casualty Claim Specialist, is responsible for administering your claims on a day-to-day basis. Bryan reports to Dennis Krueger, Senior Aviation Technical Specialist. Sara Meske, Aerospace Claims Assistant, is available to accept claims information if Bryan is unavailable.

All claims should be reported to Aerospace Claims as soon as practicable, in order for us to establish immediate contact with claimants and initiate any necessary investigation. An initial report of claim may be faxed to 877-201-4125. To ensure prompt attention, it is recommended that the fax transmission be confirmed with a phone call. Upon notification of a claim, an appropriate Accident Statement will be forwarded for your completion. Where possible, pictures of the accident scene should be obtained during your initial investigation.

Because ACE USA Claims has gone paperless, it is imperative that you put the addressee’s name and claim number on all correspondence and note address / Fax changes below.

FIRST NOTICE OF LOSS:

<table>
<thead>
<tr>
<th>Contact</th>
<th>Phone</th>
<th>Fax</th>
<th>E-Mail</th>
</tr>
</thead>
<tbody>
<tr>
<td>Primary</td>
<td>312-775-7944</td>
<td>866-635-5687</td>
<td><a href="mailto:Bryan.Doyle@acegroup.com">Bryan.Doyle@acegroup.com</a></td>
</tr>
<tr>
<td>Secondary</td>
<td>312-775-7947</td>
<td>866-635-5687</td>
<td><a href="mailto:Sean.Finnegan@acegroup.com">Sean.Finnegan@acegroup.com</a></td>
</tr>
<tr>
<td>Secondary</td>
<td>312-775-7945</td>
<td>866-635-5687</td>
<td><a href="mailto:Sara.Kenney@acegroup.com">Sara.Kenney@acegroup.com</a></td>
</tr>
<tr>
<td>Secondary</td>
<td>312-775-7910</td>
<td>866-635-5687</td>
<td><a href="mailto:Betty.Remblake@acegroup.com">Betty.Remblake@acegroup.com</a></td>
</tr>
<tr>
<td>After Hours</td>
<td>815-738-2755</td>
<td>866-635-5687</td>
<td><a href="mailto:Dennis.Krueger@acegroup.com">Dennis.Krueger@acegroup.com</a></td>
</tr>
<tr>
<td>24 Hour Emergency</td>
<td>815-275-1133</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

All claims that require reporting after hours, should be directed to Dennis Krueger. All claims involving large aircraft should be reported immediately to Dennis Krueger.

If you are served with a summons or suit, please call immediately and forward the papers via overnight delivery.

MAILING ADDRESS
ACE USA Claims
P.O. Box 5101
Scranton, PA 18505-0500

OVERNIGHT DELIVERY ADDRESS
ACE USA Aerospace Claims
525 W. Monroe, 5th Floor
Chicago, IL 60661

Should you have any questions concerning our claims handling procedures, please feel free to contact us at any time.
ACE believes that policyholders should have access to information about ACE's practices and policies related to the payment of compensation to brokers and independent agents. You can obtain that information by accessing our website at http://www.aceproducercompensation.com or by calling the following toll-free telephone number: 1-866-512-2862.
AIRCRAFT POLICY

WESTCHESTER FIRE INSURANCE COMPANY
436 Walnut Street,
Philadelphia, Pennsylvania, 19106 - 3703

IN WITNESS WHEREOF, Westchester Fire Insurance Company has caused this policy to be executed and attested. This policy is a valid contract when countersigned by an authorized representative (where required by law).

CARMINE A. GIGANTI, Secretary

JOHN J. LUPICA, President

AC100 (01-11)
DECLARATIONS

Policy Number: AAC N07385110 002

ITEM 1(A) ISSUING COMPANY:
WESTCHESTER FIRE INSURANCE COMPANY
436 Walnut Street, Philadelphia,
Pennsylvania 19106 - 3703

ITEM 1(B) PRODUCER'S NAME AND ADDRESS
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111

ITEM 2 NAMED INSURED:
The California State University and its Auxiliary Organizations

ITEM 3 POSTAL ADDRESS OF "NAMED INSURED":
Office of the Chancellor
401 Golden Shore, 5th Floor
Long Beach, California 90802-4210

ITEM 4 POLICY PERIOD (When insurance is provided under this policy):
FROM: July 1, 2012
TO: July 1, 2013
Both days at 12.01 a.m. local standard time at the address in Item 3.

ITEM 5 BUSINESS OR OCCUPATION OF THE "NAMED INSURED":
Governmental Agency

ITEM 6 FINANCIAL INTEREST
The Named Insured is the sole owner of the Aircraft and no one else has any financial interest in the Aircraft except as shown below.

Any loss payable under Section Two of this policy will be paid to the Named Insured and the party shown above according to their respective financial interest.

ITEM 7 REGULAR LOCATION OF THE AIRCRAFT:
The aircraft is regularly based in the "Coverage Territory"

ITEM 8 LIABILITY COVERAGES, LIMITS OF LIABILITY AND PREMIUMS:

<table>
<thead>
<tr>
<th>COVERAGE</th>
<th>LIMITS OF LIABILITY</th>
<th>LIABILITY PREMIUMS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A: Bodily Injury Excluding Passengers</td>
<td>each person each Occurrence</td>
<td></td>
</tr>
<tr>
<td>B: Property Damage</td>
<td>each Occurrence</td>
<td></td>
</tr>
<tr>
<td>C: Passenger Bodily Injury</td>
<td>each person each Occurrence</td>
<td></td>
</tr>
<tr>
<td>D: Single Limit Including Passengers</td>
<td>$50,000,000 each person each Occurrence</td>
<td></td>
</tr>
<tr>
<td>E: Medical Payments</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Terrorism Risk Insurance Act Liability Premium:
Other Liability Endorsement Premium:
TOTAL LIABILITY PREMIUM:
ITEM 9  DESCRIPTION OF AIRCRAFT, HULL COVERAGES AND HULL DEDUCTIBLES:
Description of Aircraft insured for liability coverages in Item 8 above and hull coverages in this Item 9 and deductibles. The Named Insured affirms that each of the Aircraft described in this policy is licensed under a "standard" Airworthiness Certificate as defined by the F.A.A.

DESCRIPTION OF AIRCRAFT

<table>
<thead>
<tr>
<th>F.A.A. Cert. No.</th>
<th>Make and Model</th>
<th>Type Code</th>
<th>Year</th>
<th>Engine and Built</th>
<th>Horse Power</th>
<th>Total Seats including Crew</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non Owned Aircraft Liability.</td>
<td>See Non Owned Aircraft endorsement</td>
<td>AC 109</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
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</table>

HULL COVERAGES, AMOUNT OF INSURANCE, DEDUCTIBLES AND PREMIUMS
Deductibles shall apply to each claim. Ingestion deductibles apply to each claim each engine. In the event of a claim involving both the In Motion and Ingestion deductibles, only the higher of the two deductibles shall apply.

<table>
<thead>
<tr>
<th>F.A.A. Cert. No.</th>
<th>Hull Coverage</th>
<th>Amount of insurance</th>
<th>Not In Motion Deductible</th>
<th>In Motion or Moored Deductible</th>
<th>Ingestion Deductible</th>
<th>Hull Premiums</th>
</tr>
</thead>
<tbody>
<tr>
<td>No Aircraft</td>
<td>Physical Damage Coverage Hereunder</td>
<td>Terrorism Risk Insurance Act Hull Premium: Not Insured Other Hull Endorsement Premium: Nil</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Total Hull Premium: Not Applicable

ITEM 10  PURPOSE OF USE. The Aircraft will be used only for the following purposes:
All uses required by the "Named Insured" but excluding any use for which the "Named Insured" or "Anyone"
We insure under this policy expects to or does receive "Compensation".

ITEM 11  PILOTS WHO MAY FLY THE AIRCRAFT: (See Endorsements)

ITEM 12  TERRITORY (Where insurance is provided under this policy):
Insurance is only provided under this policy for accidents or Occurrences that take place during the policy period while the Aircraft insured under this policy is in the United States of America (excluding Alaska), Canada or Mexico, or while the Aircraft is dismantled and is being transported between ports in the territory where insurance is provided under this policy.

ITEM 13  During the past year no insurer has cancelled or declined to renew any Aircraft Insurance issued to the Named Insured, except as follows:
Absence of entry means no exception.

Signature:  

By Authorized Representative
The endorsements listed below form part of this policy at inception and are deemed to have been signed by the same Authorized Representative that signed the Declaration (form AC 101 (07-07))

**SCHEDULE OF ENDORSEMENTS**

<table>
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<td>AC 101</td>
<td>(07-07)</td>
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<td>Aircraft Policy Schedule of Endorsements</td>
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<td>(11-98)</td>
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<tr>
<td>Non-Owned Aircraft Liability Endorsement</td>
<td>AC 109</td>
<td>(11-98)</td>
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<tr>
<td>War, Hi-jacking and Other Perils Exclusion Clause (Aviation)</td>
<td>AC 110</td>
<td>(11-98)</td>
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<tr>
<td>Extended Coverage - War, Hi-Jacking And Other Perils Endorsement (Aviation Liabilities)</td>
<td>AC 112A</td>
<td>(02-08)</td>
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<td>Medical Services Limitation Endorsement</td>
<td>AC 129</td>
<td>(11-98)</td>
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<tr>
<td>Nuclear Risk Exclusion Clause</td>
<td>AC 159</td>
<td>(11-98)</td>
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<td>Date Recognition Exclusion Endorsement</td>
<td>AC 161</td>
<td>(11-98)</td>
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<tr>
<td>Date Recognition Limited Coverage Endorsement</td>
<td>AC 162</td>
<td>(11-98)</td>
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<tr>
<td>Exception to Terrorism Exclusion</td>
<td>AC 165</td>
<td>(02-08)</td>
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<tr>
<td>Disclosure Pursuant to Terrorism Risk Insurance Act</td>
<td>TRIA11b</td>
<td>(1/08)</td>
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<tr>
<td>Pollution Endorsement</td>
<td>AC 168</td>
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<td>Limited Terrorism Coverage Endorsement</td>
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<td>AC 194</td>
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<td>AC 195</td>
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<td>Governmental Entity Limited Enhanced Coverage Endorsement - California</td>
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<tr>
<td>Trade Or Economic Sanctions Endorsement</td>
<td>ALL-21101</td>
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<td>California Changes - Cancellation and Nonrenewal</td>
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AC 101S (07-07)
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AIRCRAFT POLICY
POLICY PROVISIONS

In consideration of the payment of the premium We agree to provide insurance to the extent indicated in the Declarations, subject to all the terms of the Policy.

SECTION ONE

This section of the policy contains General Definitions, General Exclusions and General Conditions which also apply to Sections Two and Three of this policy.

GENERAL DEFINITIONS

The following words and phrases have specific meanings within this policy. Please read them carefully.

(A) "ACCIDENT" means a sudden event, during the policy period, which is neither expected nor intended by the Named Insured or Anyone We insure under this policy, that involves the Aircraft and causes physical damage to or loss of the Aircraft.

(B) "AIRCRAFT" means the Aircraft shown in Item 9. of the Declarations or qualifying under Section One, General Condition (N) (Insurance for newly acquired Aircraft and deletion of Aircraft) or Section Three (B) Special Provision 2 (use of other Aircraft) of this policy including the engines, propellers (and with respect to rotorcraft the rotor blades), operating and navigational instruments and radio equipment attached to the Aircraft, including tools which are standard for the make and type of Aircraft, and parts which are detached from the Aircraft at the time of loss and not replaced by similar parts.

(C) "ANYONE" means any person, partnership, corporation or organization other than the Named Insured.

(D) "BODILY INJURY" means injury, sickness or disease and, if arising out of the foregoing, mental anguish, including death resulting therefrom.

(E) "COMPENSATION" means any consideration greater than the cost of owning, operating and maintaining the Aircraft.

(F) "CREW" means any Passenger who has any duties involved in the operation of the Aircraft. Crew members include, but are not limited to: pilot, co-pilot, check pilot, flight examiner, F.A.A. Designated Flight Examiner, flight instructor, flight engineer, navigator, mechanic, flight attendant or loadmaster, but see Section Three (C) exclusion 2 (employees) and exclusion 3 (Bodily Injury to Named Insured).

(G) "DISAPPEARANCE" means the Aircraft is missing and has not been located within 60 days after commencing Flight by the Named Insured or their agent or by Anyone We insure under this policy or their agent.

(H) "F.A.A." means the authority of the United States of America or its counterpart in a foreign country, having jurisdiction over civil aviation.

(I) "FLIGHT", with respect to fixed wing Aircraft, means from the time the Aircraft moves forward in preparing to take off or in attempting to take off until it has completed its landing and landing run after contact with the land or water. With respect to rotorcraft, Flight means while the rotors are In Motion under engine power or resulting momentum.

(J) "INGESTION" means physical loss or damage to the engine(s) caused by accidental, sudden, immediate or unexpected Ingestion of objects attributable to a single recorded incident, requiring the immediate repair of the engine(s).
"IN MOTION", with respect to fixed wing Aircraft, means while the Aircraft is moving under its own power or resulting momentum. With respect to rotorcraft, "In Motion" means while the rotors are moving under engine power or resulting momentum.

"MOORED" means while an Aircraft or rotorcraft equipped for water operations is secured with cables, lines or anchors or is being launched into or hauled out of the water, other than under its own power or resulting momentum.

"NAMED INSURED" means the person, partnership, corporation or organization shown in Item 2. of the Declarations (Named Insured).

"OCCURRENCE" means an event occurring by chance, or a continuous or repeated exposure to conditions involving the Aircraft, which results in Bodily Injury or Property Damage during the policy period, provided it is not expected or intended by the Named Insured or by Anyone We insure under this policy. All Bodily Injury or Property Damage that arises out of such exposure to substantially the same general conditions shall be deemed one Occurrence.

"PASSENGER" means any person or persons, including Crew, while in, or entering the Aircraft for the purpose of riding or flying therein, or exiting the Aircraft during or following a Flight or attempted Flight.

"PROPERTY DAMAGE" means physical injury to or destruction of tangible property, including the loss of use of such property except as provided for in Section Three (C) exclusion 4 (property).

"PERSONAL BELONGINGS" means carry on luggage such as handbags, suitcases and briefcases - and their contents - that persons normally carry. But Personal Belongings does not mean luggage checked with a commercial air carrier.

"TOTAL LOSS" means when the cost to repair the Aircraft plus any salvage value is greater than the amount of insurance. Theft or Disappearance of the Aircraft is also a Total Loss, if the Aircraft is not recovered.

"USES" includes the specific Uses defined below, but does not include any other use of the Aircraft for which the Named Insured or Anyone We insure under this policy expects to or does receive Compensation.

1. "PLEASURE AND BUSINESS" means personal, pleasure, family and business use.

2. "INDUSTRIAL AID" includes the Uses shown in "Pleasure and Business" and in addition includes the transportation of executives, employees, guests and customers.

3. "CHARTER COMMERCIAL" includes the Uses shown in "Industrial Aid" and in addition the transportation of Passengers and cargo for Compensation.

4. "INSTRUCTION AND RENTAL" includes the Uses shown in "Industrial Aid" and in addition the instruction of others and rental to others for their "Pleasure and Business" or "Industrial Aid" use.

5. "COMMERCIAL" includes all Uses shown in "Industrial Aid", "Instruction and Rental" and "Charter Commercial", but does not include any other use.

GENERAL EXCLUSIONS

We will not provide insurance under any part of this policy or provide defense under any part of this policy.

(A) PILOTS. If the Aircraft is in Flight and is being flown by a pilot who is not qualified under the endorsements to this policy or if the pilot is not properly certificated, rated and qualified under the current F.A.A. Regulations which apply to the operation of the Aircraft, whether or not the pilot is named in this policy.

(B) USE. If the Aircraft is used for any purpose not specified in Item 10. of the Declarations (purpose of use), but this exclusion does not apply to the Named Insured or to Anyone We insure under this policy who did not have knowledge of, or give consent to, the uninsured use.

(C) TERRITORY. If the Aircraft is outside the territory described under Item 12. of the Declarations (territory).

(D) SEAPLANES/AMPHIBIANS. If the Aircraft is a seaplane or amphibian Aircraft unless this is stated in Item 9. of the Declarations (description of Aircraft), but this exclusion does not apply to rotoorcraft.

(E) UNLAWFUL PURPOSE. If the Aircraft is used for any unlawful purpose, but this exclusion does not apply to the Named Insured or to Anyone We insure under this policy who did not have knowledge of, or give consent to, the unlawful use.

(F) STANDARD AIRWORTHINESS CERTIFICATE. If the Aircraft does not have a valid Standard Airworthiness Certificate, or if the Aircraft is not maintained in accordance with the Federal Aviation regulations which apply for the Flight involved, but the insurance provided by this policy will not be invalidated while the Aircraft is being flown without a Standard Airworthiness Certificate provided the Flights are solely for the purpose of renewing the Standard Airworthiness Certificate and provided a valid ferry Flight permit has been issued by the F.A.A. in respect of the Flights.

(G) WAR AND OTHER PERILS EXCLUSION CLAUSE. To any loss, damage or liability directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

GENERAL CONDITIONS

These conditions apply to all parts of this policy. Please read them carefully:

(A) ASSISTANCE AND CO-OPERATION. The Named Insured and Anyone We insure under this policy must co-operate with Us and attend hearings and trials if We request, and must assist Us in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses. The Named Insured and Anyone We insure under this policy must not, except at their own cost, make any payment, take on any obligation or expense or admit any fault other than as stated under Section Two (G) 1 (protect the Aircraft).

(B) REPRESENTATIONS.

By accepting this policy, you agree:
   a. The statements in the Declarations are accurate and complete;
   b. Those statements are based upon representations you made to Us; and
   c. We have issued this policy in reliance upon your representations.
(C) ACTION AGAINST INSURED BY US. We have the right to sue the Named Insured for non payment of premium due under this policy, and We have the right to sue the Named Insured and Anyone We insure under this policy for breach of any other obligation arising from or by reason of this insurance.

(D) INSPECTION AND AUDIT BY US. We are allowed to inspect the Aircraft, and all books and records relating to the Aircraft, at any time during the policy period and up to one year after the end of the policy period or until final settlement of all claims is made.

(E) OUR RIGHT OF RECOVERY. Except in respect of Section Three (A) Coverage E - (medical payments), if We make any payment under this policy which can be recovered from somebody else, the Named Insured and Anyone We insure under this policy agrees to transfer to Us, in exchange for that payment, any right to make this recovery. The Named Insured and Anyone We insure under this policy must do everything necessary to transfer this right of recovery to Us, including allowing suit to be brought in the name of the Named Insured and Anyone We insure under this policy. The Named Insured and Anyone We insure under this policy must not interfere with Our effort to recover and must preserve any evidence. We are not obliged to attempt to recover any deductible that may have been paid unless a specific request to do so is made to Us in writing.

(F) OTHER INSURANCE. Except with respect to insurance bought by the Named Insured to apply in excess of this policy, if the Named Insured or Anyone We insure under this policy has other insurance which will also pay for an Accident or Occurrence insured by this policy, We will only pay the percentage that the limit of this policy bears to the total limit of all policies. But this policy will only pay in excess of any valid insurance which exists with respect to Section One General Condition (N) (Insurance for newly acquired Aircraft and deletion of Aircraft) and Section Three (B) Special Provision 2 (use of other Aircraft) of this policy.

(G) CHANGES. If the Named Insured wishes to change this policy, contact Us through the producer. Even though the producer may have knowledge of a request for a change, no change is effective until agreed by Us and an endorsement has been issued and signed by Us.

(H) TRANSFER OF INTEREST. Transfer of interest in this policy cannot be made by the Named Insured or by Anyone We insure under this policy without Our written consent in the form of an endorsement agreed to and issued by Us.

(I) CANCELLING THIS POLICY. The Named Insured may cancel this policy at any time by telling Us in writing in advance of the date that this insurance is to be cancelled, but if this policy contains additional insureds or agreements to notify other parties a certain number of days in advance of cancellation, then that number of days (plus three working days for Us to prepare the necessary documents) must be taken into account when advising Us of the date that this insurance is to be cancelled. If the Named insured cancels We will compute the premium earned by Us by using the customary standard short rate scale or the cancellation tables promulgated under the statutes of the State shown under item 3 of the Declarations, whichever is more beneficial to the Named Insured.

We can cancel this policy at any time by mailing a notice of cancellation to the Named Insured at the address shown in Item 3. of the Declarations (postal address of Named Insured), or the Named Insured's last postal address known to Us, at least 30 days before the date that coverage will end. If We cancel because premium has not been paid, We can do so with 10 days notice instead of 30 days notice. Proof of mailing of the notice is sufficient proof that We have issued notice. We will compute the premium earned by Us based on the percentage of the policy period used multiplied by the annual premium. We will return to the Named Insured any premium paid that We have not earned, but making the refund at the time of cancellation is not a condition of cancellation. However, We will not return any
Aircraft physical damage premium on an Aircraft for which We have paid the Amount of Insurance, less the applicable deductible.

(J) CONCEALMENT OR MISREPRESENTATION. If the Named Insured has concealed or misrepresented any material fact or circumstance relating to this policy, either before or after a loss, then this policy is void.

(K) STATE INSURANCE STATUTES. Statements in this policy which conflict with insurance statutes of the state shown in Item 3. of the Declarations (postal address of Named Insured) are automatically amended by Us to conform to the statutes.

(L) OUR OBLIGATIONS AND INSURED’S DUTIES. We will only provide the coverage in this policy if the Named Insured pays the premium stated in this policy and only if the policy requirements are fully complied with. We have the right to deduct any premium or other debts owed under this policy from any payment We make to the Named Insured or to Anyone We insure under this policy.

(M) WHEN INSURANCE IS PROVIDED. Insurance is only provided under this policy during the policy period shown in Item 4. of the Declarations (policy period).

(N) INSURANCE FOR NEWLY ACQUIRED AIRCRAFT AND DELETION OF AIRCRAFT:

1. We will insure, for an additional premium, Aircraft acquired during the policy period if these Aircraft are owned or leased by the Named Insured and provided that:

   (a) We insure all Aircraft owned or leased by the Named Insured.

   (b) We are advised of the acquisition of the new Aircraft within ten (10) days after the date that it was acquired.

   (c) The newly acquired Aircraft:

      (i) is of the same type as an Aircraft shown under Item 9. of the Declarations (description of Aircraft).

      (ii) has no more than the number of engines of an Aircraft shown under Item 9. of the Declaration (description of Aircraft).

      (iii) has engine(s) which do not exceed 150% of the power of the engine(s) of an Aircraft shown under Item 9. of the Declarations (description of Aircraft).

      (iv) has total seating, including Crew, which does not exceed the total seats, including Crew, of an Aircraft shown under Item 9. of the Declarations (description of Aircraft).

   (d) The maximum amount of insurance of the newly acquired Aircraft will be the price paid by the Named Insured, but in no event greater than the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft). If the price paid for the Aircraft is greater than the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft) and We have not agreed to this greater amount, then in the event of a claim under Section Two of this policy, We will only pay the same proportion of the claim that the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (description of Aircraft) bears to the actual price paid.

   (e) Our agreement is obtained before any Aircraft that is not provided for under (a) (b), (c) or (d) of this General Condition (N) is acquired. Aircraft falling within this
category may be subject to different terms than those falling under (a), (b), (c) or (d) of this General Condition (N).

(f) The Named Insured agrees to pay the full annual Section Two premium in respect of any newly acquired Aircraft on which We pay the amount of insurance, less the applicable deductible.

2. If an Aircraft insured under this policy is sold, disposed of or deleted, We will return pro rata of the annual premium for that Aircraft, except:

(a) Where there is a claim under Section Two of this policy in respect to that Aircraft, in which case We will not return the Section Two premium.

(b) When the last Aircraft insured under this policy is sold, disposed of or deleted, in which event We will keep short-rate of the annual premium for that Aircraft in accordance with the customary short rate scale or the cancellation tables promulgated under the statutes of the State shown in item 3 of the Declarations, whichever is most beneficial to the Named Insured.

We must be advised within ten (10) days after the sale, disposal or deletion of any Aircraft insured under this policy.

3. If, for any reason, an Aircraft is insured under this policy for less than fifteen (15) days, We will charge fifteen (15) days premium for that Aircraft. Aircraft that are insured for fifteen (15) days or more will be subject to the premium terms shown under Paragraphs (1) and (2) of this General Condition (N).

SECTION TWO
AIRCRAFT PHYSICAL DAMAGE

Please refer to Item 9. of the Declarations (description of Aircraft) to see which Aircraft Physical Damage Coverage this policy insures, the Amount of Insurance and the Deductible for which the Named Insured is responsible.

This coverage is for the benefit of the Named Insured and not for the benefit of Anyone else in possession of the Aircraft.

(A) WHAT WE INSURE:

1. COVERAGE F - to pay for Physical Loss of or damage to the Aircraft, including Disappearance, caused by Accident, but see the exclusions which show what We will not insure.

2. COVERAGE G - to pay for Physical Loss of or damage to the Aircraft caused by Accident, but only while the Aircraft is not In Motion, but see the exclusions which show what We will not insure.

3. COVERAGE H - to pay for Physical Loss of or damage to the Aircraft caused by Accident, but only while the Aircraft is not in Flight, but see the exclusions which show what We will not insure.

(B) DEDUCTIBLE (what the Named Insured must pay or bear). We will deduct from the amount We owe under this policy the deductible shown in Item 9. of the Declarations (description of Aircraft). We will not apply any deductible if a fixed wing Aircraft is a Total Loss, but We will apply the deductible if a rotorwing Aircraft is a Total Loss.
(C) WHAT WE WILL PAY:

1. If the Aircraft is a Total Loss, We will pay the Amount of Insurance shown in Item 9. of the Declarations (description of Aircraft) less the deductible which applies. We are entitled to all salvage value of the Aircraft.

2. If the Aircraft is not a Total Loss, We will pay the reasonable cost to repair the Aircraft, including essential temporary repairs, being the cost of labor at straight time rates (excluding overtime), parts and materials of like kind and quality and the cost of transportation, less the deductible which applies. We are entitled to all the salvage value of the parts that have been replaced.

However, We will not pay more than the amount of insurance shown under Item 9. of the Declarations (description of Aircraft) less the applicable deductible.

We will not accept responsibility for the Aircraft nor the replaced part(s), nor will We accept title to the Aircraft nor the replaced part(s). If the Aircraft or replaced part(s) is to be sold, the Named Insured is responsible for the delivery of a clear title to the buyer.

(D) COST OF TRANSPORTATION. We will pay the cost of transporting new or damaged parts or of transporting the damaged Aircraft to the place where repairs will be made and its return to the place of Accident or home airport, whichever is the nearer. These costs will be limited to the least expensive method of reasonable transportation.

(E) APPRAISAL/ARBITRATION. If the Named Insured and We cannot agree to the amount of loss, either party may insist that the matter be put to arbitration. The party who requires the arbitration must write and inform the other party within sixty days of Our receiving the sworn statement in proof of loss. Both parties must then select their own appraisers who must be competent to do the job. The appraisers must then select an umpire, but if they cannot agree on an umpire within 15 days, then either the Named insured or We may request that the umpire should be selected by a Judge of a court of record in the County and State where the arbitration is to take place. The appraisers will then appraise the loss, but if they cannot agree on the amount of loss, they must submit to the umpire who will make his appraisal. Agreement between the umpire and any of the appraisers will determine the amount of loss. The Named Insured and We will be responsible for paying the respective appraisers but the other costs of the appraisal, including those of the umpire, will be divided equally. It is important that the Named Insured understands that none of Our other rights, nor the Named Insured's rights, under this policy are affected by this arbitration.

(F) EXCLUSIONS (what we will not pay for): These exclusions are in addition to those appearing under Section One.

We will not pay for physical loss of or damage:

1. MECHANICAL BREAKDOWN / WEAR AND TEAR / INGESTION: which is due and confined to wear and tear, deterioration, freezing, mechanical, structural or electrical breakdown or failure, unless the loss or damage is the direct result of other physical damage covered under this policy, nor will We pay for engine loss or damage which is caused by heat which results from the start up, operation, shutdown, or the attempted start up, operation or shutdown of the engine, or is caused by or is attributable to the ingestion of stone, grit, dust, sand, ice or any corrosive or abrasive material or any other substance which has a progressive or cumulative damaging effect.

2. LOSS OF USE, DEPRECIATION, GUARANTY OR WARRANTY: that results because the Aircraft cannot be used, nor will We pay for depreciation, or loss of guaranty, or warranty, however caused.
3. **TIRES:** to tires, except if damaged by fire or stolen, unless the loss or damage is a direct result of other physical damage insured under this policy.

4. **UNDISCLOSED FINANCIAL INTEREST:** to the Aircraft if any person, other than the Named Insured and those named in the policy, has any financial interest in the Aircraft.

5. **CONVERSION, EMBEZZLEMENT, SECRETION:** due to conversion, embezzlement or secretion by any person in possession of the Aircraft due to any lien, mortgage or any other encumbrance, or due to any rental, sales or purchase agreement, nor to any physical loss or damage resulting therefrom.

**(G) NAMED INSURED'S DUTIES** (what the Named Insured must do):

If the Aircraft is damaged or lost the Named Insured must:

1. **PROTECT THE AIRCRAFT:** whether or not the damage or loss is covered by this policy, do everything possible to protect the Aircraft from further damage or loss. If this is not done We will not pay for any further damage or loss to the Aircraft. If the reasonable expenses incurred in doing this arise out of damage or loss covered by this policy, then We will make reimbursement for these reasonable expenses.

2. **NOTICE:** immediately notify Us and the police if there is any theft. We will not pay for any reward offered unless We agree.

3. **SWORN STATEMENT IN PROOF OF LOSS:** give Us a sworn statement in Proof of Loss within 60 days of the Accident on a form which We will provide upon request.

4. **CO-OPERATION, STATEMENT UNDER OATH, EXHIBITING OF DAMAGED AIRCRAFT:** co-operate with Us and provide all documents and statements requested and help to recover the Aircraft. If the Accident is covered under the policy We will pay for the reasonable costs for doing this. The Named Insured must allow Us to take statements under oath of the Named Insured and Anyone We choose and exhibit the damaged Aircraft to Us. The Named Insured also agrees to preserve the damaged Aircraft until We authorize its disposal. The Named Insured must attend hearings and trials and help Us in obtaining the attendance of witnesses and in the conduct of suits.

**(H) WHEN WE WILL PAY - ACTION AGAINST US.** We will pay for loss or damage to the Aircraft within 60 days after the Named Insured has given Us a sworn Statement in Proof of Loss, provided both parties agree on the amount and provided We agree that the Accident is covered. The Named Insured may not bring any suit or action against Us until 60 days after We have been given a sworn Statement in Proof of Loss, nor may the Named Insured bring any suit or action against Us more than 12 months after the date of the Accident.

**(I) THEFT.** If the Aircraft, or any part of it, is stolen and recovered before We have paid for it, We may return it to the Named insured along with payment for any physical damage to it in accordance with the terms of the policy. Whether before or after We pay the loss, the Named Insured and Anyone We insure under Section Two must notify Us as soon as the Aircraft, or any part of it, is located.

**(J) REINSTATEMENT OF COVERAGE.** In the event of loss, even if it is not insured by this policy, the amount of insurance applicable to the Aircraft will be reduced at the date of Accident by the amount of the loss and the reduced value will continue until repairs are started after which the amount of insurance will automatically increase by the cost of the repairs until the original amount of insurance is reinstated or the policy has expired.
SECTION THREE
INSURANCE FOR LIABILITY TO OTHERS

Please refer to Item 8. of the Declarations (liability coverages) to see what liability coverage and limits apply.

(A) WHAT WE INSURE. We will pay on behalf of the Named Insured and Anyone We insure under this policy, claims which must legally be paid because of an Occurrence causing Bodily Injury or Property Damage, but see the exclusions which show what We will not insure.

But We will only pay for these claims if they arise out of the ownership, maintenance or use of the Aircraft.

COVERAGE A - BODILY INJURY LIABILITY (excluding passengers). Coverage A insures liability for Bodily Injury to people other than Passengers in the Aircraft. The maximum amount We will pay each person is the amount shown under Item 8.A. of the Declarations (Bodily Injury excluding Passengers) under "each person" and the maximum amount We will pay for each Occurrence is the amount shown under Item 8.A. of the Declarations (Bodily Injury excluding Passengers) under "each Occurrence".

COVERAGE B - PROPERTY DAMAGE LIABILITY. Coverage B insures liability for Property Damage. The maximum amount We will pay is the amount shown under Item 8.B. of the Declarations (Property Damage) under "each Occurrence".

COVERAGE C - PASSENGER BODILY INJURY LIABILITY. Coverage C insures liability for Bodily Injury to Passengers in the Aircraft. The maximum amount We will pay for each Passenger is the amount shown under "each person" under Item 8.C. of the Declarations (Passenger Bodily Injury).

The maximum amount We will pay each Occurrence is the amount shown under "each Occurrence" under Item 8.C. of the Declarations (Passenger Bodily Injury).

COVERAGE D - SINGLE LIMIT - BODILY INJURY (including or excluding passengers) AND PROPERTY DAMAGE LIABILITY. Coverage D insures liability for Bodily Injury and Property Damage combined; if Item 8.D. of the Declarations shows INcluding Passengers then Coverage D also insures Bodily Injury to Passengers, but if Item 8. D. of the Declarations shows EXcluding Passengers then Coverage D does not insure Bodily Injury to Passengers.

COVERAGE E - MEDICAL PAYMENTS. Coverage E pays for all reasonable medical and funeral expenses incurred by Passengers of the Aircraft, but only if the expenses are incurred within a period of one year from the date of the Occurrence. The maximum amount We will pay for each person is shown under "each person" in Item 8. E. of the Declarations (medical payment). The maximum amount We will pay for "each Occurrence" is shown under "each Occurrence" in Item 8. E. of the Declarations (medical payment).

SEPARATE INSUREDS. The coverages shown above apply separately to the Named Insured and Anyone We insure under this Section of the policy against whom claim is made or suit is brought, but regardless of the number of persons, partnerships, corporations or organizations insured under this Section of the policy We will not pay more than the applicable limit of liability shown in Item 8. of the Declarations (liability coverages, limits of liability and premiums).
(B) SPECIAL PROVISIONS

1. DEFENSE, SETTLEMENT, SUPPLEMENTARY PAYMENTS.
This Special Provision only applies to Section Three (A) Coverages A, B, C and D, and applies only if insurance is provided by the policy (but see the exclusions which show claims for which We will not provide defense) and in this connection We will:

(a) DEFENSE: defend, at Our expense, any claim or legal action made against the Named Insured and Anyone We insure under this policy because of an Occurrence causing Bodily Injury or Property Damage insured under this policy. We may investigate, negotiate or settle any claim or legal action as We see fit.

(b) BONDS: pay premiums for appeal bonds and for bonds to release any property that is being held as security. However, We are not under any obligation to apply for or furnish such bonds.

(c) EXPENSES: pay the expense and the court costs of claims or legal actions We defend, and interest that is owed on a judgment We are paying until We have paid or offered to pay the part of such judgment which does not exceed Our Limit of Liability as shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

We will pay expenses incurred by the Named Insured and Anyone We insure under this policy, in the event of Bodily Injury, for emergency medical and surgical relief to others necessary at the time of the Occurrence. We will also reimburse the Named Insured and Anyone We insure under this policy for all reasonable expenses (other than loss of earnings or wages and salaries of employees) incurred at Our request.

We will pay the amounts incurred under this Special Provision 1, except for settlement of suits and claims, in addition to the Limits of Liability shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

2. USE OF OTHER AIRCRAFT

(a) If the Named Insured is one individual, and is the only Insured shown in Item 2. of the Declarations (Named Insured) and

(b) If the purpose of use shown under Item 10. of the Declarations (purpose of use) is only Business and Pleasure or Industrial Aid and

(c) If We insure all Aircraft owned or leased by the Named Insured,

then We will extend the insurance provided by this section of the policy to include use of another Aircraft by the Named Insured or spouse if they live together, provided:

(i) This other Aircraft:
   I. has a standard airworthiness certificate issued by the F.A.A.;

   II. is of the same type as an Aircraft shown in Item 9. of the Declarations (description of Aircraft) and has not more than the number of engines of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);

   III. has engine(s) which do not exceed 150% of the power of the engine(s) of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);

   IV. does not have total seats, including Crew, exceeding the total seats, including Crew, of an Aircraft shown in Item 9. of the Declarations (description of Aircraft);
V. is not owned in whole or in part by the Named Insured or any member of the Named Insured's household;

VI. is not leased to the Named Insured under any form of lease agreement with a term of more than 30 days or lease option or purchase agreement.

(ii) The Insurance provided under this policy will only apply in excess of any other collectible insurance available to the Named Insured or their spouse.

(iii) We will not insure or defend under this Special Provision 2, physical loss of or damage to the other Aircraft being used or depreciation, loss of guaranty or warranty, however caused.

(iv) We will not insure or defend under this Special Provision 2 the owner of the other Aircraft being used or any agent or employee of that owner.

(v) We will not under this Special Provision 2 provide insurance for, or defend, any claim because of products manufactured, sold, handled or distributed by the Named Insured or the Named Insured’s spouse.

3. PREMISES

If the Named Insured or Anyone We insure under this policy has the right to use premises at airport for parking or storing the Aircraft, the coverage for liability to others will also protect the Named Insured and Anyone We insure under this policy for claims which must legally be paid because of an Occurrence causing Bodily Injury or Property Damage arising out of their use of those premises. The amount We will pay is included as part of the limit shown under Item 8. of the Declarations (liability coverages, limits of liability and premiums).

(C) EXCLUSIONS: (What we will not pay for) These exclusions are in addition to those shown under Section One.

1. NOISE, POLLUTION AND OTHER PERILS EXCLUSION CLAUSE.

(a) this policy does not cover claims directly or indirectly occasioned by, happening through or in consequence of:

(i) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith,

(ii) pollution and contamination of any kind whatsoever,

(iii) electrical and electromagnetic interference,

(iv) interference with the use of property;

unless caused by or resulting in a crash, fire, explosion, or collision or a recorded in Flight emergency causing abnormal Aircraft operation.

(b) With respect to any provision in the policy concerning any duty of Us to investigate or defend claims, such provision shall not apply and We shall not be required to defend

(i) claims excluded by Paragraph 1 or

(ii) a claim or claims covered by the policy when combined with any claims excluded by Paragraph 1 (referred to below as "Combined Claims").
(c) In respect of any Combined Claims, We shall (subject to proof of loss and the limits of the policy) reimburse the Named Insured and Anyone We insure under this policy for that portion of the following items which may be allocated to the claim or claims covered by the Policy:

(i) damages awarded against the Named Insured and Anyone We insure under this policy and

(ii) defense fees and expenses incurred by the Named Insured and Anyone We insure under this policy.

(d) Nothing herein shall override any radioactive contamination or other exclusion clause attached to or forming part of this policy.

2. EMPLOYEES. This Policy does not insure claims nor provide defense for claims because of Bodily Injury to any employee of the Named Insured or of Anyone We insure under this policy while in the course and scope of his employment for the person, organization, partnership or corporation against whom the claim has been made, or to any obligation for which the Named Insured or Anyone We insure under this policy or any company as their insurer may be held liable under any Workers' Compensation, Occupational Disease, Disability Benefit, Unemployment Compensation, Employers Liability, United States Longshoremen's and Harbor Workers Act, The Jones Act, Federal Employers Liability Act, Defense Bases Act, or any similar act, plan or law, whether state, federal or foreign.

3. BODILY INJURY TO NAMED INSURED. This policy does not insure claims nor provide defense for claims because of Bodily Injury to any person who is a Named Insured, or their spouse(s) or damage to the respective estates resulting from their Bodily Injury.

4. PROPERTY. This policy does not insure claims nor provide defense for claims because of Property Damage to property which is:

(a) Owned or rented or leased by the Named Insured or Anyone We insure under this policy; or

(b) In the care, custody or control of the Named Insured or Anyone We insure under this policy; or

(c) Being transported by the Named Insured or Anyone We insure under this policy.

But We will cover Personal Belongings up to a limit of $500 each Passenger.

If Property Damage is not covered by virtue of this exclusion, We also do not insure against delay, loss of market, loss of use or any consequential loss arising from such Property Damage.

This exclusion does not apply to property that is owned by one person, organization, partnership or corporation insured hereunder and damaged by another person, organization, partnership or corporation insured under this policy.

This exclusion does not apply as respects the coverage provided under Section Three (B) Special Provision 3 (premises).

5. INTENTIONAL INJURY. This policy does not insure claims, nor provide defense, for intentional Bodily Injury or Property Damage caused by or at the direction of the Named Insured or Anyone We insure under this policy, except to prevent physical
loss or damage to the Aircraft or other dangerous interference with the operation of the Aircraft.

6. ASSUMED LIABILITY. This policy does not insure claims, nor provide defense for claims if the Named Insured or Anyone We insure under this policy has signed an agreement that obligates them to assume the liability of others but this exclusion does not apply to:

(a) Liability assumed under any written agreement required by statute or ordinance or by any rule or regulation made by a Federal, State, County or Municipal Authority as a condition of use of any airport or airport facility.

(b) Legal Liability which would have existed whether or not the agreement was signed.

(D) WHO IS INSURED UNDER THIS SECTION OF THE POLICY. We will insure any person while using or riding in the Aircraft and any person or organization legally responsible for its use provided the actual use is with the expressed permission of the Named Insured, but see Section Three (A) (Separate Insureds).

We will not insure:

1. Any employee, or official of the Named Insured or Anyone We insure under this policy for Bodily Injury that such person causes to another official or employee of the same employer if injured in the scope of their employment;

2. Any person or organization, or their agents or employees (but not the Named Insured's employees while in the scope of their employment) who are involved in the manufacture or repair of Aircraft, Aircraft engines, Aircraft parts or accessories, or in the operation of an Aircraft electronic repair shop, airport, hangar, Aircraft sales agency, airline, Aircraft rental service, commercial flying service, air taxi or charter flying service, flying club or flying school if an Occurrence arises because of their operations;

3. A student pilot, other than the Named Insured, or any person or organization renting or leasing the Aircraft or any person operating the Aircraft with the actual or implied knowledge or consent of said student pilot, individual or organization renting or leasing the Aircraft.

(E) INSURED'S DUTIES. (what Insureds must do): In the event of an Occurrence the Insured must:

1. Immediately notify Us at Our address, which is shown in Item 1(A) of the Declarations; this notice must identify the Named Insured, and contain details of the Occurrence including the time, place and circumstances and the names and addresses of any injured people and witnesses.

2. If claim is made or suit is filed against the Named Insured or Anyone We insure under this policy, the person or organization insured must immediately notify Us by telephone or telegraph and forward the suit or claim and any demand, notice, summons, or other legal document to Us at Our address, which is shown in Item 1(A) of the Declarations.

(F) SUIT OR ACTION AGAINST US: (This does not apply to Section Three (A) Coverage E Medical Payments.) Nobody We insure under this policy may sue Us to recover payment under this Section Three of the policy, until all the terms of the policy have been complied with and a court has entered a judgment against the Named Insured or against any one We insure under this policy.
Nobody We insure under this policy may bring Us into any legal action to determine their liability or the liability of the Named Insured or of Anyone We insure.

If the Named Insured or Anyone We insure files bankruptcy or becomes insolvent, this does not relieve Us of Our obligations under this policy.

(G) **FINANCIAL RESPONSIBILITY LAWS.** If this policy is certified as proof of financial responsibility under any Aircraft financial responsibility law, the coverages provided by this policy will comply with the provisions of that law but only to the extent of the coverage and limits of liability required by such law, but in no event in excess of the limits of liability shown in this policy. The Named Insured and Anyone We insure under this policy must pay back to Us any payment We make which We would not have had to make under this policy if it had not been for this paragraph.

(H) **MEDICAL REPORTS:**

1. **PROOF AND PAYMENT OF CLAIM (APPLIES TO MEDICAL PAYMENTS ONLY):** As soon as possible the injured person(s) or someone on their behalf must give Us written proof of claim, under oath if We require, and must, if We request, authorize Us to obtain medical reports and copies of records. The injured person(s) must submit to physical examination by a physician selected by Us when and as often as We may reasonably request. We will pay the injured person(s) or any person(s) or organization rendering the services but this payment will be deducted from the amount payable for the injury under coverages A, C or D. Payment for medical examination does not mean that We admit liability for the injury.

2. **ACTION AGAINST US (APPLIES TO MEDICAL PAYMENTS ONLY):** Legal action against Us for medical payments cannot be made unless the Named Insured or Anyone We insure has done everything We require to be done and at least 60 days must have passed since the proof of claim has been given to Us.

3. **OTHER INSURANCE (APPLIES TO MEDICAL PAYMENTS ONLY):** With respect to Section One General Condition (N) (Insurance for newly acquired Aircraft and deletion of Aircraft) and Section Three (B) Special Provision 2 (Use of other Aircraft), the Insurance provided by Section Three (A) Coverage E (medical payments) is excess insurance over any other valid medical payments insurance that the Named Insured or Anyone We insure under this policy can collect.

4. We do not admit that the Named Insured or Anyone We insure under this policy has any legal liability by making medical expense payments.
This Endorsement effective July 1, 2012
forms part of Policy Number AAC N07385110 002
Issued to The California State University and its Auxiliary Organizations
By Westchester Fire Insurance Company

PILOTS WHO MAY FLY THE AIRCRAFT
(For use with Aircraft Policy AC 102 11-98)

The Aircraft may only be flown by the pilots listed below provided that those pilots have all the qualifications shown in this endorsement and provided also that all pilots are properly certificated, rated and qualified under the current F.A.A. regulations which apply to the operation of the Aircraft.

Any pilot who is properly certificated and rated for the flight involved

Authorized Representative

Endorsement: No. 1

AC 103 (11-98)
NON-OWNED AIRCRAFT LIABILITY ENDORSEMENT
(For use with Aircraft Policy AC 102 11-98)

In consideration of an additional premium of (Included) , it is agreed such insurance as is provided by Section Three of this Policy is extended to include Aircraft which are used by the Named Insured but which are not owned by the Named Insured.

The insurance provided by this endorsement is subject to the following terms:

1. The following amendments are made to this Policy:
   (a) Paragraph 1 of General Condition (N) of Section One (Insurance for Newly Acquired Aircraft and Deletion of Aircraft) is deleted;
   (b) Paragraph 2 of Item (B) of Section Three (Use of Other Aircraft) is deleted;
   (c) General Condition (F) of Section One (Other Insurance) is deleted and replaced by the following:
       If the Named Insured has any other available insurance which will pay for an Occurrence insured under this endorsement, We will only pay in excess of that other insurance.

2. The insurance provided by this endorsement does not apply to:
   (a) Aircraft in which the Named Insured has an interest either as owner or financially;
   (b) Aircraft which are leased for a period of Thirty (30) days or more to the Named Insured or to:
       (i) any member of the Named Insured's household or family, if the Named Insured is an individual;
       (ii) any executive officer or partner, or member of an executive officer's or partner's household or family, if the Named Insured is a corporation or partnership;
   (c) Any claims, nor provide any defense for claims, arising out of any product manufactured, sold, handled or distributed by the Named Insured;
   (d) Aircraft which have total seating capacity, including crew seats, of more than 40 (forty)
   (e) Any claims for loss of or damage to the Aircraft nor for any claims because the Aircraft cannot be used. Neither will We provide any defense for these claims.

Authorized Representative

Endorsement No. 2

AC 109 (11-98)
WAR, HI-JACKING AND OTHER PERILS EXCLUSION CLAUSE (Aviation)
(For use with Aircraft Policy AC 102 11-98)

It is understood and agreed that exclusion (G) of Section One of policy form AC 102 (11-98) (War and Other Perils Exclusion Clause) is deleted and replaced with the following:

This policy does not cover claims caused by:

(a) War, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, martial law, military or usurped power or attempts at usurpation of power.

(b) Any hostile detonation of any weapon of war employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter.

(c) Strikes, riots, civil commotions or labor disturbances.

(d) Any act of one or more persons, whether or not agents of a sovereign power, for political or terrorist purposes and whether the loss or damage resulting therefrom is accidental or intentional.

(e) Any malicious act of sabotage.

(f) Confiscation, nationalization, seizure, restraint, detention, appropriation, requisition for title or use by or under the order of any government (whether civil, military or de facto) or public or local authority.

(g) Hijacking or any unlawful seizure or wrongful exercise of control of the Aircraft or crew in Flight (including any attempt at such seizure or control) made by any person or persons on board the Aircraft acting without the consent of the insured.

Furthermore this policy does not cover claims arising while the Aircraft is outside the control of the Insured by reason of any of the above perils.

The Aircraft shall be deemed to have been restored to the control of the Insured on the safe return of the Aircraft to the Insured at an airfield not excluded by the geographical limits of this policy, and entirely suitable for the operation of the Aircraft (such safe return shall require that the Aircraft be parked with engine shut down and under no duress).

Authorized Representative

Endorsement No. 3

AC 110 (11-98)
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EXTENDED COVERAGE - WAR, HI-JACKING AND OTHER PERILS ENDORSEMENT
(aviation liabilities)

In exchange for the premium shown in the Schedule below, we agree that:

1. Paragraphs (a), (c), (d), (e), (f) and (g) of endorsement AC 110 (11-98) do not apply to Section Three of this policy, SUBJECT TO all terms and conditions of this endorsement.

2. The most we will pay under this endorsement for:

(a) all "bodily injury" (except "bodily injury" to "passengers") and "property damage" combined is the Aggregate Limit shown in the Schedule below; and

(b) "bodily injury" to "passengers" is the applicable Limit(s) of Liability shown in the Declarations.

The Aggregate Limit shown in the Schedule below is included within, and is not in addition to, the Limits of Liability shown in the Declarations.

3. The following definition is added to the policy:

"Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:

(a) the Secretary of State; and

(b) the Attorney General of the United States of America,

to be an act of terrorism pursuant to the Terrorism Risk Insurance Act ("TRIA").

The criteria for a "certified act of terrorism" include that the act:

A. resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

B. is a violent act or an act that is dangerous to:

(a) human life; or

(b) property or infrastructure

and is part of an effort to:

(c) coerce the civilian population of the United States of America; or

(d) influence the policy or affect the conduct of the United States Government by coercion.

Endorsement No. 4

AC 112A (02-08) Page 1 of 2 05/14/2012
4. This endorsement does not apply to:
   (a) any damage to property on the ground while outside:
       (i) Canada, or
       (ii) the United States of America,
       unless caused by or arising out of the use of aircraft;
       or
   (b) "Certified Acts of Terrorism", if the "Amendment to Include Coverage for Certified Acts of
       Terrorism; Cap on Losses from Certified Acts of Terrorism Endorsement", is attached to this
       policy.

5. If the "Amendment to Include Coverage for Certified Acts of Terrorism; Cap on Losses from
Certified Acts of Terrorism Endorsement" is not attached to this policy, then if
   (a) aggregate insured losses certified under TRIA exceed $100 billion in a Program Year
       (January 1 through December 31); and
   (b) our insurer deductible under TRIA is met,
       we are not liable for such losses that exceed $100 billion.

   In such case insured losses up to that amount will be pro-rated according to the procedures
   established by the Secretary of the Treasury of the United States of America.

All other terms and conditions of this policy remain unchanged.

SCHEDULE

Aggregate Limit: $50,000,000
Annual Additional Premium: $660
Premium Due Hereon: $660

Authorized Representative
MEDICAL SERVICES LIMITATION ENDORSEMENT
(For use with Aircraft Policy AC 102 11-98)

It is understood and agreed that We will not provide insurance nor defense under this policy for claims because of Bodily Injury:

1. Arising from the rendering of any medical or surgical treatments or professional services, by any doctor, nurse or other professional attendant, or the omission of such services or treatments.

2. Arising from the aggravation of any existing injury or condition of any Passenger.

3. To any corpse being carried in the Aircraft, but We will provide insurance and defense for such injury under Property Damage coverage.

4. Caused by or resulting in any manner from the transportation of blood or human organs.

Authorized Representative

Endorsement No. 5

AC 129 (11-98)
NUCLEAR RISK EXCLUSION CLAUSE

(1) This Policy does not provide insurance under any part of this Policy or provide defense under any part of this Policy:

(i) loss of or destruction of or damage to any property whatsoever or any loss or expense whatsoever resulting or arising therefrom or any consequential loss

(ii) any legal liability of whatsoever nature

directly or indirectly caused by or contributed to by or arising from:

(a) the radioactive, toxic, explosive or other hazardous properties of any explosive nuclear assembly or nuclear component thereof;

(b) the radioactive properties of, or a combination of radioactive properties with toxic, explosive or other hazardous properties of, any other radioactive material in the course of carriage as cargo, including storage or handling incidental thereto;

(c) ionizing radiations or contamination by radioactive form, or the toxic, explosive or other hazardous properties of, any other radioactive source whatsoever.

(2) It is understood and agreed that such radioactive material or other radioactive source in paragraph (1)(b) and (c) above shall not include:

(i) depleted uranium and natural uranium in any form;

(ii) radioisotopes which have reached the final stage of fabrication so as to be usable for any scientific, medical, agricultural, commercial, educational, or industrial purpose.

(3) This Policy, however, does not provide insurance or provide defense for loss of or destruction to any property or any consequential loss or any legal liability of whatsoever nature with respect to which:

(i) the Insured under this Policy is also an insured or an additional insured under any other insurance policy, including any nuclear energy liability policy; or

(ii) any person or organization is required to maintain financial protection pursuant to legislation in any country; or

(iii) the Insured under this Policy is, or had this Policy not been issued would be, entitled to indemnification from any government or agency thereof.

(4) Loss, destruction, damage, expense or legal liability in respect of the nuclear risks not excluded by reason of paragraph (2) shall (subject to all other terms, conditions, limitations, warranties and exclusions of this Policy) be covered, provided that:
NUCLEAR RISKS EXCLUSION CLAUSE (CONT'D.)

(i) in the case of any claim in respect of radioactive material in the course of carriage as cargo, including storage or handling incidental thereto, such carriage shall in all respects have complied with the full International Civil Aviation Organization "Technical Instructions for the Safe Transport of Dangerous Goods by Air", unless the carriage shall have been subject to any more restrictive legislation, when it shall in all respect have complied with such legislation;

(ii) this Policy shall only apply to an incident happening during the period of this Policy and where any claim by the insured against Us or by any claimant against the Insured arising out of such incident shall have been made within three years after the date thereof;

(iii) in the case of any claim for the loss of or destruction of or damage to or loss of use of an aircraft caused by or contributed to by radioactive contamination, the level of such contamination shall have exceeded the maximum permissible level set out in the following scale:

<table>
<thead>
<tr>
<th>Emitter</th>
<th>Maximum permissible level of Non-fixed radioactive surface Contamination (Averaged over 300cm²)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beta, gamma and low toxicity alpha emitters</td>
<td>Not exceeding 0.4 Bequerels/cm² (10⁻⁴ microcuries/cm²)</td>
</tr>
<tr>
<td>All Other emitters</td>
<td>Not exceeding 0.4 Bequerels/cm² (10⁻⁵ microcuries/cm²)</td>
</tr>
</tbody>
</table>

(iv) the cover afforded hereby may be cancelled by Us at any time by giving seven days notice of cancellation.

Authorized Representative
DATE RECOGNITION EXCLUSION ENDORSEMENT
(For use with Aircraft Policy AC 102 11-98)

We will not provided insurance under any part of this policy or provided defense under any part of this policy for any claim, damage, injury, loss, cost, expense or liability (whether in contract, tort, negligence, product liability, misrepresentation, fraud or otherwise) of any nature whatsoever arising from or occasioned by or in consequence of (whether directly or indirectly and whether wholly or partly):

(a) the failure or inability of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) accurately or completely to process, exchange or transfer year, date or time data or information in connection with:

- the change of year from 1999 to 2000; and/or
- the change of date from 21 August 1999 to 22 August 1999; and/or
- any other change of year, date or time;

whether on or before or after such change of year, date or time;

(b) any implemented or attempted change or modification of any computer hardware, software, integrated circuit, chip or information technology equipment or system (whether in the possession of the Insured or of any third party) in anticipation of or in response to any such change of year, date or time, or any advice given or services performed in connection with any such change or modification;

(c) any non-use or unavailability for use of any property or equipment of any kind whatsoever resulting from any act, failure to act or decision of the Insured or of any third party related to any such change of year, date or time;

and any provision in this Policy concerning our duty to investigate or defend claims shall not apply to any claims so excluded.

Authorized Representative
DATE RECOGNITION LIMITED COVERAGE ENDORSEMENT
(For use with Aircraft Policy AC 102 11-98)

In consideration of the premium at which this policy is written, it is understood and agreed that the Date Recognition Exclusion Endorsement AC161 (11-98) shall not apply to any coverage provided under:

1. Section Two (Aircraft Physical Damage), of this policy;

2. Section Three (Insurance for Liability to Others) of this policy for;
   (a) accidental Bodily Injury (fatal or otherwise) to Passengers directly caused by an accident to the Aircraft; and/or
   (b) loss of or damage to baggage and personal articles of Passengers, mail and cargo directly caused by an accident to the Aircraft; and/or
   (c) accidental Bodily Injury (fatal or otherwise) or accidental Property Damage directly caused by an accident to the Aircraft or by any person or object falling therefrom;

For the purposes of this paragraph 2, the word "accident" means a sudden event, during the policy period, which is neither expected nor intended by the Named Insured or Anyone We insure under this policy, that involves the Aircraft.

provided that:

1. Coverage provided pursuant to this endorsement shall be subject to all terms, conditions, limitations, warranties, exclusions and cancellation provisions of the policy (except as specifically provided herein), and nothing in this endorsement extends coverage beyond that which is provided by the policy.

2. Nothing in this endorsement shall provided any coverage in respect of grounding of any Aircraft.

3. The Insured recognizes that We consider the information provided by the Insured in the application form, and/or other documentation provided, to be material to our decision to issue this endorsement. The Insured further agrees that it has a continuing obligation to disclose in writing to Us during the policy period any additional material facts relating to the Date Recognition Conformity of the Insured's operations, equipment and products.

Authorized Representative

Endorsement No. 8

AC 162 (11-98)
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT TO INCLUDE COVERAGE FOR CERTIFIED ACTS OF TERRORISM;
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM

This endorsement modifies the insurance coverage provided under your AIRCRAFT POLICY.

1. No exclusion of terrorism contained in this policy applies to a "certified act of terrorism".

2. In the event that:
   
   (a) aggregate insured losses certified under the federal Terrorism Risk Insurance Act (hereafter TRIA) exceed $100 billion in a Program Year (January 1 through December 31); and
   
   (b) our insurer deductible under TRIA is met,

we are not liable for payment in relation to such losses that exceed $100 billion.

In such case insured losses up to that amount will be pro-rated according to the procedures established by the Secretary of the Treasury of the United States of America.

3. "Certified act of terrorism" means an act certified by the Secretary of the Treasury, in concurrence with:

   (a) the Secretary of State; and
   
   (b) the Attorney General of the United States of America,

   to be an act of terrorism pursuant to TRIA.

The criteria for a "certified act of terrorism" include that the act:

A. resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to TRIA; and

B. is a violent act or an act that is dangerous to:

   (a) human life; or
   
   (b) property or infrastructure

   and is part of an effort to:

   (c) coerce the civilian population of the United States of America; or
   
   (d) influence the policy or affect the conduct of the United States Government by coercion.
This Endorsement effective July 1, 2012
forms part of Policy Number AAC N07385110 002
Issued to The California State University and its Auxiliary Organizations
By Westchester Fire Insurance Company

4. Premium:

1. Aircraft Physical Damage (Policy Section Two)
   Annual Not Insured
   Hereon Not Insured

2. Liability To Others (Policy Section Three)
   Annual
   Hereon See Endorsement TRIA 11b

Subject otherwise to all terms and conditions of the Policy to which this endorsement is attached.

Authorized Representative
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DISCLOSURE PURSUANT TO TERRORISM RISK INSURANCE ACT

Disclosure of Premium

In accordance with the federal Terrorism Risk Insurance Act, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under the Terrorism Risk Insurance Act. The portion of your premium attributable to such coverage is shown in this endorsement or in the policy Declarations.

Disclosure Of Federal Participation In Payment Of Terrorism Losses

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 85% of that portion of the amount of such insured losses that exceeds the applicable insurer retention. However, if aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31), the Treasury shall not make any payment for any portion of the amount of such losses that exceeds $100 billion.

Cap On Insurer Participation In Payment Of Terrorism Losses

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed $100 billion in a Program Year (January 1 through December 31) and we have met our insurer deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds $100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Terrorism Risk Insurance Act premium:

Authorized Representative

Encorsement No. 10
TRIA11b (01-08)
POLLUTION ENDORSEMENT

1. SECTION THREE (C) EXCLUSIONS, is amended by deleting exclusion 1. and inserting the following:

1. Noise and pollution and other perils.

This Policy does not cover claims directly or indirectly, occasioned by, happening through, in consequence of:

(a) noise (whether audible to the human ear or not), vibration, sonic boom and any phenomena associated therewith;
(b) "Pollution" or contamination of any kind whatsoever;
(c) electrical or electromagnetic emission or interference of any kind whatsoever;
(d) interference with the use of property;
(e) any direction, obligation, request, demand, order, or statutory or regulatory requirement, or any voluntary decision to do so, that any "insured" or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, protect against or in any other way respond to the actual, alleged or threatened presence of "Pollutants" or "Waste".

unless caused by or resulting in a crash, fire, explosion or collision or a recorded in-flight emergency causing abnormal aircraft operation.

2. SECTION ONE, GENERAL DEFINITIONS, is amended as follows:

a. Definition (D), the definition of "Bodily Injury", shall be amended by adding the following:

"Bodily injury" also means fear of bodily injury, sickness or disease and, if arising out of the foregoing, mental anguish including death resulting therefrom.

b. The following definitions are added:

"Pollution" means the mere presence of "Pollutants" in any form, as well as the actual, alleged or threatened discharge, dispersal, release, escape, seepage, migration or disposal of "Pollutants" in any form.

"Pollutants" include, without limitation, solid, liquid, gaseous or thermal irritants, any air emission, contaminant, smoke, vapor, soot, fume, acid, alkali, chemical, "waste", or any material alleged to be a possible or probable carcinogenic, odor, waste water, oil or other petroleum product, infectious or medical waste, asbestos or asbestos product, fungus (including mold or mildew or any mycotoxin, spore, scent or byproduct produced or released by fungi, other than any fungi intended by the insured for consumption).

"Waste" includes materials to be recycled, reconditioned or reclaimed, whether or not the material has been disposed of by you or any person handling the waste.

All other terms and conditions of this Policy remain unchanged.

Authorized Representative

Endorsement No. 11

AC 168 (11-03) Page 1 of 1
THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

LIMITED TERRORISM COVERAGE ENDORSEMENT

1. Any terrorism exclusion in this policy shall not apply to an "act of terrorism" which:
   (a) results in losses no greater than $5,000,000 in the aggregate, attributable to all types of insurance; and
   (b) is not otherwise excluded by this policy.

2. Additional definition
   "Act of terrorism" means an act that is:
   1. (a) dangerous to human life; or
      (b) property; or
      (c) infrastructure
   2. committed by an individual or individuals, and
   3. seen as part of an effort to:
      (a) coerce a civilian population; or
      (b) influence the policy or affect the conduct of any government by coercion.

Multiple "acts of terrorism" which:
   (a) occur in a seventy-two hour period; and
   which appear to:
   (b) be carried out in concert; or
   (c) have a related purpose; or
   (d) have common leadership
   shall be deemed one "act of terrorism".

All other terms and conditions of this policy remain unchanged.

Authorized Representative

Endorsement No.  12

AC 170 (02-08)  Page 1 of 1  06/14/2012
This Endorsement effective July 1, 2012
forms part of Policy Number AAC N07385110 002
Issued to The California State University and its Auxiliary Organizations
By Westchester Fire Insurance Company

COVERAGE TERRITORY ENDORSEMENT
(For use with Aircraft Policy AC 102 11-98)

It is agreed that the Declarations are amended at Item 12, Territory (Where insurance is provided under this policy), by deleting the words "in the United States of America (excluding Alaska), Canada and Mexico" and replacing them with "anywhere in the world".

All other terms and conditions remain unchanged

Authorized Representative
This Endorsement effective July 1, 2012
forms part of Policy Number AAC N07385110 002
Issued to The California State University and its Auxiliary Organizations
By Westchester Fire Insurance Company

CANCELLATION NOTIFICATION CHANGE ENDORSEMENT

It is understood and agreed that Section One, General Conditions, subsection (I), Cancelling This Policy, is amended by deleting "30" and replacing it with 120 however, this amendment shall not operate to change any provisions of any statutory cancellation requirements unless more beneficial to the Named Insured.

All other terms and conditions remain unchanged

Authorized Representative
LIMITED ENHANCED COVERAGE ENDORSEMENT - CALIFORNIA

In consideration of the premium paid it is agreed that:

1. SECTION ONE, GENERAL DEFINITIONS is amended at subsection (G) "Disappearance", by deleting the number "60" and replacing it with the number "30".

2. The following changes are made to SECTION ONE, GENERAL EXCLUSIONS:
   a. Subsection (A) PILOTS is amended by adding the following:

   However, this exclusion shall not apply to the Named Insured or Anyone We insure under this policy who did not know and reasonably should not have known that the Aircraft was being operated by a pilot who was not so qualified or so certificated, rated and qualified.

3. The following changes are made to SECTION ONE, GENERAL CONDITIONS:
   a. Subsection (E) OUR RIGHT OF RECOVERY is amended by adding the following:

   However, We will not exercise our right of recovery under this provision with respect to any oral agreement between the Named Insured and a hangar or airport manager for the temporary storage or minor servicing of the Aircraft when away from their regular base.
   b. Subsection (I) CANCELLING THIS POLICY is deleted in its entirety.
   c. Subsection (N) INSURANCE FOR NEWLY ACQUIRED AIRCRAFT AND DELETION OF AIRCRAFT is amended as follows:
      1. Part 1.(b) is deleted and replaced with the following:

         (b) We are advised of the acquisition of the new Aircraft within 90 days of the date that it was acquired.

      2. Part 1.(c) is deleted and replaced with the following:

         (c) The newly acquired Aircraft has a maximum seating capacity of no more than 20 total seats including crew.

      3. The words "the highest amount of insurance for an Aircraft shown under Item 9. of the Declarations (description of Aircraft)" are deleted from part 1.(d) and replaced with the following:

         150% of the highest amount of insurance of an Aircraft shown under Item 9. of the Declarations (Description of Aircraft), but in no event greater than $10,000,000.
a. The following new conditions are added:

**AUTOMATIC INCREASE IN AMOUNTS OF INSURANCE AND SEATING CAPACITIES**

We will provide automatic coverage for:

(a) Increases or reductions in Amounts of Insurance to 150% of the highest Amount of Insurance of an Aircraft shown under Item 9. of the Declarations (Description of Aircraft), but in no event greater than $10,000,000.

(b) Increases or decreases in Aircraft Seating Capacity to a maximum of 20 total seats, including crew, any one Aircraft.

However, such changes must be reported to Us within 90 days, and the Named Insured agrees to pay any additional premium or receive return premium which becomes due as consequence of such changes.

**INADVERTENT ERRORS**

The insurance provided by this policy shall not be prejudiced or invalidated by any inadvertent error in the name or description of persons, aircraft, equipment, location or services insured or to be insured, provided that any such error is corrected as soon as it is known by an executive officer or designated risk manager of the Named Insured.

4. **SECTION TWO, AIRCRAFT PHYSICAL DAMAGE** is amended by adding the following to Subsection (B) **DEDUCTIBLE**:

We will not apply any deductible with respect to loss of or damage to an Aircraft due to fire, lightning or theft.

5. **SECTION THREE, INSURANCE FOR LIABILITY TO OTHERS**, is changed as follows:

a. Subsection (A) WHAT WE INSURE is amended by deleting the words "But We will only pay for these claims if they arise from the ownership, maintenance or use of the Aircraft" and replacing them with the following:

But We will only pay for these claims if they arise out of the:

1. Ownership, maintenance or use of the Aircraft;

2. Sale of an Aircraft shown under Item 9. of the Declarations; or

3. Sale of aircraft parts, and, on a non-profit basis, the sale of fuel, oil, food, beverages, accessories, equipment, maintenance or services to someone else in connection with the Named Insured’s aviation operations.

b. Subsection (B) **SPECIAL PROVISIONS** is amended by adding the following new part to provide coverage for Runway Foaming, Search and Rescue:

Runway Foaming, Search and Rescue.
We will pay a maximum of $250,000 each Occurrence for expenses incurred for the use of foam on a runway for an Aircraft insured under this policy. We will also pay a maximum of $1,000,000 each Occurrence for search and rescue operations begun by the Named Insured or Anyone We insure under this policy.

c. Subsection (C) EXCLUSIONS (What we will not pay for) is amended as follows:

1. The following is added to subsection 4. Property:

   Parts (a) and (b) of this exclusion shall not apply to Property Damage to hangars and their contents that you do not own.

2. Parts (a) and (b) of this exclusion shall not apply to:

   Aircraft, while in your care, custody or control, however, this coverage extension does not apply to "property damage" to aircraft:

   (a) you own, rent or lease; or

   (b) on loan to you;

   (c) while "in flight"; or

   (d) for which the Insured is obligated to pay damages due to liability assumed in a contract or agreement. This exclusion does not apply to liability that would have existed in the absence of the contract or agreement.

3. Parts (a) and (b) of this exclusion shall not apply to Property Damage to "cargo" however such coverage as is afforded for property damage to "cargo" does not apply to:

   (a) accounts, deeds, evidences of debt, mail, money, notes, securities, bullion, credit cards;

   (b) furs, fur garments, jewelry, precious stones;

   (c) valuable papers and records, paintings, statuary or other works of art, or other articles of extraordinary value;

   (d) baggage, luggage, wearing apparel or Personal Belongings of Passengers;

   (e) live animals, birds, reptiles, fish or plants;

   (f) any property in storage whether incidental to transportation or not; or

   (g) Property Damage caused by or resulting from:

      (i) delay, loss of market, loss of use, or any consequential loss;

      (ii) gradual deterioration, moths, vermin, inherent vice, marring or scratching;
(iii) misappropriation, secretion, conversion, infidelity or any dishonest act on the part of the Named Insured or Anyone We insure under the Policy or any of the agents or employees of the Named Insured or Anyone We insure under the Policy; or

(iv) any deviation from a contract of affreightment or cost or expense of defending against the same.

d. Subsection 6. Assumed Liability is deleted and replaced with the following:

6. Assumed Liability. This policy does not insure claims, nor provide defense for claims, if, the Named Insured or Anyone We insure under this policy has made an agreement:

(a) which will benefit Passengers, or their heirs; or

(b) which will benefit any manufacturer of an Aircraft; or

(c) with respect to any Occurrence resulting from a major alteration or repair to an Aircraft; or

(d) which is an oral agreement between the Named Insured or Anyone We insure under this policy and another party, unless the agreement is required by statute or ordinance or by any rule or regulation made by a federal, state, county or municipal authority as a condition of use of any airport that pertains to the temporary storage or minor servicing of an Aircraft when away from its regular base.

But this exclusion does not apply to legal liability which would have existed whether or not the agreement was executed.

With respect to agreements that are not excluded by this exclusion 6., any agreement entered into (except for the use of an airport or facilities at an airport) must be forwarded to Us within 30 days after receipt by the Named Insured or the Named Insured's representative, but inadvertent failure to forward such agreement within the aforesaid time frame will not invalidate coverage hereunder, provided that it is corrected and forwarded to Us as soon as the inadvertent failure is known by an executive officer or designated risk manager of the Named Insured.

e. Subsection (E) INSURED'S DUTIES is deleted and replaced with the following:

(E) DUTIES OF THE NAMED INSURED OR ANYONE WE INSURE UNDER THIS POLICY: In the event of an Occurrence, the Named Insured or Anyone We insure under this policy must:

1. immediately notify Us at Our address, which is shown in Item 1(A) of the Declaration; this notice must identify the Named Insured, and contain details of the Occurrence including the time, place and circumstances and the names and addresses of any injured people and witnesses.
2. If claim is made or suit is filed against the Named Insured or Anyone We insure under this policy, the person or organization insured must immediately notify Us by telephone, e-mail or facsimile transmission and forward the suit or claim and any demand, notice summons, or other legal document to Us at Our address, which is shown in Item 1 (A) of the Declarations.

f. The insurance provided by Coverage A will also apply to those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" and "property and damage" caused by an "occurrence" arising out of the insured's ownership, maintenance or use of "mobile equipment". The insurance provided by this sub-paragraph 2.e. will be excess over any other insurance available to the Insured.

g. The terms and conditions of the U.S. Department of Defense's Use of Military Installations Form DD 2400 endorsement are incorporated herein by reference.

h. For purposes of this endorsement and Policy, "cargo" means the property of others, including mail, which is to be transported in the "aircraft". Coverage for cargo:

   (a) begins at the time you, or your agent, accept the cargo; and

   (b) continues until the cargo reaches its final destination or is transferred to a succeeding carrier or its agents, whichever comes first.

i. Under Section Three, Coverage E. Medical Payments is changed to read as follows:

Coverage E pays for all reasonable medical and funeral expenses incurred by Passengers of the Aircraft or arising out of your ownership, maintenance, use or provision of premises in connection with your aircraft operations, but only if the expenses are incurred within a period of one year from the date of the Occurrence. The maximum amount We will pay for each person is shown under "each person" in Item 8.E. of the Declarations (medical payment). The maximum amount We will pay, as respects passengers of the aircraft, in Item 8.E. of the Declarations (medical payment), for "each Occurrence" is shown under "each Occurrence".

All other terms, conditions and exclusions of this Policy remain unchanged.

Authorized Representative

Endorsement No. 15
AC 1200-CA (05-10)
TRADE OR ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the AIRCRAFT POLICY.

This insurance does not apply to the extent that trade or economic sanctions or other laws or regulations prohibit us from providing insurance, including, but not limited to, the payment of claims.

All other terms and conditions of the policy remain unchanged.

Authorized Representative
CALIFORNIA CHANGES - CANCELLATION AND NONRENEWAL

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

A. Section (I) of the General Conditions is replaced by the following:

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.

2. All Policies In Effect For 60 Days Or Less

   If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

   a. 10 days before the effective date of cancellation if we cancel for:

      (1) Nonpayment of premium; or

      (2) Discovery of fraud or material misrepresentation by:

      (a) Any insured or his or her representative in obtaining this insurance; or

      (b) You or your representative in pursuing a claim under this policy.

   b. 30 days before the effective date of cancellation if we cancel for any other reason.

3. All Policies In Effect For More Than 60 Days

   a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

      (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.

      (2) Discovery of fraud or material misrepresentation by:

      (a) Any insured or his or her representative in obtaining this insurance; or

      (b) You or your representative in pursuing a claim under this policy.

      (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal having as one of its necessary elements an act which materially increases any of the risks insured against.
(4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.

(5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.

(6) A determination by the Commissioner of Insurance that the:

(a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or

(b) Continuation of the policy coverage would:
   (I) Place us in violation of California law or the laws of the state where we are domiciled; or
   (II) Threaten our solvency.

(7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.

b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:

(1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a. (1) or 3.a.(2); or

(2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro-rata. The cancellation will be effective even if we have not made or offered a refund.

6. If notice is mailed, proof of mailing will be sufficient proof of notice.
This Endorsement effective July 1, 2012
forms part of Policy Number AAC N07385110 002
Issued to The California State University and its Auxiliary Organizations
By Westchester Fire Insurance Company

B. The following is added and supersedes any provisions to the contrary:

NONRENEWAL

1. Subject to the provisions of Paragraph B.2. below, if we elect not to renew this policy, we will mail or deliver

written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

2. We are not required to send notice of nonrenewal in the following situations:

a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph B.1.

c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.

d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.

e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.

f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph B.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

Authorized Representative
Coverage Summary

Coverage: Public Entity Physical Damage Program

Coverage Period: July 1, 2012 - July 1, 2013

Policy No.: WV0000317

Insurer: Beazley Lloyd’s Syndicate 2623 (82%) Lloyd’s Syndicate 623 (18%)

A.M. Best Rating: A,XV

Named Covered Entity: California State University Risk Management Authority
( Fixture members list is on file with the Company)

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

Coverage: All Risk equipment floater including earthquake and flood for
equipment/vehicles on file with the company

Perils Insured: All risks of direct physical loss or damage from any external cause,
including general average and salvage charges, except as excluded.

Perils Excluded:
- Loss of use
- Loss or damage to equipment while waterborne
- Wear and tear, insects/vermin, mechanical breakdown
- Infidelity of insured’s employees
- Equipment which the insured has loaned
- Unexplained or mysterious disappearance
- Nuclear reaction or nuclear radiation
- Hostile or warlike actions
- Terrorism

Limit of Liability: As per individual member schedule as part of the policy

Deductible: Per schedule on file

Valuation:
In the event of a loss, the least of the following:
A. The actual adjusted amount of loss, less applicable deductible(s).
B. The replacement cost of the equipment, or any part thereof, and
   intended for similar use of equipment of like kind and quality, less
   applicable deductible(s).
C. An amount no greater than 120% of the total stated value for the
   property involved, as shown on the schedule of equipment on file
   with the Company, less applicable deductible(s).

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance
nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
D. Full replacement cost (new vehicle) for vehicles purchased within the last three years, less applicable deductible(s).

Claims Reporting:

Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111-5101

Elaine Kim
Tel: (415) 403-1458
Fax: (415) 403-1466
E-mail: ekim@alliantinsurance.com

Beazley USA Services, Inc.
141 Tremont Street – Suite 1200
Boston, MA 02111

Attn: Claims Manager
Tel: 617.239.2600
Fax: 617.239.2659
California State University Risk Management Authority

Western States Public Entity Physical Damage Program

Policy Number: WV 0000317
Policy Term: 07/01/2012 – 07/01/2013

Broker:
Alliant Insurance Services, Inc.
100 Pine Street, 11th Floor
San Francisco, CA 94111
(415) 403-1400
Certificate
of
Beazley Insurance Services
101 California St Ste 1850
San Francisco, CA 94111
CA Lic. #0G55497
U.S.A.

(hereinafter called “Correspondent”)
Evidencing Placement of Insurance with certain
UNDERWRITERS AT LLOYD'S, LONDON

Correspondent hereby certifies that insurance as described herein has been effected with certain Underwriters at Lloyd's, London.

NOTICE:

1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.

2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.

3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.

4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.
5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE: WWW.INSURANCE.CA.GOV.

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

Such insurance has been placed in accordance with the limited authorization granted to the Correspondent by certain Underwriters at Lloyd’s, London, whose syndicate numbers and the proportions underwritten by them can be ascertained from the office of the said Correspondent (such Underwriters being hereinafter called "Underwriters") and in consideration of the premium specified herein, Underwriters have agreed to bind themselves severally and not jointly each for his own part and not one for another, their Executors and Administrators.

The Assured is requested to read this Certificate and if it is not correct, return it immediately to the Correspondent for appropriate alteration.
CERTIFICATE PROVISIONS

1. **Signature Required.** This Certificate shall not be valid unless signed by the Correspondent on the attached Declaration Page.

2. **Correspondent Not Insurer.** The Correspondent is not an Insurer of the insurance described herein and neither is nor shall be liable for any loss or claim whatsoever. The Insurers of such insurance are those Underwriters at Lloyd's, London, whose names can be ascertained as hereinbefore set forth. As used in this Certificate "Underwriters" shall be deemed to include incorporated as well as unincorporated persons or entities that are Underwriters at Lloyd's, London.

3. **Cancellation.** If the insurance described herein provides for cancellation and if said insurance is cancelled after the inception date, earned premium must be paid for the time the insurance has been in force.

4. **Service of Suit Clause.** In the event of the failure of Underwriters to pay any amount claimed to be due under the insurance described herein, Underwriters have agreed that, at the request of the Assured, they will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States. In any suit instituted against any one of them upon the insurance described herein, Underwriters have agreed to abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

Underwriters have further agreed that service of process in such suit may be made upon the firm or person named in item 6 on the attached Declaration Page. Underwriters have agreed that such firm or person is authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Assured to give a written undertaking to the Assured that they will enter a general appearance upon Underwriters' behalf in the event that such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters have designated the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Assured or any beneficiary arising out of the insurance described herein, and have designated the above-mentioned as the person to whom the said officer is authorized to mail such process or true copy thereof.

5. **Assignment.** The insurance described herein shall not be assigned either in whole or in part without the written consent of the Correspondent endorsed hereon.

6. **Attached Conditions Incorporated.** The insurance described in this Certificate is subject to all provisions, conditions and warranties set forth herein, attached, or endorsed, all of which are to be considered incorporated herein as further descriptive of the insurance the placement of which is evidenced by this Certificate.

7. **Short Rate Cancellation.** If the attached provisions provide for cancellation, the table below will be used to calculate the short rate proportion of the premium when applicable under the terms of cancellation. Premiums for cancellations pursuant to Paragraph 6 of the Notice on page 1 of this Certificate will be prorated.

**Short Rate Cancellation Table For Term of One Year.**

<table>
<thead>
<tr>
<th>Days Insurance in Force</th>
<th>Per Cent of one year Premium</th>
<th>Days Insurance in Force</th>
<th>Per Cent of one year Premium</th>
<th>Days Insurance in Force</th>
<th>Per Cent of one year Premium</th>
<th>Days Insurance in Force</th>
<th>Per Cent of one year Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
A. If insurance has been in force for one year or less, apply the short rate table for annual insurance to the full annual premium determined as for insurance written for a term of one year.

B. If insurance has been in force for more than one year:
1. Determine full annual premium as for insurance written for a term of one year.
2. Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the policy was written.
3. Add premium produced in accordance with items (1) and (2) to obtain earned premium during full period insurance has been in force.

8. The Certificate is intended for use as evidence of the placement of the insurance described herein, in accordance with Section 1764 of the California Insurance Code.

9. It is hereby understood and agreed that wherever the word “Policy” appears herein it shall be deemed to read “Certificate”

10. Cancellation. Notwithstanding any cancellation provisions within this Certificate it is hereby noted and agreed that should a minimum earned premium percentage be shown in the declarations of this Certificate, then the Underwriters shall retain as a minimum such percentage of premium stated.

11. Complaints Procedure. If you have a complaint with any aspect of your policy with Lloyd’s Underwriters: You may contact the broker/agent who arranged your policy for you. Should you be dissatisfied with the outcome of your broker’s resolution, please submit your written complaint to:

Beazley USA Services Inc.
141 Tremont Street - Suite 1200,
Boston
MA 02111
U.S.A.

12. Law and Jurisdiction. This Insurance shall be governed by the laws of California and subject to the exclusive jurisdiction of the courts of USA per the Service of Suit Clause contained herein.

13. Conformity to statute. Any terms of this Certificate which may conflict with applicable statutes (or statutes deemed applicable by a court of competent jurisdiction) are amended to conform with the minimum requirements of such statutes.

14. Conformity. It is hereby noted and agreed that wherever the words “Assured” and “Insured” appear in this Certificate they shall be deemed to be synonymous.

It is hereby noted and agreed that wherever the words “Underwriters”, “Insurers,” “Company” appear in this Certificate they shall be deemed to be synonymous

It is hereby noted and agreed that wherever the term “we”, “us” and “our” appears herein, same shall be deemed to read “Insurers”

It is hereby noted and agreed that wherever the term “you” or “your” appears herein, same shall be deemed to read “the Insured”

Insurance is effective with certain UNDERWRITERS AT LLOYD’S, LONDON
percentage: 100%
GENERAL COVER DECLARATIONS PAGE

The Coverholder: Beazley Insurance Services  
101 California Street Suite 1850  
San Francisco, CA 94111  
CA Lic.# OG55497  
Send correspondence to the above address

The Producer: Alliant Specialty Insurance Service  
100 Pine St 11th FL  
San Francisco, CA 94111

Policy Number: WV0000317  
Renewal of WV0000217  
Attaching to Binder: B6012BUSA12

Insured’s Name and Address:  
California State University Risk Management Authority  
c/o Alliant Specialty Insurance Services, Inc.  
100 Pine St, 11th FL  
San Francisco, CA 94111

Policy Period: From: July 1, 2012  
To: July 1, 2013  
at 12:01 A.M. Standard Time at place of issuance

PERILS INSURED AGAINST:  
All Risk Equipment Floater including Earthquake and Flood

PREMIUM:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Policy Premium</td>
<td>$7</td>
</tr>
<tr>
<td>Certified Acts of Terrorism (TRIA 2007)</td>
<td>$8</td>
</tr>
<tr>
<td></td>
<td>$10</td>
</tr>
<tr>
<td></td>
<td>$20</td>
</tr>
<tr>
<td></td>
<td>$30</td>
</tr>
<tr>
<td>Total Premium for above stated Policy Period</td>
<td>$70</td>
</tr>
</tbody>
</table>

Claims: In case of loss, please refer notice immediately to:  
Claims Manager  
Beazley USA Services Inc.  
141 Tremont Street Suite 1200  
Boston, MA 02111  
Telephone: 617-239-2600  
Fax: 617-239-2659

Terms and Conditions Applicable: See SF C 423 01 11 Supplemental Dec Page and /or FS C 424 Schedule of Forms as attached.

This contract is subject to US state surplus lines requirements. It is the responsibility of the surplus lines broker to affix a surplus lines notice to the contract document before it is provided to the insured. In the event that the surplus lines notice is not affixed to the contract document the insured should contact the surplus lines broker.

This Declaration, together with Policy jacket, the above policy wording and endorsements, issued to form a part thereof, completes the above numbered policy.

Signed:  
Correspondent

Date Issued: July 30, 2012  
Date Invoiced: June 29, 2012
SUPPLEMENTAL DECLARATIONS PAGE

POLICY NO.  WV0000317

POLICY PERIOD

July 1, 2012 TO July 1, 2013

NAMED INSURED

California State University Risk Management Authority
c/o Alliant Specialty Insurance Services, Inc
100 Pine St, 11th FL
San Francisco, CA 94111

DESCRIPTION OF PREMISES

<table>
<thead>
<tr>
<th>Prem. No./Bldg. No.</th>
<th>Location</th>
<th>Construction</th>
<th>Occupancy</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

Per Schedule of Vehicles & Related Equipment

COVERAGES PROVIDED

Insurance at the Described Premises applies only for Coverages for which a Limit of Insurance is shown

<table>
<thead>
<tr>
<th>Prem. No./Bldg. No.</th>
<th>Coverage</th>
<th>Limit of Insurance</th>
<th>Covered Causes of Loss</th>
<th>Coinsurance*</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Per Schedule of Vehicles &amp; Related Equipment</td>
<td>Per Schedule of Vehicles &amp; Related Equipment</td>
<td>FS D 001 07 09</td>
<td>N/A</td>
<td>as agreed</td>
</tr>
</tbody>
</table>

All Risk Equipment Floater including Earthquake & Flood

SUB-LIMITS:

☐ As per Schedule on File with the Underwriter

*If Extra Expense Coverage Limits on Loss Payment

OPTIONAL COVERAGES

Applicable only when entries are made in the Schedule below

<table>
<thead>
<tr>
<th>Prem. No/ Bldg. No.</th>
<th>Agreed Value Exp. Date</th>
<th>Amount</th>
<th>Replacement Cost Building</th>
<th>Personal Property</th>
<th>Including Stock</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
<td>Per Schedule of Vehicles &amp; Related Equipment</td>
<td>N/A</td>
</tr>
</tbody>
</table>

*Monthly Limit of Indemnity (Fraction):
*Maximum Period of Indemnity (X):
*Extended Period of Indemnity (Days):

* Applies to Business Income Only
### MORTGAGEHOLDERS

<table>
<thead>
<tr>
<th>Prem. No.</th>
<th>Bldg. No.</th>
<th>Mortgage Holder Name And Mailing Address</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>per form FS C 411 04 09</td>
</tr>
</tbody>
</table>

### DEDUCTIBLE

Per Schedule of Vehicles and Related Equipment

### POLICY FORM CHANGES

### FORMS APPLICABLE

See FS C 424 Schedule of Forms Attached
## Schedule of All Forms and Endorsements

**Named Insured:** California State University Risk Management Authority  
**Policy Number:** WV0000317  
**Effective Date:** July 1, 2012

<table>
<thead>
<tr>
<th>FORM NUMBER</th>
<th>FORM NAME</th>
</tr>
</thead>
<tbody>
<tr>
<td>LMA 3102 (amended)</td>
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</table>
**All Risks Equipment Floater**

**Equipment Insured:** This policy covers the Fire Safety Apparatus, Public Works Equipment, and other Mobile Equipment including machinery, equipment, tools, suppliers, radio/TV equipment and other equipment of a similar nature usual to the use of such equipment by the Insured, as per the Schedule of Equipment.

**Substitute equipment Insured:** This policy covers substitute equipment of a similar nature intended for similar use, not owned by the Insured, owned by others for which the Insured is legally liable or has assumed liability prior to loss.

**Additionally acquired equipment:** This policy is extended to cover additionally acquired equipment valued at not more than $250,000. This coverage shall cease forty five (45) days from the acquisition is reported to this Underwriter, whichever occurs first.

**Limits of Liability:** Per Schedule of Equipment contained in this Policy.

**Deductable:** The amount shown on the Schedule of Equipment will be deducted from the loss amount of each item, subject to a maximum of three deductibles for any one occurrence.

**Valuation:** The premium for this policy is based upon the Schedule of Equipment. In the event of loss hereunder, liability of the Underwriter shall be limited to the least of the following:

A. The actual adjusted amount of loss, less applicable deductible(s).

B. The replacement cost of the equipment, or any part thereof, and intended for similar use with equipment of like kind and quality, less applicable deductible(s).

C. An amount no greater than 120% of the total stated value for the property involved, as shown on the Schedule of Equipment, less applicable deductibles.

D. Full replacement cost (new vehicle) for vehicles purchased new within the last three years, less applicable deductible(s).

**Perils Insured:** This policy insures against all risks of direct physical loss or damage from any external cause, including general average and salvage charges.

**Perils Excluded:** This policy does not insured against:

A. Loss of use or consequential loss of any kind;
B. Loss or damage to equipment while waterborne except while in transit by public carriers for hire;

C. Loss, damage or expense caused by or resulting from wear and tear, gradual deterioration, depreciation, insects, vermin, mechanical breakdown or failure, inherent vice, latent defected;

D. Loss or damage resulting from infidelity of the Insured’s employees or persons to whom the Insured property may be entrusted;

E. Loss or damage to equipment which the Insured has loaned (except for mutual aid to another Public entity), rented, hired or leased to others unless otherwise endorsed hereon;

F. Unexplained or mysterious disappearance; or shortage disclosed upon taking inventory.

G. Loss by nuclear reaction or nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by the peril(s) Insured against in this policy; however, subject to the foregoing and all provisions of this policy, direct loss by fire resulting from nuclear reaction or nuclear radiation or radioactive contamination is Insured against by this policy.

H. Loss or damage caused by or resulting from:

   (1) Hostile or warlike action in time of peace or war, including action in hindering, combating or defending against an actual, impending, or expected attack, (a) by any government or sovereign power (de jure or de facto), or by authority maintaining or using military, navel, or air forces; or (b) by an agent or any such government, power, authority forces;

   (2) Any weapon or war employing atomic fission or radioactive force whether in time of peace or war;

   (3) Insurrection, rebellion, revolution, civil war, usurped power, or action taken by governmental authority in hindering, combating or defending against such an occurrence, seizure or destruction under quarantine or Customs regulations, confiscation by order of any government or public authority, or risks of contraband or illegal transportation or trade.

Settlement of Loss: All adjusted claims shall be paid or made good to the Insured within sixty (60) days after presentation and acceptance of satisfactory proof of interest and loss at the office of the Underwriter.

No reduction in amount of Insurance: The amount of insurance and the applicable limit of liability shall not be reduced by the amount of any loss covered hereunder.
Protection of Equipment: In case of loss, it shall be lawful and necessary for the Insured, his or their factors, servants and assigns, to sue, labour and travel for, in and about the defence, safeguard and recovery of the equipment insured hereunder, or any part thereof, without prejudice to this insurance, nor shall the acts of the Insured or the Underwriter, in recovering, saving and preserving the equipment insured in case of loss be considered a waiver or and acceptance of abandonment. The expenses so incurred shall be borne by the Insured and the Underwriter proportionately to the extent of their respective interests.

Appraisal: If the Insured and the Underwriter fail to agree as to the amount of loss, each shall on the written demand of either, made within sixty (60) days after receipt of proof of loss by the Underwriter, select a competent and disinterested appraiser, and the appraisal shall be made at a reasonable time and place. The appraisers shall first select a competent and disinterested Umpire, and failing for fifteen (15) days to agree upon such Umpire, then, on request of the Insured or the Underwriter, such Umpire, shall be selected by a judge of a court of record in the state in which such appraisal is pending. The appraisers shall then appraise the loss, stating separately the value at the time of loss and the amount of loss and failing to agree shall submit their differences to the Umpire. An award in writing of any two shall determine the amount of loss.

The Insured and the Underwriter shall each pay his or its chosen appraiser and shall bear equally the other expenses of the appraisal and Umpire. The Underwriter shall not be held to have waived any of its rights by any act relating to appraisal.

Other Insurance: If at any time of loss or damage there is available to a named or unnamed Insured of any other interested party, any other valid and collectible insurance which would apply in the absence of this policy, the insurance under this policy shall apply only as excess over such other insurance.

Territorial Limits: This insurance covers only within the limits of the Continental United States (excluding Alaska)

Cancellation: Sixty (60) days prior notice shall be mailed to the Named Insured in the event of cancellation by the Underwriter, unless in the case of non payment of premium, ten (10) days notice of cancellation will be given.

Abandonment: There can be no abandonment of any property to Underwriters

Duties in the event of Loss: In the event of a loss for which the Insured seeks coverage under this policy, the Insured shall:

1. Notify the policy if a law may have been broken.
2. Give the Underwriter prompt notice of the “loss”. Include a description of the property involved.
3. As soon as possible provide the Underwriter with a description of how, when and where the loss occurred.
4. Take all reasonable steps to protect the Insured property from further loss or damage. If feasible, set the damaged property aside and keep in the best possible order for examination. Also keep a record of the Insured’s expenses for consideration in settlement of the claim.

5. Make no statement that will assume any obligation or admit any liability, for any loss for which Underwriters may be liable, without Underwriters consent.

6. Permit Underwriters to inspect the property and records proving the loss.

7. If requested permit Underwriters to question the Insured under oath, at such times as may be reasonably required, about any matter relating to the insurance or your claim, including your books and records. In such event, your answers must be signed.

8. Within 60 days of the underwriters request the Insured shall provide the Underwriters with a signed, sworn statement of loss containing the information Underwriters request to settle the claim. Underwriters will supply the necessary forms.

9. Promptly send Underwriters any legal papers or notices received concerning the loss.

10. Co-operate with Underwriters in the investigation or settlement of the claim.

**Recoveries:** Any recovery or salvage on a “loss” will accrue entirely to the Underwriters benefit until the sum paid by the Underwriter has been made up.

**Transfer of Rights of Recovery Against Other to Underwriters:** If any person or organization to or for whom the Underwriter makes payment under this insurance has rights to recover damages from another, these rights are transferred to the Underwriter. That person or organization must do everything necessary to secure the Underwriters rights and must do nothing after “loss” to impair them.

**Concealment, Misrepresentation or Fraud:** This Coverage Part is void in any cases of fraud by the Insured relating to it. It is also void if the Insured intentionally conceal or misrepresent a material fact concerning:

1. This Coverage Part:
2. The Covered Property; or
3. Your Interest in the Covered Property

**No Benefit to Bailee:** No person or organization other than the Insured having custody of Covered Property, will benefit from this Insurance.

**Policy Period:** The Underwriter covers “loss” commencing during the policy period shown in the Declarations.
This endorsement is subject to all terms and conditions of the Policy to which it attaches.

Temporary Transportation Rental Expense

This Policy is extended to pay $100 per day up to a maximum limit of USD $2,000 for the temporary transportation rental expense incurred by the Insured because an Insured vehicle is disabled due to loss covered by this Policy. Underwriters will pay only for such expenses if you do not have idle vehicles capable of performing similar functions of the disabled vehicle. Underwriters will commence payment incurred during the period beginning 48 hours after the insured loss and ending, regardless of the Policy’s expiration, when the covered vehicle is repaired, returned to service or Underwriters pay for its loss. The limit of Insurance applicable to this extension is in addition to the limit applicable to the Insured vehicle.
In consideration of the premium charged and subject to the terms, exclusions, limits and conditions of the policy to which this endorsement is attached and to the provisions contained within this endorsement, it is agreed that the following additional conditions are added to this policy.

A. Loss Payee(s)

The provisions contained within this item A. only apply to property where the additional interest is specified as that of Loss Payee in item C. below. As respects insured property in which both the Insured and the Loss Payee specified in item C. below have an insurable interest, in the event of physical loss or damage covered by this policy the company will:

1. adjust losses with the Insured; and

2. pay any claim for loss or damage as covered by this policy jointly to the Insured and the specified Loss Payee, as their interest may appear.

B. Lenders Loss Payee(s)

The provisions contained within this item B. only apply to property where the additional interest is specified as that of Lender’s Loss Payee in item C. below. Each Lender’s Loss Payee so specified is a creditor, including a mortgage holder or trustee, whose interest in insured property is established by such written instruments as warehouse receipts, contracts for deed, bills of lading, financing statements, mortgages, deeds of trust or security arrangements.

In the event of loss or damage to such insured property in which the Insured and the specified Lender’s Loss Payee have an insurable interest, the following provisions apply:

1. the company will pay any claim for loss or damage as covered by this policy to each Lender’s Loss Payee in their order of precedence, as their interests may appear;

2. the Lenders Loss Payee has the right to receive such loss payment even if the Lender’s Loss Payee has started foreclosure or similar action on the insured property;

3. if the company denies the Insured’s claim because of the Insured’s acts or because the Insured has failed to comply with the terms of this policy, the Lender’s Loss Payee will still have the right to receive loss payment if the Lender’s Loss Payee:

   a. pays any premium due under this policy at the company’s request, if the Insured has failed to do so;

   b. submits a signed, sworn proof of loss within sixty (60) days after receiving notice from the company of the Insured’s failure to do; and

   c. has notified the company of any change in ownership, occupancy or substantial change in risk known to the Lender’s Loss Payee;
LOSS PAYEE/LENDER’S LOSS PAYEE ENDORSEMENT

4. If the company pays the Lender’s Loss Payee for any loss or damage to insured property covered under this policy and denies payment to the Insured because of the Insured’s acts or because the Insured has failed to comply with the terms of this policy:

   a. the Lender’s Loss Payee’s rights will be transferred to the company to the extent of the amount the company pays;

   b. the Lender’s Loss Payee’s rights to recover the full amount of the Lender’s Loss Payee’s claim will not be impaired; and

   c. at the company’s option, the company may pay to the Lender’s Loss Payee the whole principal on the debt plus any accrued interest; in this event, the Insured will pay the Insured’s remaining debt to the company.

If the company cancels this policy, the company will give written notice to the Lender’s Loss Payee at least ten (10) days before the effective date of cancellation if the company cancels for non-payment of premium, or thirty (30) days before the effective date of cancellation if the company cancels for any other reason.

C. Schedule of Loss Payees/Lender’s Loss Payees

<table>
<thead>
<tr>
<th>Location #</th>
<th>Bldg. #</th>
<th>Additional Interest</th>
<th>Loss Payee (name, address, loan number)</th>
<th>Lender’s Loss Payee (indicated by X below)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Schedule of Vehicles and Related Equipment</td>
<td>N/A</td>
<td>Per Schedule of Vehicles &amp; Related Equipment</td>
<td>Haaker Equipment Company 2070 N, White Avenue La Verne, CA 917850</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>A-Z Resources, LLC its Successors &amp; Assigns 10370 Hemet Street, Suite 350 Riverside, CA 92503</td>
<td>X</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Mears Motor Leasing The Bancorp Bank 3905 El Rey Road Orlando, FL 32808</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Enterprise Holdings, Inc., its Subsidiary &amp; Affiliated Companies, LLC and Enterprise FM Trust P. O. Box 16805 St. Louis, MO 63105</td>
<td>X</td>
</tr>
</tbody>
</table>

Nothing herein contained shall be held to vary, alter, waive or extend any of the terms, conditions, or limitations of the policy to which this endorsement is attached other than as above stated.
LLOYD’S PRIVACY POLICY STATEMENT

UNDERWRITERS AT LLOYD’S, LONDON

The Certain Underwriters at Lloyd's, London want you to know how we protect the confidentiality of your non-public personal information. We want you to know how and why we use and disclose the information that we have about you. The following describes our policies and practices for securing the privacy of our current and former customers.

INFORMATION WE COLLECT

The non-public personal information that we collect about you includes, but is not limited to:

- Information contained in applications or other forms that you submit to us, such as name, address, and social security number
- Information about your transactions with our affiliates or other third-parties, such as balances and payment history
- Information we receive from a consumer-reporting agency, such as credit-worthiness or credit history

INFORMATION WE DISCLOSE

We disclose the information that we have when it is necessary to provide our products and services. We may also disclose information when the law requires or permits us to do so.

CONFIDENTIALITY AND SECURITY

Only our employees and others who need the information to service your account have access to your personal information. We have measures in place to secure our paper files and computer systems.

RIGHT TO ACCESS OR CORRECT YOUR PERSONAL INFORMATION

You have a right to request access to or correction of your personal information that is in our possession.

CONTACTING US

If you have any questions about this privacy notice or would like to learn more about how we protect your privacy, please contact the agent or broker who handled this insurance. We can provide a more detailed statement of our privacy practices upon request.

06/03

LSW1135B
Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:

**MICROORGANISM EXCLUSION (ABSOLUTE)**

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

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

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

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

14/09/2005
LMA5018
Form approved by Lloyd’s Market Association
Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:

**ASBESTOS ENDORSEMENT**

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

- fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.

2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.

3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.

4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:
   
   (i) any faults in the design, manufacture or installation of the asbestos;

   (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005
LMA5019
Form approved by Lloyd’s Market Association
U.S.A. & CANADA

LAND, WATER AND AIR EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure land (including but not limited to land on which the insured property is located), water or air, howsoever and wherever occurring, or any interest or right therein.

SEEPAGE AND/OR POLLUTION AND/OR CONTAMINATION EXCLUSION

Notwithstanding any provision to the contrary within the Policy of which this Endorsement forms part (or within any other Endorsement which forms part of this Policy), this Policy does not insure:

(a) any loss, damage, cost or expense, or

(b) any increase in insured loss, damage, cost or expense, or

(c) any loss, damage, cost, expense, fine or penalty, which is incurred, sustained or imposed by order, direction, instruction or request of, or by any agreement with, any court, government agency or any public, civil or military authority, or threat thereof, (and whether or not as a result of public or private litigation),

which arises from any kind of seepage or any kind of pollution and/or contamination, or threat thereof, whether or not caused by or resulting from a peril insured, or from steps or measures taken in connection with the avoidance, prevention, abatement, mitigation, remediation, clean-up or removal of such seepage or pollution and/or contamination or threat thereof.

The term "any kind of seepage or any kind of pollution and/or contamination" as used in this Endorsement includes (but is not limited to):

(a) seepage of, or pollution and/or contamination by, anything, including but not limited to, any material designated as a "hazardous substance" by the United States Environmental Protection Agency or as a "hazardous material" by the United States Department of Transportation, or defined as a "toxic substance" by the Canadian Environmental Protection Act for the purposes of Part II of that Act, or any substance designated or defined as toxic, dangerous, hazardous or deleterious to persons or the environment under any other Federal, State, Provincial, Municipal or other law, ordinance or regulation; and

(b) the presence, existence, or release of anything which endangers or threatens to endanger the health, safety or welfare of persons or the environment.
DEBRIS REMOVAL ENDORSEMENT

THIS ENDORSEMENT CONTAINS PROVISIONS WHICH MAY LIMIT OR PREVENT RECOVERY UNDER THIS POLICY FOR LOSS WHERE COSTS OR EXPENSES FOR DEBRIS REMOVAL ARE INCURRED.

Nothing contained in this Endorsement shall override any Seepage and/or Pollution and/or Contamination Exclusion or any Radioactive Contamination Exclusion or any other Exclusion applicable to this Policy.

Any provision within this Policy (or within any other Endorsement which forms part of this Policy) which insures debris removal is cancelled and replaced by the following:

1. In the event of direct physical damage to or destruction of property, for which Underwriters hereon agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay (hereinafter referred to as "Damage or Destruction"), this Policy also insures, within the Sum Insured, subject to the limitations and method of calculation below, and to all the other terms and conditions of the Policy, costs or expenses;

   (a) which are reasonably and necessarily incurred by the Assured in the removal, from the premises of the Assured at which the Damage or Destruction occurred, of debris which results from the Damage or Destruction; and

   (b) of which the Assured becomes aware and advises the amount thereof to Underwriters hereon within one year of the commencement of such Damage or Destruction.

2. In calculating the amount, if any, payable under this Policy for loss where costs or expenses for removal of debris are incurred by the Assured (subject to the limitations in paragraph 1 above):

   (a) the maximum amount of such costs or expenses that can be included in the method of calculation set out in (b) below shall be the greater of US$25,000 (twenty-five thousand dollars) or 10% (ten percent) of the amount of the Damage or Destruction from which such costs or expenses result; and

   (b) the amount of such costs or expenses as limited in (a) above shall be added to:

( i) the amount of the Damage or Destruction; and

( ii) all other amounts of loss, which arise as a result of the same occurrence, and for which Underwriters hereon also agree to pay, or which but for the application of a deductible or underlying amount they would agree to pay; and

the resulting sum shall be the amount to which any deductible or underlying amount to which this Policy is subject and the limit (or applicable sub-limit) of this Policy, shall be applied.
1. Electronic Data Exclusion

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

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

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

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

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

Listed Perils

Fire
Explosion

2. Electronic Data Processing Media Valuation

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

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.
TERRORISM EXCLUSION ENDORSEMENT

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

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

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

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

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

NMA2920

08/10/2001
Notwithstanding any provision to the contrary within this Policy or any endorsement thereto, it is understood and agreed the following applies to this Policy:

**BIOLOGICAL OR CHEMICAL MATERIALS EXCLUSION**

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.

06/02/03
NMA2962
U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for “insured losses” directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended (“TRIA”) and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5092
21 December 2007
Your Campus is not currently participating in this Program for the 2012-2013 policy period.

Please contact Alliant Insurance Services if you have any questions.
This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
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IV. **Coverage Definitions and Claims Examples**

This summary of the policy terms is provided for information only. It does not convey any rights upon the insurance nor alter its condition for coverage. Please refer to the actual policy for full disclosure of the policy terms.
I. Owner Controlled Insurance Program

A. COMMERCIAL GENERAL LIABILITY

Policy #: A1LG57091100
Old Republic General Insurance Corp (A IX)
December 31, 2011 – December 31, 2014 (Program Period)
December 31, 2011 – December 31, 2012 (Current Policy Period)

Limits & Deductibles

Products & Completed Operations Aggregate: $4,000,000
General Aggregate: $4,000,000
Each Occurrence: $2,000,000
Personal Injury and Advertising Liability: $2,000,000
Fire Damage Legal: $500,000
Medical Expense (Any One Person): $10,000

Deductible Bodily Injury/ Property Damage: $250,000
Clash Deductible (Any One Occurrence): $350,000
GL and WC Deductible Aggregate: $4,410,000

B. WORKERS’ COMPENSATION AND EMPLOYER’S LIABILITY

Policy #: A1LW57091100
Old Republic General Insurance Corp (A IX)
December 31, 2011 – December 31, 2014 (Program Period)
December 31, 2011 – December 31, 2012 (Current Policy Period)

Workers’ Compensation: Statutory Limits

Employers Liability Limits & Deductibles

Bodily Injury (Each Accident): $1,000,000
Bodily Injury by Disease (Each Employee): $1,000,000
Bodily Injury by Disease (Policy Limit): $1,000,000

Deductible Bodily Injury by Accident/ Disease: $250,000
Clash Deductible: $350,000
GL and WC Deductible Aggregate: $4,410,000

C. EXCESS LIABILITY – $25M x Primary

Policy #: 0307-2185
Allied World Assurance Company (A XV)
December 31, 2011 – December 31, 2014

Limits & Deductibles

Each Occurrence: $25,000,000
Aggregate: $25,000,000

Underlying Policies:

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Policy No.</th>
<th>Policy Period</th>
<th>Insurance Company</th>
</tr>
</thead>
</table>

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D. **EXCESS LIABILITY – $25M x $25M**

**Limits & Deductibles**

<table>
<thead>
<tr>
<th>Each Loss:</th>
<th>$25,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Aggregate:</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

**Underlying Policies:**

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</tr>
</thead>
</table>

E. **EXCESS LIABILITY – $25M x $50M**

**Limits & Deductibles**

<table>
<thead>
<tr>
<th>Each Occurrence:</th>
<th>$25,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Completed Operation Aggregate:</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Other Aggregate Limit (where applicable):</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

**Underlying Policies:**

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<tr>
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<th>Insurance Company</th>
</tr>
</thead>
</table>

F. **EXCESS LIABILITY – $25M x $75M**

**Limits & Deductibles**

<table>
<thead>
<tr>
<th>Each Occurrence:</th>
<th>$25,000,000</th>
</tr>
</thead>
<tbody>
<tr>
<td>Products Completed Operations Aggregate:</td>
<td>$25,000,000</td>
</tr>
<tr>
<td>Other Aggregate Limit (where applicable):</td>
<td>$25,000,000</td>
</tr>
</tbody>
</table>

**Underlying Policies:**

<table>
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<tr>
<th>Type of Coverage</th>
<th>Policy No.</th>
<th>Policy Period</th>
<th>Insurance Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>Excess Liability</td>
<td>XCQ G25832061</td>
<td>12/31/2011 – 12/31/2014</td>
<td>ACE Property &amp; Casualty Ins Co</td>
</tr>
</tbody>
</table>

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II. Environmental & Professional Liability

A. CONTRACTORS POLLUTION LIABILITY

Limits & Deductibles

Each Occurrence: $25,000,000
Policy Limit: $25,000,000
Each Incident Deductible: $250,000

Policy #: 0307-2750
Allied World Assurance Company (A XV)
January 18, 2012 – January 18, 2017

B. OWNER’S PROTECTIVE PROFESSIONAL INDEMNITY

Limits & Deductibles

Owners’ Professional Liability
Coverage A – Project: $10,000,000
Coverage C – Project: $10,000,000
Self Insured Retention: $100,000
Retroactive Date: 01/18/2012

Supplementary Coverage
Disciplinary Proceedings $10,000
Litigation Expense – per day each claim $500
Litigation Expense – Aggregate $5,000
Subpoena Expense $10,000

Policy #: OCL-206573-0115
Catlin Specialty Insurance Company (A XV)

C. EXCESS OWNER’S PROTECTIVE PROFESSIONAL INDEMNITY

Limits & Deductibles

Each Loss $15,000,000
Aggregate $15,000,000

Policy #: CPX7420005
Indian Harbor Insurance Company (A XV)

Underlying Policies:

<table>
<thead>
<tr>
<th>Type of Coverage</th>
<th>Policy No.</th>
<th>Policy Period</th>
<th>Insurance Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>OPPI</td>
<td>OCL-206573-0115</td>
<td>1/18/2012 – 1/18/2015</td>
<td>Catlin Specialty Insurance Co</td>
</tr>
</tbody>
</table>

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II. Property Program

A. BUILDERS RISK

Limits & Deductibles

$50,000,000 per Occurrence, excess of Deductibles

Sub-Limits

$25,000,000 Wood Frame Construction
$1,000,000 Property in Transit
$1,000,000 Off-Site Storage
$100,000 Expediting expense
25% of Loss Debris Removal ($1,000,000 maximum)
$10,000,000 Flood per occurrence / Annual aggregate

Coverage:

“All Risk” Builder’s Risk Insurance, including property damage, property in transit, off-site storage, expediting expense, flood (including tidal waves), terrorism*, and earthquake**

Terrorism Risk Insurance Extension Act of 2005

** CSU maintains a self-fund for losses in excess of the deductible caused by earthquakes as defined in CA Public Contracts Code, section 7105 (b) (2).

Major Exclusions:

- Not covered Flood Zone A
- Not covered Earth Movement** (excluded by carrier; self-funded by CSU)

Deductible:

- $25,000 Per occurrence
- $100,000 Per occurrence – Flood
- $50,000 Per occurrence – Water Damage
- $100,000 Per occurrence – Earthquake**

Comments:

1. Projects to be reported quarterly.
2. Projects that are reported during the policy term are held covered for up to 42 months from project start date.
3. Projects whose initial reported value is less than $5,000,000 are not required to be reported at completion.
4. Projects whose initial value is $5,000,000 or more shall report final contract values and term during the next quarterly reporting period following project completion.

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IV. COVERAGE DEFINITIONS and CLAIM EXAMPLES

Commercial General Liability & Excess Liability

A standard Commercial General Liability insurance policy is issued to business organizations to protect them against liability claims for bodily injury and property damage arising out of premises, operations, products, and completed operations; and advertising and personal injury liability.

An Excess Liability policy provides additional protection when a claim and/or lawsuit exceed insurance limits on your general liability and employer liability primary policies. Excess liability policies add another layer of protection to any of several other policies that you might hold, including general liability and employer's liability.

1. Electrical Contractor - Trip and Fall
During the construction of a large university liberal arts building, an electrical contractor inadvertently left a portion of a trench uncovered and a student stepped into the uncovered trench while she was on the way to her class later that evening. The student sustained a fractured leg as a result of the trip and fall. The electrical contractor was held responsible for the injuries, wage loss and medical specials that were incurred by the claimant. The claim ultimately settled for $85,000.

2. General Contractor - Safety Violations/ Housekeeping
A City Inspector was hit in the head by a piece of rebar. The investigation revealed that the rebar came from the 10th floor of the building. The 10th floor had not been properly cleaned up the day before and construction debris was all over the place. The steel contractor along with the general contractor were both found to be negligent of poor maintenance and housekeeping. This case involved a brain injury and the case settled for $11.2 million.

3. General Contractor and Multiple Subcontractors - Resultant Water Damage from Improper Waterproofing and Concrete Application
The contractor built a large condominium complex that contained five stories of underground parking. The waterproofing and the concrete subcontractors failed to work in a unified fashion and left gaps between the waterproofing and the concrete walls of the garage. After the building was put to its intended use, the lower three levels of the garage started to leak. The cost of repair for epoxy injection was estimated at $1.8 million. In addition, the Condominium Association created a laundry list of other defects that they alleged were caused by the general contractor and other trades. The defense costs alone in this case came to $1.6 million. The claim ultimately settled for $3.25 million after three years of litigation.

Worker's Compensation and Employer's Liability

Workers' Compensation is the system by which no-fault statutory benefits prescribed in state law are provided by an employer to an employee (or the employee's family) due to a job-related injury (including death) resulting from an accident or occupational disease.

Employer's Liability coverage is provided by Part 2 of the basic workers compensation policy and pays on behalf of the insured (employer) all sums that the insured shall become legally obligated to pay as damages because of bodily injury by accident or disease sustained by any employee of the insured arising out of and in the course of his employment by the insured.

1. Minor Injury Resulting in Death
A painter was working and sustained a dime sized laceration on his outer bicep from a rusty nail that was sticking out from the wall. Thinking nothing of the small cut he continued his work. Excited to have finished his job at the end of the week, he planned a getaway to Florida. Upon his return from Florida, he was suffering from flu like symptoms. That same day he checked himself into a hospital. After extensive medical testing, he was diagnosed with sepsis. Unfortunately, ten days after his accident he passed away while being transported to a different hospital. His family received a significant settlement that helped them pay off all medical bills and preserve their home.

2. Defective Equipment

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The plaintiff was employed as an assistant fitter. Part of his duties involved cutting pieces of steel. He was required to use a hand held grinder to undertake this task. The grinder was defective and as a result of that defect he sustained a personal injury to his left hand. The grinder had a piece missing. This meant that the plaintiff had to place both hands on the body of the machine when he was using the grinder. When the machine was activated, the grinding disc spun, catching his glove and pulling his thumb into the grinder. He sustained a serious injury to his non-dominant left thumb which severed the nerve in the thumb. He proceeded with his claim all the way to the High Court.

3. **Asbestos Exposure**

The plaintiff worked with his employer since 1959. From 1959 to 1974 he worked in the production of asbestos containing pipes. Due to health reasons he was then transferred to the plastic pipes operations with was separated from the asbestos containing pipes by partial walls. He contracted a rare cancer. He claimed that the cancer was caused because of the exposure to asbestos while at work. He sued his employer for compensation and was awarded $10,000,000 as compensatory damages and $500,000 as punitive damages.

4. **Fall**

A 37-year old construction worker was injured when he fell from some scaffolding while on the job. This happened in 2003. The construction worker is now a complete quadriplegic and is paralyzed as a result of the accident. The injured worker sued for compensation and was awarded $337,000 pain and suffering, $18,600 past medical expenses, $37,125 past lost wages and $174,460 future lost wages. The employer went in appeal but the verdict survived the appeal.

**Owner’s Protective Professional Indemnity and Liability & Excess Liability**

Owner’s protective (OPPI) is coverage for the construction project owner, on a multi project basis, which supplements the Architects & Engineers (A&E) primary policies as opposed to replacing these insurances. OPPI is a first party indemnity contract that pays based on an established third party liability loss, that arises out of the owner’s subcontracted A&E professional services excess over the available primary A&E insurances.

1. An architect failed to properly design the exterior membrane of a large hotel. The hotel sustained extensive resultant water damage. The Architect had only $1 million in professional liability coverage, which was paid by their professional liability carrier and then the architect filed for bankruptcy. The OPPI policy stepped in and paid the additional $1.8 million to satisfy the $2.8 million cost of repair.

2. A surveyor placed the footprint of a large hospital in the wrong location. After several months of construction, it was discovered that the footprint of the building was off by three feet. The Architect had only $500,000 in professional liability coverage. The professional liability carrier for the surveyor paid their policy limits and the OPPI policy paid the additional $750,000 it took to repair the building.

**Contractor’s Pollution Liability**

Contractor’s Pollution Liability insurance protects contractors from the liability and financial loss that can result when a covered operation results in a pollution incident.

1. **Demolition Contractor - Asbestos**

During the demolition of a portion of a museum, a contractor inadvertently disturbed unknown asbestos that had been contained in the floor tiles. The asbestos contaminated other areas of the museum, forcing closure during the remediation. The demolition contractor was held responsible for the clean-up costs and business interruption.

2. **General Contractor - Mold / Indoor Air Quality**

Higher educational institution received complaints from students and faculty about musty odors emanating from subfloor basement of classroom building. Upon investigation and interviews conducted with faculty, staff and students, it was determined that an outdoor sloped walkway into the basement caused surface water run-off to leak into the basement service entrance. Conclusions of the subsequent investigation indicated that there was poor maintenance and ventilation to this space. The combination of poor

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conclusion, neglected maintenance and ventilation, caused extensive mold growth and indoor air hazards as a result.

3. **Electrical Contractor - Asbestos**
   While installing new electrical lines in a historic building the contractor used a hole saw to cut through a ceiling. Unknown to the contractor, the saw had inadvertently disturbed and released asbestos-containing insulation material. The contractor had to pay for clean-up costs for the asbestos fibers released throughout the building.

4. **General Contractor – Greenfield Development / Contaminated Soils**
   Site preparation activities were underway on a previously undeveloped and vacant parcel of land. During soil excavation and dewatering activities, contaminated groundwater impacts were discovered. The developer / general contractor were required by State regulatory authorities to investigate, collect, test and treat volumes of impacted groundwater pumped out during the excavation process. Contaminated soils were also discovered to be present at the site. Construction delay expense and investigation related costs totaled over $1,000,000 for the developer and contractor. Upon additional, comprehensive subsurface site investigation and evaluation, it was ultimately determined that contamination had migrated from a nearby manufacturing operation that had filed for bankruptcy and ceased operations several years prior.

5. **Mechanical Contractor – Hydraulic Fluid**
   A mechanical contractor improperly installed fittings during routine maintenance of a hydraulically driven conveyor system. A subsequent leak was not discovered until the next routine maintenance cycle. The leaking hydraulic fluid migrated into a floor drain located beneath the equipment which discharged directly into an adjacent drainage ditch. Property owners adjacent to the site noticed a sheen on the water in the ditch and requested an environmental investigation by regulators. The regulators mandated clean-up of the spill and the site owner subsequently filed actions against the mechanical contractor to pay for the clean-up costs.

6. **Street and Road Contractor – Petroleum- Impacted Sediment**
   Inadequate erosion control measures implemented during construction of an abutment for a highway overpass resulted in petroleum-impacted sediment to be deposited into a pristine waterway. The street and road contractor was required to pay for clean-up costs and natural resource damages.

7. **Public Entity – Redevelopment / General Construction**
   A municipality purchased a former manufacturing facility as part of a much larger Brownfield redevelopment project. After taking control of the property and conducting a cursory environmental assessment review, the general contractor and site prep sub discovered that an old underground storage tank was present despite being overlooked during the environmental review. Soil samples from areas adjacent to the tank grave indicated that a much larger area was impacted. Resultant additional soil excavation, regulatory filings, transportation/disposal of impacted materials adversely affected the overall project budget.

8. **Steel Erection Contractor – Diesel Fuel**
   A steel erection contractor accidently caused a release of diesel fuel at a construction site when a crane operator dropped a steel beam. The beam landed on a small tanker truck that was brought onto the site to refuel other construction equipment. The cost of the emergency clean-up was in excess of $150,000.

**Builder's Risk**

A property insurance policy designed to cover property in the course of construction. It covers the structure and materials on site waiting to be installed or transported to the job site. The builder’s risk insurance pays damages up to the coverage limit.

1. Heavy rains caused serious resultant water damage to a large international airport that was under construction. The builder’s risk policy paid the $2.3 million it took to repair the airport, less the $250,000 water damage deductible.

2. A fire burned down approximately 80% of a very large wood framed apartment complex that was under construction. The builders’ risk policy paid the $3.1 million it took to repair the apartment complex, less the $100,000 fire deductible.

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