

SERFF Tracking Number: AMLX-125306591 State: Arkansas
Filing Company: American Alternative Insurance Corporation State Tracking Number: AR-PC-07-026248
Company Tracking Number: ML AR0225701F01
TOI: 05.2 Commercial Multi-Peril - Liability Portion Sub-TOI: 05.2003 Commercial Package
Only
Product Name: Management Portfolio Product
Project Name/Number: Initial Product Filing/ML AR0225701F01

Filing at a Glance

Company: American Alternative Insurance Corporation

Product Name: Management Portfolio Product SERFF Tr Num: AMLX-125306591 State: Arkansas
TOI: 05.2 Commercial Multi-Peril - Liability SERFF Status: Closed State Tr Num: AR-PC-07-026248
Portion Only
Sub-TOI: 05.2003 Commercial Package Co Tr Num: ML AR0225701F01 State Status:
Filing Type: Form Co Status: Reviewer(s): Betty Montesi,
Llyweyia Rawlins, Brittany Yielding
Disposition Date: 10/18/2007
Author: SPI
AmericanAlternativeInsurance
Date Submitted: 09/27/2007 Disposition Status: Approved
Effective Date Requested (New): 10/28/2007 Effective Date (New): 10/28/2007
Effective Date Requested (Renewal): Effective Date (Renewal):
10/28/2007

General Information

Project Name: Initial Product Filing Status of Filing in Domicile: Authorized
Project Number: ML AR0225701F01 Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/18/2007
State Status Changed: 09/28/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
American Alternative Insurance Corporation (AAIC) is introducing a new "Management Portfolio" product for your review and approval. This is a newly developed product, designed for the following business segments:

Religious Institutions
Educational Institutions
Social Service Organizations

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The Management Portfolio product consists of the following coverage parts:

Management Liability (Forms Exempt)
Educator's Management Liability (Forms Exempt)
Social Service and Healthcare Professional Liability
Sexual Abuse Liability
Fiduciary Liability (Forms Exempt)
Miscellaneous Professional Liability

Details on eligibility and the applicability of each of the coverage parts to the three business segments are outlined in the rate/rule manual which was filed under separate cover. For your convenience, a copy of the eligibility rule has been attached for your information as part of this filing.

Enclosed for you review is the Forms List which includes a brief explanation of each form. Also enclosed is a copy of each of the forms.

This filing has no impact on existing AAIC policyholders, as this is a new market segment for AAIC.

Company and Contact

Filing Contact Information

Kathryn Sine, Senior State Filing Analyst ksine@munichreamerica.com
555 College Road East (609) 243-5630 [Phone]
Princeton,, NJ 08543-5241 (609) 275-2147[FAX]

Filing Company Information

American Alternative Insurance Corporation CoCode: 19720 State of Domicile: Delaware
555 College Road East Group Code: 361 Company Type:
Princeton,, NJ 08543-5241 Group Name: Munich Re Group State ID Number:
(800) 305-4954 ext. [Phone] FEIN Number: 52-2048110

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Filing Fees

Fee Required? Yes
Fee Amount: \$50.00
Retaliatory? No
Fee Explanation: \$50.00 per filing
Payment Amount: \$50.00 (KS-091207X)
E-Check # : 17006182
E-Check Date: 09/18/2007
Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
American Alternative Insurance Corporation	\$50.00	09/27/2007	15834988

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Llyweyia Rawlins	10/18/2007	10/18/2007

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Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4/30/03))	Approved	Yes
Supporting Document	Eligibility Document	Approved	Yes
Supporting Document	Forms List / EM	Approved	Yes
Form	Social Service Institutions Management Portfolio Policy Common Policy Declarations	Approved	Yes
Form	Religious Institutions Management Portfolio Policy Common Policy Declarations	Approved	Yes
Form	Educational Institutions Management Portfolio Policy Common Policy Declarations	Approved	Yes
Form	Religious and Educational Institutions Management Portfolio Policy Common Policy Declarations	Approved	Yes
Form	Social Service and Healthcare Professional Liability Coverage Part Declarations	Approved	Yes
Form	Sexual Abuse or Molestation Liability Coverage part Declarations	Approved	Yes
Form	Sexual Abuse or Molestation Liability Coverage Part Declarations	Approved	Yes
Form	Sexual Abuse or Molestation Liability Coverage Part Declarations	Approved	Yes
Form	Sexual Abuse or Molestation Liability Coverage Part Declarations	Approved	Yes
Form	Miscellaneous Professional Liability Coverage Part Declarations	Approved	Yes
Form	Policyholder Disclosure Notice of Terrorism Insurance Coverage	Approved	Yes
Form	Exclusion - Nuclear Energy Liability	Approved	Yes
Form	Common Policy Conditions	Approved	Yes

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Form	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	Approved	Yes
Form	Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	Approved	Yes
Form	Exclusion of Terrorism	Approved	Yes
Form	Exclusion of Terrorism	Approved	Yes
Form	Exclusion of Terrorism nvolving Nuclear, Biological or Chemical Terrorism	Approved	Yes
Form	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	Approved	Yes
Form	Policy Changes	Approved	Yes
Form	Social Service And Healthcare Professional Liability Coverage Form (Occurrence Version)	Approved	Yes
Form	Social Service And Healthcare Professional Liability Coverage Form (Claims-Made Version)	Approved	Yes
Form	Exclusion - Products	Approved	Yes
Form	Exclusion - Specific Litigation Or Other Incident	Approved	Yes
Form	Exclusion - Vicarious Liability For Specified Healthcare Practitioners	Approved	Yes
Form	Amendment - Clinical Or Experimental Trials Exclusion	Approved	Yes
Form	Coverage Extension - Contractual Liability Coverage	Approved	Yes
Form	Additional Insured - Practitioners Primary Coverage	Approved	Yes
Form	Additional Insured - Practitioners Excess Coverage	Approved	Yes
Form	Additional Insured - Social Workers And Counselors Excess Coverage	Approved	Yes
Form	Supplemental Extended Reporting Period	Approved	Yes

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Form	Waiver Of Transfer Of Rights Of Recovery Against Others To Us	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form (Separate Limits For Defense And Indemnity)	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits (Claims-Made Version)	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form (Claims Made Version)	Approved	Yes
Form	Sexual Abuse Or Molestation Liability Coverage Form - Separate Limits For Defense And Indemnity (Claims Made Version)	Approved	Yes
Form	Sexual And Physical Abuse Application	Approved	Yes
Form	Sexual And Physical Abuse Application	Approved	Yes
Form	Exclusion - Pending Or Prior Litigation (Newly Acquired Subsidiaries)	Approved	Yes
Form	Exclusion - Specific Litigation Or Other Incident	Approved	Yes
Form	Additional Insured - Foster Parents	Approved	Yes
Form	Additional Insured - Contracted Professionals	Approved	Yes
Form	Coverage Amendment - Physical Abuse	Approved	Yes
Form	Supplemental Extended Reporting Period	Approved	Yes
Form	Miscellaneous Professional Liability Coverage Form	Approved	Yes
Form	Exclusion - Specific Subsidiary	Approved	Yes
Form	Exclusion - Specific Litigation Or Other Incident	Approved	Yes

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Form	Additional Insured - Named Professionals Approved	Yes
Form	Supplemental Extended Reporting Period Approved	Yes
Form	Social Service and Healthcare Approved Professional Liability Application	Yes
Form	Licensed Practitioner of the Healing Arts Approved Supplemental Application	Yes
Form	Adoption and Foster Care Placement Approved Agency Supplemental Application	Yes
Form	Supplemental Residential Facility Approved Questionnaire	Yes
Form	Vocational/Sheltered Workshop Approved Supplemental Application	Yes
Form	Senior Care Supplemental Application	Approved Yes
Form	Sexual and Physical Abuse Application	Approved Yes
Form	Sexual and Physical Abuse Application	Approved Yes
Form	Miscellaneous Professional Liability Approved Application-Accountants/Financial Advisors or Investment Managers	Approved Yes
Form	Miscellaneous Professional Liability Approved Application-Lawyers/Attorneys	Approved Yes
Form	Miscellaneous Professional Liability Approved Application-Architects & Engineers	Approved Yes
Form	Additional Insured - Designated Person or Organization	Approved Yes
Form	Arkansas - Consumer Information	Approved Yes
Form	Arkansas Consent Form	Approved Yes
Form	Arkansas Changes - Subrogation and Transfer of Rights of recovery against others to us	Approved Yes
Form	Arkansas Punitive Damages Exclusion	Approved Yes
Form	Arkansas Changes - Cancellation and NonRenewal	Approved Yes
Form	Arkansas Changes - Extended Reporting Period	Approved Yes
Form	Arkansas Changes	Approved Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Social Service Institutions Management Portfolio Policy Common Policy Declarations	MP DS10	01 07	Declaration News/Schedule		0.00	MP DS10.PDF
Approved	Religious Institutions Management Portfolio Policy Common Policy Declarations	MP DS11	01 07	Declaration News/Schedule		0.00	MP DS11.PDF
Approved	Educational Institutions Management Portfolio Policy Common Policy Declarations	MP DS12	01 07	Declaration News/Schedule		0.00	MP DS12.PDF
Approved	Religious and Educational Institutions Management Portfolio Policy Common Policy Declarations	MP DS13	01 07	Declaration News/Schedule		0.00	MP DS13.PDF
Approved	Social Service and Healthcare Professional Liability Coverage Part Declarations	MP DS40	01 07	Declaration News/Schedule		0.00	MP DS40.PDF
Approved	Sexual Abuse or Molestation	MP DS50	01 07	Declaration News/Schedule		0.00	MP DS50.PDF

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Liability Coverage
 part Declarations

Approved	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS51 01 07	Declaration News/Schedule	0.00	MP DS51.PDF
Approved	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS52 01 07	Declaration News/Schedule	0.00	MP DS52.PDF
Approved	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS53 01 07	Declaration News/Schedule	0.00	MP DS53.PDF
Approved	Miscellaneous Professional Liability Coverage Part Declarations	MP DS70 01 07	Declaration News/Schedule	0.00	MP DS70.PDF
Approved	Policyholder Disclosure Notice 09 of Terrorism Insurance Coverage	TerrNotice 01/06	Disclosure/ New Notice	0.00	TerrNotice09 .PDF
Approved	Exclusion - Nuclear Energy Liability	CVL 0501 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0501.PDF
Approved	Common Policy Conditions	CVL 0502 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0502.PDF
Approved	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism	CVL 0510 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0510.PDF

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Approval	Description	Code	Action	Value	File
Approved	Risk Insurance Act) Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	CVL 0511 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0511.PDF
Approved	Exclusion of Terrorism	CVL 0512 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0512.PDF
Approved	Exclusion of Terrorism	CVL 0512 01 08	Endorsement/Amendment/Conditions	0.00	CVL 0512.PDF
Approved	Exclusion of Terrorism involving Nuclear, Biological or Chemical Terrorism	CVL 0513 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0513.PDF
Approved	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	CVL 0513 01 08	Endorsement/Amendment/Conditions	0.00	CVL 0513.PDF
Approved	Policy Changes	CVL 0530 01 07	Endorsement/Amendment/Conditions	0.00	CVL 0530.PDF

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ons						
Approved	Social Service And Healthcare Professional Liability Coverage Form (Occurrence Version)	MP 4001	01 07	Policy/Coverage New Form	0.00	MP 4001.PDF
Approved	Social Service And Healthcare Professional Liability Coverage Form (Claims-Made Version)	MP 4002	01 07	Policy/Coverage New Form	0.00	MP 4002 .PDF
Approved	Exclusion - Products	MP 4010	01 07	Endorsement/New Amendment/Conditions	0.00	MP 4010.PDF
Approved	Exclusion - Specific Litigation Or Other Incident	MP 4011	01 07	Endorsement/New Amendment/Conditions	0.00	MP 4011.PDF
Approved	Exclusion - Vicarious Liability For Specified Healthcare Practitioners	MP 4012	01 07	Endorsement/New Amendment/Conditions	0.00	MP 4012.PDF
Approved	Amendment - Clinical Or Experimental Trials Exclusion	MP 4020	01 07	Endorsement/New Amendment/Conditions	0.00	MP 4020.PDF
Approved	Coverage Extension - Contractual Liability Coverage	MP 4021	01 07	Endorsement/New Amendment/Conditions	0.00	MP 4021.PDF
Approved	Additional Insured -	MP 4022	01 07	Endorsement/New Amendment	0.00	MP 4022.PDF

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	Practitioners Primary Coverage			ent/Condi ons		
Approved	Additional Insured - Practitioners Excess Coverage	MP 4023	01 07	Endorseme New nt/Amendm ent/Condi ons	0.00	MP 4023.PDF
Approved	Additional Insured - Social Workers And Counselors Excess Coverage	MP 4025	01 07	Endorseme New nt/Amendm ent/Condi ons	0.00	MP 4025.PDF
Approved	Supplemental Extended Reporting Period	MP 4030	01 07	Endorseme New nt/Amendm ent/Condi ons	0.00	MP 4030.PDF
Approved	Waiver Of Transfer Of Rights Of Recovery Against Others To Us	MP 4042	01 07	Endorseme New nt/Amendm ent/Condi ons	0.00	MP 4042.PDF
Approved	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits	MP 5001	01 07	Policy/CoveNew rage Form	0.00	MP 5001.PDF
Approved	Sexual Abuse Or Molestation Liability Coverage Form	MP 5002	01 07	Policy/CoveNew rage Form	0.00	MP 5002.PDF
Approved	Sexual Abuse Or Molestation Liability Coverage Form (Separate Limits For Defense And	MP 5003	01 07	Policy/CoveNew rage Form	0.00	MP 5003.PDF

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Indemnity)

Approved	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits (Claims-Made Version)	MP 5006	01 07	Policy/Coverage New Form	0.00	MP 5006.PDF
Approved	Sexual Abuse Or Molestation Liability Coverage Form (Claims Made Version)	MP 5007	01 07	Policy/Coverage New Form	0.00	MP 5007.PDF
Approved	Sexual Abuse Or Molestation Liability Coverage Form - Separate Limits For Defense And Indemnity (Claims Made Version)	MP 5008	01 07	Policy/Coverage New Form	0.00	MP 5008.PDF
Approved	Sexual And Physical Abuse Application	MP 5009	01 07	Application/ New Binder/Enrollment	0.00	MP 5009.PDF
Approved	Sexual And Physical Abuse Application	MP 5010	01 07	Application/ New Binder/Enrollment	0.00	MP 5010.PDF
Approved	Exclusion - Pending Or Prior Litigation (Newly Acquired Subsidiaries)	MP 5011	01 07	Endorsement/ New Amendment/ Conditions	0.00	MP 5011.PDF
Approved	Exclusion - Specific Litigation Or Other Incident	MP 5012	01 07	Endorsement/ New Amendment/ Conditions	0.00	MP 5012.PDF

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Approved	Additional Insured - Foster Parents	MP 5021	01 07	Endorsement/Amendment/Conditions New	0.00	MP 5021.PDF
Approved	Additional Insured - Contracted Professionals	MP 5022	01 07	Endorsement/Amendment/Conditions New	0.00	MP 5022.PDF
Approved	Coverage Amendment - Physical Abuse	MP 5023	01 07	Endorsement/Amendment/Conditions New	0.00	MP 5023.PDF
Approved	Supplemental Extended Reporting Period	MP 5030	01 07	Endorsement/Amendment/Conditions New	0.00	MP 5030.PDF
Approved	Miscellaneous Professional Liability Coverage Form	MP 7001	01 07	Policy/Coverage New Form	0.00	MP 7001.PDF
Approved	Exclusion - Specific Subsidiary	MP 7010	01 07	Endorsement/Amendment/Conditions New	0.00	MP 7010.PDF
Approved	Exclusion - Specific Litigation Or Other Incident	MP 7011	01 07	Endorsement/Amendment/Conditions New	0.00	MP 7011.PDF
Approved	Additional Insured - Named Professionals	MP 7020	01 07	Endorsement/Amendment/Conditions New	0.00	MP 7020.PDF
Approved	Supplemental Extended Reporting Period	MP 7030	01 07	Endorsement/Amendment/Conditions New	0.00	MP 7030.PDF
Approved	Social Service	MP 4004	01 07	Application/ New	0.00	MP

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	and Healthcare Professional Liability Application		Binder/Enro llment		4004.PDF
Approved	Licensed Practitioner of the Healing Arts Supplemental Application	MP 4004a 01 07	Application/ New Binder/Enro llment	0.00	MP 4004a.PDF
Approved	Adoption and Foster Care Placement Agency Supplemental Application	MP 4004b 01 07	Application/ New Binder/Enro llment	0.00	MP 4004b.PDF
Approved	Supplemental Residential Facility Questionnaire	MP 4004c 01 07	Application/ New Binder/Enro llment	0.00	MP 4004c.PDF
Approved	Vocational/Shelte red Workshop Supplemental Application	MP 4004d 01 07	Application/ New Binder/Enro llment	0.00	MP 4004d.PDF
Approved	Senior Care Supplemental Application	MP 4004e 01 07	Application/ New Binder/Enro llment	0.00	MP 4004e.PDF
Approved	Sexual and Physical Abuse Application	MP 5004 01 07	Application/ New Binder/Enro llment	0.00	MP 5004.PDF
Approved	Sexual and Physical Abuse Application	MP 5005 01 07	Application/ New Binder/Enro llment	0.00	MP 5005.PDF
Approved	Miscellaneous Professional Liability Application- Accountants/Fina	MP 7004a 01 07	Application/ New Binder/Enro llment	0.00	MP 7004a.PDF

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Approval	Description	Product Code	Application/ New Binder/Enrollment	Amount	File Name
Approved	Financial Advisors or Investment Managers Miscellaneous Professional Liability Application-Lawyers/Attorneys	MP 7004b 01 07	Application/ New Binder/Enrollment	0.00	MP 7004b.PDF
Approved	Miscellaneous Professional Liability Application-Architects & Engineers	MP 7004c 01 07	Application/ New Binder/Enrollment	0.00	MP 7004c.PDF
Approved	Additional Insured - Designated Person or Organization	MP 4024 01 07	Endorsement/Amendment/Conditions	0.00	MP 4024.PDF
Approved	Arkansas - Consumer Information	CVL AR5001 07	Endorsement/Amendment/Conditions	0.00	CVL AR50.PDF
Approved	Arkansas Consent Form	CVL AR5101 07	Endorsement/Amendment/Conditions	0.00	CVL AR51.PDF
Approved	Arkansas Changes - Subrogation and Transfer of Rights of recovery against others to us	CVL AR5201 07	Endorsement/Amendment/Conditions	0.00	CVL AR52.PDF
Approved	Arkansas Punitive	CVL AR5301 07	Endorsement/Amendment	0.00	CVL AR53.PDF

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	Damages		ent/Condi		
	Exclusion		ons		
Approved	Arkansas	CVL AR5501 07	Endorseme New	0.00	CVL
	Changes -		nt/Amendm		AR55.PDF
	Cancellation and		ent/Condi		
	NonRenewal		ons		
Approved	Arkansas	MP AR40 01 07	Endorseme New	0.00	MP
	Changes -		nt/Amendm		AR40.PDF
	Extended		ent/Condi		
	Reporting Period		ons		
Approved	Arkansas	MP AR41 01 07	Endorseme New	0.00	MP
	Changes		nt/Amendm		AR41.PDF
			ent/Condi		
			ons		
Approved	Arkansas	MP AR50 01 07	Endorseme New	0.00	MP
	Changes -		nt/Amendm		AR50.PDF
	Extended		ent/Condi		
	Reporting Period		ons		
Approved	Arkansas	MP AR51 01 07	Endorseme New	0.00	MP
	Consent Form		nt/Amendm		AR51.PDF
			ent/Condi		
			ons		
Approved	Arkansas	MP AR70 01 07	Endorseme New	0.00	MP
	Changes -		nt/Amendm		AR70.PDF
	Extended		ent/Condi		
	Reporting Period		ons		



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805
Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241
(800) 305-4954

MANAGEMENT PORTFOLIO
MP DS10 01 07

THIS POLICY MAY INCLUDE CLAIMS-MADE COVERAGE PARTS.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

SOCIAL SERVICE INSTITUTIONS
MANAGEMENT PORTFOLIO POLICY
COMMON POLICY DECLARATIONS

POLICY NUMBER:

Table with 2 columns: COMPANY NAME AREA, PRODUCER NAME AREA

NAMED INSURED:
MAILING ADDRESS:
POLICY PERIOD: FROM TO AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Table with 2 columns: Coverage Part, PREMIUM. Includes rows for Management Liability, Social Service, Sexual Abuse, Fiduciary, and Miscellaneous Professional Liability coverage, plus Total and Surcharges sections.

FORMS APPLICABLE TO ALL COVERAGE PARTS (SHOW NUMBERS):

AUTHORIZED REPRESENTATIVES

<p>By: </p>	<p>By: </p>
<p>President</p>	<p>Secretary</p>



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805
Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241
(800) 305-4954

MANAGEMENT PORTFOLIO
MP DS11 01 07

THIS POLICY MAY INCLUDE CLAIMS-MADE COVERAGE PARTS.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

RELIGIOUS INSTITUTIONS
MANAGEMENT PORTFOLIO POLICY
COMMON POLICY DECLARATIONS

POLICY NUMBER:

Table with 2 columns: COMPANY NAME AREA, PRODUCER NAME AREA

NAMED INSURED:
MAILING ADDRESS:
POLICY PERIOD: FROM TO AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Table with 2 columns: Coverage Part, Premium. Includes rows for Management Liability, Social Service, Sexual Abuse, Fiduciary, and Miscellaneous Professional Liability, plus Total and Surcharges.

FORMS APPLICABLE TO ALL COVERAGE PARTS:

AUTHORIZED REPRESENTATIVES

<p>By: </p>	<p>By: </p>
<p>President</p>	<p>Secretary</p>



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805
Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241
(800) 305-4954

MANAGEMENT PORTFOLIO
MP DS12 01 07

THIS POLICY MAY INCLUDE CLAIMS-MADE COVERAGE PARTS.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

EDUCATIONAL INSTITUTIONS
MANAGEMENT PORTFOLIO POLICY
COMMON POLICY DECLARATIONS

POLICY NUMBER:

Table with 2 columns: COMPANY NAME AREA, PRODUCER NAME AREA

NAMED INSURED:
MAILING ADDRESS:
POLICY PERIOD: FROM TO AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Table with 2 columns: Coverage Part, PREMIUM. Rows include Educator's Management Liability, Social Service and Healthcare Professional Liability, Sexual Abuse Liability, Fiduciary Liability, and Miscellaneous Professional Liability. Includes totals for Total, Surcharges and Fees, and Total Premium.

FORMS APPLICABLE TO ALL COVERAGE PARTS:

AUTHORIZED REPRESENTATIVES

<p>By: </p>	<p>By: </p>
<p>President</p>	<p>Secretary</p>



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805
Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241
(800) 305-4954

MANAGEMENT PORTFOLIO
MP DS13 01 07

THIS POLICY MAY INCLUDE CLAIMS-MADE COVERAGE PARTS.
PLEASE READ THE ENTIRE POLICY CAREFULLY.

RELIGIOUS AND EDUCATIONAL INSTITUTIONS
MANAGEMENT PORTFOLIO POLICY
COMMON POLICY DECLARATIONS

POLICY NUMBER:

Table with 2 columns: COMPANY NAME AREA, PRODUCER NAME AREA

NAMED INSURED:
MAILING ADDRESS:
POLICY PERIOD: FROM TO AT 12:01 A.M. STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE.

BUSINESS DESCRIPTION

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Table with 2 columns: Coverage Part, PREMIUM. Includes rows for Management Liability, Social Service, Sexual Abuse, Fiduciary, and Miscellaneous Professional Liability coverage, plus Total and Surcharges sections.

FORMS APPLICABLE TO ALL COVERAGE PARTS:

AUTHORIZED REPRESENTATIVES

<i>Anthony J. Kuegel</i> By:	By: <i>Roi Wilcox</i>
President	Secretary

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS40 01 07

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS

The Social Service and Healthcare Professional Liability Coverage Part consists of this Declarations Form, the Social Service and Healthcare Professional Liability Coverage Form, the Common Conditions and any applicable endorsements.

Named Insured:		
Mailing Address:		
Policy Period		
From:		
To:	12:01 A.M. at your mailing address shown above.	

Business Description:	
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Limits Of Liability		
Aggregate Limit:	\$	
Each Professional Incident:	\$	

Deductible Amount		
Each Professional Incident:	\$	

Retroactive Date - (MP 4002 Only)	
This insurance does not apply to a "claim" arising out of a "professional incident" which occurs before the retroactive date, if any, shown below.	
Retroactive Date:	

Extended Reporting Period - (MP 4002 Only)		
Additional Premium:	\$	
Additional Period (Number Of Months):		

Endorsements Applicable To This Coverage Part:

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Coverage Premium

Developed Premium	\$	
Minimum Premium if applicable	\$	
Endorsement Premium(s)	\$	
Annual Coverage Part Premium	\$	
Taxes/Fees/Surcharges	\$	
Total Annual Premium	\$	

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS50 01 07

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART DECLARATIONS

The Sexual Abuse or Molestation Liability Coverage Part consists of this Declarations Form, the Sexual Abuse or Molestation Liability Coverage Form, the Common Conditions, and any applicable endorsements.

Named Insured:		
Mailing Address:		
Policy Period		
From:		
To:	12:01 A.M. at your mailing address shown above.	

Business Description:	
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Limits Of Liability	
Aggregate Limit including "defense expenses":	\$
Each Act of Sexual Abuse or Molestation including "defense expenses":	\$

Deductible Amount	
Each Act of Sexual Abuse or Molestation including "defense expenses":	\$

Endorsements Applicable To This Coverage Part:

Coverage Premium	
Developed Premium	\$
Minimum Premium if applicable	\$
Endorsement Premium(s)	\$
Annual Coverage Part Premium	\$
Taxes/Fees/Surcharges	\$
Total Annual Premium	\$

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS51 01 07

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART DECLARATIONS

The Sexual Abuse or Molestation Liability Coverage Part consists of this Declarations Form, the Sexual Abuse or Molestation Liability Coverage Form, the Common Conditions, and any applicable endorsements.

Named Insured:		
Mailing Address:		
Policy Period		
From:		
To:		12:01 A.M. at your mailing address shown above.

Business Description:	
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Limits Of Liability		
Aggregate Limit:	\$	
Each Act of Sexual Abuse or Molestation:	\$	
Defense Expense Aggregate:	\$	

Deductible Amount		
Each Act of Sexual Abuse or Molestation:	\$	
Defense Expense (each claim):	\$	

Endorsements Applicable To This Coverage Part:

Coverage Premium	
Developed Premium	\$
Minimum Premium if applicable	\$
Endorsement Premium(s)	\$
Annual Coverage Part Premium	\$
Taxes/Fees/Surcharges	\$
Total Annual Premium	\$

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS52 01 07

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART DECLARATIONS

The Sexual Abuse or Molestation Liability Coverage Part consists of this Declarations Form, the Sexual Abuse or Molestation Liability Coverage Form, the Common conditions, any applicable endorsements and the completed and signed Application which includes all attachments and exhibits.

Named Insured:			
Mailing Address:			
Policy Period			
From:			
To:		12:01 A.M. at your mailing address shown above.	

Business Description:	
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Limits Of Liability	
Aggregate Limit including "defense expenses":	\$
Each Act of Sexual Abuse or Molestation including "defense expenses":	\$

Deductible Amount	
Each Act of Sexual Abuse or Molestation including "defense expenses":	\$

Retroactive Date	
This insurance does not apply to a "claim" arising out of a "wrongful act" which occurs before the retroactive date, if any, shown below.	
Retroactive Date:	

Pending Or Prior Litigation Date	
Pending Or Prior Date:	

Extended Reporting Period	
Additional Premium:	\$
Additional Period (Number Of Months):	

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS52 01 07

Endorsements Applicable To This Coverage Part:

Coverage Premium	
Developed Premium	\$
Minimum Premium if applicable	\$
Endorsement Premium(s)	\$
Annual Coverage Part Premium	\$
Taxes/Fees/Surcharges	\$
Total Annual Premium	\$

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS53 01 07

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART DECLARATIONS

The Sexual Abuse or Molestation Liability Coverage Part consists of this Declarations Form, the Sexual Abuse or Molestation Liability Coverage Form, the Common conditions, any applicable endorsements and the completed and signed Application which includes all attachments and exhibits.

Named Insured:		
Mailing Address:		
Policy Period		
From:		
To:		12:01 A.M. at your mailing address shown above.

Business Description:	
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Limits Of Liability		
Aggregate:	\$	
Each Act of Sexual Abuse or Molestation:	\$	
Defense Expense Aggregate:	\$	

Deductible Amount		
Each Act of Sexual Abuse or Molestation:	\$	
Defense Expense (each claim):	\$	

Retroactive Date	
This insurance does not apply to a "claim" arising out of a "wrongful act" which occurs before the retroactive date, if any, shown below.	
Retroactive Date:	

Pending Or Prior Litigation Date	
Pending Or Prior Date:	

Extended Reporting Period		
Additional Premium:	\$	
Additional Period (Number Of Months):		

Endorsements Applicable To This Coverage Part:

Coverage Premium		
Developed Premium	\$	
Minimum Premium if applicable	\$	
Endorsement Premium(s)	\$	
Annual Coverage Part Premium	\$	
Taxes/Fees/Surcharges	\$	
Total Annual Premium	\$	

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP DS70 01 07

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART DECLARATIONS

The Miscellaneous Professional Liability Coverage Part consists of this Declarations Form, the Miscellaneous Professional Liability Coverage Form, the Common Conditions and any applicable endorsements.

Named Insured:		
Mailing Address:		
Policy Period		
From:		
To:	12:01 A.M. at your mailing address shown above.	

Business Description:	
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Description of Insured Professional Services:

Limits Of Liability		
Aggregate Limit including "defense expenses":	\$	
Per Wrongful Act including "defense expenses":	\$	

Deductible Amount		
Each claim including "defense expenses":	\$	

Retroactive Date	
This insurance does not apply to a "claim" arising out of a "wrongful act" which occurs before the retroactive date, if any, shown below.	
Retroactive Date:	

Pending Or Prior Litigation Date	
Pending Or Prior Date:	

Extended Reporting Period		
Additional Premium:	\$	
Additional Period (Number Of Months):		

Endorsements Applicable To This Coverage Part:

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Coverage Premium

Developed Premium	\$	
Minimum Premium if applicable	\$	
Endorsement Premium(s)	\$	
Annual Coverage Part Premium	\$	
Taxes/Fees/Surcharges	\$	
Total Annual Premium	\$	

Named Insured:

Policy No. or Type of Policy:

Effective Date:

Insurance Company: American Alternative Insurance Corporation

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM
INSURANCE COVERAGE**

You are hereby notified that under the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Extension Act of 2005 (the "Act") (see overview on page 2), you now have the right to purchase insurance coverage for losses arising out of acts of terrorism, as defined in the Act. Coverage for acts of terrorism has been included in your policy. No additional premium has been charged under this policy for terrorism coverage.

You should know that coverage provided by this policy for losses caused by acts of terrorism as defined in the Act will be partially reimbursed by the United States under a formula established by federal law. Under this formula, the United States pays 90% (or 85% beginning in 2007) of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

This is notification to you by the insurer named above that under the Act, any losses caused by acts of terrorism, as defined in the Act, under your policy coverage will be partially reimbursed by the United States and you have been notified of the amount of the premium attributable to such coverage.

HOW DOES THE ACT AFFECT YOUR INSURANCE COVERAGE?

You have a policy of insurance issued by us which has no terrorism exclusion attached to it.

- § This policy will remain in effect as written for the remainder of the policy period shown in the Declarations of the policy.
- § The decision not to include a terrorism exclusion to your policy when it was issued or last renewed was based on a number of reasons, and the continuation or importance of these reasons may or may not have been altered by the passage of the Act.
- § In the time between now and the next renewal we will examine and refine our treatment of terrorism under your policy. This means that you may or may not have the same terms offered to you upon renewal and that the premium charged may or may not reflect alteration based upon the terrorism exposure.

WHAT IS THE TERRORISM RISK INSURANCE ACT OF 2002?

The following is a partial summary of the Terrorism Risk Insurance Act of 2002, as amended by the Terrorism Risk Insurance Extension Act of 2005 (the Act). Only the provisions of the Act determine the scope of the insurance protection available for the losses covered under the Act.

The Act provides coverage for property and casualty insurance for "insured losses" as a result of an "act of terrorism." As stated in the Act:

- A. "Insured loss" means any loss resulting from an "act of terrorism" (including an act of war, in the case of worker's compensation) that is covered by primary or excess property and casualty insurance issued by an insurer if such loss:
 - 1. occurs within the United States; or
 - 2. occurs to an air carrier (as defined in section 40102 of title 49, United States Code), to a United States flag vessel (or a vessel based principally in the United States, on which US income tax is paid and whose insurance coverage is subject to regulation in the United States), regardless of where the loss occurs, or at the premises of any United States mission.

- B. "Act of terrorism" means any act that is certified by the Secretary of Treasury, in concurrence with the Secretary of State and the Attorney General of the United States:
 - 1. to be an act of terrorism;
 - 2. to be a violent act or an act that is dangerous to:
 - a. human life;
 - b. property; or
 - c. infrastructure;
 - 3. to have resulted in damage within the United States, or outside of the United States in the case of:
 - a. an aircarrier or vessel described in paragraph (5)(B) of Section 102 of the Act; or
 - b. the premises of a United States mission; and
 - 4. to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

- C. Section 102 (1)(B) of the Act states "no act shall be certified by the Secretary as an act of terrorism if:
 - 1. the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - 2. property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000."

- D. The Act also contains a "program trigger" in Section 103(e)(1)(B), pursuant to which the federal government does not pay compensation for losses resulting from a certified act occurring after March 31, 2006, unless aggregate industry insured losses from such a certified act exceed a certain amount, or "trigger." For insured losses occurring in 2006, the program trigger is \$50,000,000 of

aggregate industry insured losses. The trigger is increased to \$100,000,000 for insured losses occurring in 2007.

- E. The Act does not apply to: crop or livestock insurance; private mortgage insurance or title insurance; financial guaranty insurance issued by monoline financial guaranty insurance corporations; insurance for medical malpractice; health or life insurance; flood insurance provided under the National Flood Insurance Act of 1968; commercial automobile insurance; burglary and theft insurance; surety insurance; professional liability insurance (except for Directors and Officers Liability); or farm owners multiple peril insurance.
- F. Under the Act, for program years through December 31, 2006, the federal government will reimburse the insurance company for 90% of its insured losses in excess of a deductible, until aggregate "insured losses" in any Program Year exceed \$100 billion. For the program year beginning on January 1, 2007 and ending on December 31, 2007, the federal government reimbursement rate will be decreased from 90% to 85%. Each insurer's deductible will be a percentage of its direct earned premium for property and casualty insurance (as reported on Page 14 of the company's Annual Statement), over the immediately preceding calendar year. For 2003, the deductible is 7% of such direct earned premium; for 2004, the percentage is 10%; for 2005, the percentage is 15%; for 2006, the percentage is 17.5%; and for 2007, the percentage is 20%.

For the purposes of determining such deductibles, direct earned premium means only the premiums earned on the commercial lines property and casualty insurance covered by the Act for U.S. risks or vessels, aircraft and foreign missions outside the U.S. covered by the Act.

Neither the insurance company (having met its statutorily mandated share as described above) nor the federal government will be liable for payment of any portion of "insured losses" under the Act that exceeds \$100 billion in the aggregate during any Program Year.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL 0501 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – NUCLEAR ENERGY LIABILITY

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

1. The following exclusion is added to all coverage parts:

This insurance does not apply to any injury, "loss", defense expense", cost, or "claim" based upon, arising out of, attributable to or directly or indirectly resulting from nuclear projects, nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition related to the forgoing, regardless of cause.



American Alternative Insurance Corporation

COMMON POLICY CONDITIONS

ALL COVERAGE PARTS INCLUDED IN THIS POLICY ARE SUBJECT TO THE FOLLOWING CONDITIONS.

A. Cancellation

1. The first Named Organization 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 Organization 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 Organization'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 Organization any premium refund due. If we cancel, the refund will be pro rata. If the first Named Organization 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. 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.

This Condition only applies to the Employment-Related Practices Liability Coverage included in the Educator's Management Liability Coverage Part, Sexual Abuse or Molestation Liability Coverage Part and the Social Service and Healthcare Professional Liability Coverage Part.

E. Premiums

The first Named Organization 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.

G. Loss Covered Under More Than One Coverage Form Of This Policy

If the same loss is covered under two or more coverage forms contained in this policy, the aggregate maximum Limit of Insurance under all the Coverage Forms shall not exceed the highest applicable Limit of Insurance under any one Coverage Form. 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 Policy.

H. Other Coverage Parts

For the purposes of this Common Policy Conditions form, the Named Organization means the Named Organization or the Named Insured.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY COVERAGE PART
EDUCATOR'S MANAGEMENT LIABILITY COVERAGE PART

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. However, if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.

- a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part; or
- b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:

(1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or

(2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or

(3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this Coverage Part.

2. If the provisions of this endorsement become applicable, such provisions:

- a. Supersede any terrorism endorsement already endorsed to this Coverage Part that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in a "claim" first being made against an "insured person" or the "company" on or after the date when the provisions of this endorsement become applicable; and
- b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this Coverage Part, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definition is added to the **Definitions** Section and applies under this endorsement wherever the term terrorism is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve 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; 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.

C. The following exclusion is added to the **Exclusions** Section:

EXCLUSION OF TERRORISM

We will not pay for any "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Any "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such "loss". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or

3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **C.5.** or **C.6.** are exceeded.

With respect to this Exclusion, Paragraphs **C.5.** and **C.6.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under this Coverage Part.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to any "loss" that is otherwise excluded under this Coverage Part.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL 0511 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CONDITIONAL EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM (RELATING TO DISPOSITION OF FEDERAL TERRORISM RISK INSURANCE ACT)

This endorsement modifies insurance provided under the following:

MANAGEMENT LIABILITY COVERAGE PART
EDUCATOR'S MANAGEMENT LIABILITY COVERAGE PART

A. Applicability Of The Provisions Of This Endorsement

1. The provisions of this endorsement become applicable commencing on the date when any one or more of the following first occurs. But if your policy (meaning the policy period in which this endorsement applies) begins after such date, then the provisions of this endorsement become applicable on the date your policy begins.
 - a. The federal Terrorism Risk Insurance Program ("Program"), established by the Terrorism Risk Insurance Act, has terminated with respect to the type of insurance provided under this Coverage Part or Policy; or
 - b. A renewal, extension or replacement of the Program has become effective without a requirement to make terrorism coverage available to you and with revisions that:
 - (1) Increase our statutory percentage deductible under the Program for terrorism losses. (That deductible determines the amount of all certified terrorism losses we must pay in a calendar year, before the federal government shares in subsequent payment of certified terrorism losses.); or
 - (2) Decrease the federal government's statutory percentage share in potential terrorism losses above such deductible; or
 - (3) Redefine terrorism or make insurance coverage for terrorism subject to provisions or requirements that differ from those that apply to other types of events or occurrences under this policy.
2. If the provisions of this endorsement become applicable, such provisions:
 - a. Supersede any terrorism endorsement already endorsed to this policy that addresses "certified acts of terrorism" and/or "other acts of terrorism", but only with respect to an incident(s) of terrorism (however defined) which results in injury or damage that occurs on or after the date when the provisions of this endorsement become applicable (for claims made policies, such an endorsement is superseded only with respect to an incident of terrorism (however defined) that results in a claim for injury or damage first being made on or after the date when the provisions of this endorsement become applicable); and
 - b. Remain applicable unless we notify you of changes in these provisions, in response to federal law.

3. If the provisions of this endorsement do NOT become applicable, any terrorism endorsement already endorsed to this policy, that addresses "certified acts of terrorism" and/or "other acts of terrorism", will continue in effect unless we notify you of changes to that endorsement in response to federal law.

B. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or loss, are enclosed in quotation marks:

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

a. That involve 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; 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.

2. "Any injury or loss" means any injury or loss covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to injury, damage or loss as may be defined in any applicable Coverage Part or Policy.

C. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or damage. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or loss" that is otherwise excluded under this Coverage Part or Policy.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE PART
SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART
FIDUCIARY LIABILITY COVERAGE PART
MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

A. The following definition is added to the **Definitions** Section and applies under this endorsement wherever the term terrorism is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve 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; 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.

B. The following exclusion is added to the Exclusions Section:

EXCLUSION OF TERRORISM

We will not pay for any "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Any "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such "loss". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or

5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **B.5.** or **B.6.** are exceeded.

With respect to this Exclusion, Paragraphs **B.5.** and **B.6.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under these Coverage Parts.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to any "loss" that is otherwise excluded under these Coverage Parts.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

A. The following definition is added to the **Definitions** Section and applies under this endorsement wherever the term terrorism is enclosed in quotation marks:

1. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve 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; 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.

B. The following exclusion is added to the Exclusions Section:

EXCLUSION OF TERRORISM

We will not pay for any "loss" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". Any "loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such "loss". **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials; or
5. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the "terrorism" and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
6. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
 - a. Physical injury that involves a substantial risk of death; or
 - b. Protracted and obvious physical disfigurement; or
 - c. Protracted loss of or impairment of the function of a bodily member or organ.

Multiple incidents of "terrorism" which occur within a 72-hour period and appear to be carried out in concert or to have a related purpose or common leadership will be deemed to be one incident, for the purpose of determining whether the thresholds in Paragraph **B.5.** or **B.6.** are exceeded.

With respect to this Exclusion, Paragraphs **B.5.** and **B.6.** describe the threshold used to measure the magnitude of an incident of "terrorism" and the circumstances in which the threshold will apply, for the purpose of determining whether this Exclusion will apply to that incident. When the Exclusion applies to an incident of "terrorism", there is no coverage under these Coverage Parts.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to any "loss" that is otherwise excluded under these Coverage Parts.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE PART
SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART
FIDUCIARY LIABILITY COVERAGE PART
MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE PART

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

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

a. That involve 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; 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.

2. "Any injury or loss" means any injury or loss covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to injury, damage or loss as may be defined in any applicable Coverage Part or Policy.

B. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

1. The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
2. Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
3. The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
4. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or loss" that is otherwise excluded under this Coverage Part or Policy.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF TERRORISM INVOLVING NUCLEAR, BIOLOGICAL OR CHEMICAL TERRORISM

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

A. The following definitions are added and apply under this endorsement wherever the term terrorism, or the phrase any injury or damage, are enclosed in quotation marks:

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

a. That involve 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; 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.

2. "Any injury or loss" means any injury or loss covered under any Coverage Part or Policy to which this endorsement is applicable, and includes but is not limited to injury, damage or loss as may be defined in any applicable Coverage Part or Policy.

B. The following exclusion is added:

EXCLUSION OF TERRORISM

We will not pay for "any injury or damage" caused directly or indirectly by "terrorism", including action in hindering or defending against an actual or expected incident of "terrorism". "Any injury or loss" is excluded regardless of any other cause or event that contributes concurrently or in any sequence to such injury or loss. **But this exclusion applies only when one or more of the following are attributed to an incident of "terrorism":**

- 1.** The "terrorism" is carried out by means of the dispersal or application of radioactive material, or through the use of a nuclear weapon or device that involves or produces a nuclear reaction, nuclear radiation or radioactive contamination; or
- 2.** Radioactive material is released, and it appears that one purpose of the "terrorism" was to release such material; or
- 3.** The "terrorism" is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- 4.** Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the "terrorism" was to release such materials.

In the event of any incident of "terrorism" that is not subject to this Exclusion, coverage does not apply to "any injury or loss" that is otherwise excluded under this Coverage Part or Policy.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLICY CHANGES

Policy Change Number:		
Policy Number:	Policy Changes Effective:	Company:
Named Organization/Named Insured:		Authorized Representative:
Coverage Parts Affected:		
Changes		
Endorsement Effective Date:		
Countersignature Of Authorized Representative		
Name:		
Title:		
Signature:		
Date:		



American Alternative Insurance Corporation

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form 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.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I - COVERAGE

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. We may at our discretion investigate any "professional incident" 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 Liability And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability 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 injury only if:

- (1) The injury is caused by a "professional incident" that takes place in the coverage territory;

(2) The injury occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraphs 1. and 2. of **Section II – Who Is An Insured** and no "employee" authorized by you to give or receive notice of a "professional incident" or claim, knew that the injury had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the injury occurred, then any continuation, change or resumption of such injury during or after the policy period will be deemed to have been known prior to the policy period.

c. Injury which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraphs 1. and 2. of **Section II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of a "professional incident" or claim, includes any continuation, change or resumption of that injury after the end of the policy period.

d. Injury will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraphs 1. and 2. of **Section II – Who Is An Insured** or any "employee" authorized by you to give or receive notice of a "professional incident" or claim:

- (1) Reports all, or any part, of the injury to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the injury, or
- (3) Becomes aware by any other means that injury has occurred or has begun to occur.

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

2. Exclusions

This insurance does not apply to:

a. Criminal Acts

Injury arising out of a criminal act or omission, including fraud, committed by the insured. This exclusion does not affect our duty to defend, in accordance with the Insuring Agreement, an insured prior to determining, through the appropriate legal processes, that the insured is responsible for a criminal act or has instructed, directed or provided approval for another person concerning such criminal act.

b. Contractual Liability

Injury 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 that the insured would have in the absence of the contract or agreement.

c. Liability Arising Out Of HMOs, PPOs, IPAs, Hospitals Or Other Enterprises

Injury for which the insured may be held liable as a proprietor, hospital administrator, officer, stockholder or member of the board of directors, trustees or governors of any Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Individual Practice Association (IPA), hospital, sanitarium, nursing home, laboratory or other similar enterprises.

d. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers' Liability

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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. War

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.

g. Abuse And Molestation

Injury based upon, attributable to, or arising out of the actual, alleged or threatened abuse, molestation or violation of the civil rights of any person committed or allegedly committed by any insured. Physical contact necessary to perform authorized or medically necessary "professional healthcare services" is not abuse or molestation.

h. HIV/AIDS

Injury directly or indirectly based upon or arising out of bodily injury, sickness, disease, death, humiliation or emotional distress of any person in connection with any condition, disease or sickness associated with or arising out of Acquired Immune Deficiency Syndrome (AIDS).

i. Unauthorized Services

Injury arising out of the rendering of or failure to render "professional healthcare services" by or on behalf of a licensed healthcare professional who is not authorized by you.

j. License

Injury caused by the insured:

- (1) While the insured's professional license is suspended or revoked;
- (2) Who is an unlicensed healthcare professional; or
- (3) After the insured's license has lapsed or been non renewed.

k. Under the Influence

Injury arising out of "professional healthcare services" performed by an insured while under the influence of intoxicants or illegal drugs as defined by the statutes of the state of the insured's operation. This exclusion applies only to the insured who was under the influence of the intoxicants or illegal drugs.

l. Employment Practices

Injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;

- (b) Termination of that person's employment; or
- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of a person as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

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.

m. Clinical or Experimental Trials

Injury arising out of clinical or experimental trials involving your clients or patients.

n. Aircraft, Auto or Watercraft

Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

o. Pollution

Injury, loss, cost, or expense based upon, attributable to, or arising out of:

- (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (2) 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
- (3) A claim or suit brought by or on behalf of any 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".

p. Fungi or Bacteria

Injury, loss, cost or expense based upon, attributable to or arising out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "fungi" or bacteria, by any insured.

q. Asbestos, Lead and Silica

Injury arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of or presence of asbestos, lead, "silica" or "silica-related dust"; or

Any loss, cost or expense arising, in whole or in part, out of 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, asbestos, lead, "silica" or "silica-related dust".

r. Violation Of An Antitrust Law

Any claim for damages arising out of the violation of an antitrust law.

s. Rendering Of Or Failure To Render Professional Services By Others

Injury arising out of the rendering of or failure to render "professional healthcare services" by any other person for whose acts or omissions the insured may be held liable as a member, partner, officer, director or stockholder of any professional partnership, limited liability company, association or corporation.

This exclusion does not apply to the Named Insured.

t. Fines And Penalties

Any claim for the payment of fines, penalties, or assessments made by or on behalf of any federal, state, or local government agency or division.

3. Supplementary Payments

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. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. 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.

- d. All costs taxed against the insured in the "suit".
- e. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the limits of liability nor be subject to the deductible.

SECTION II – WHO IS AN INSURED

1. The organization named in the Declarations is an insured;
2. Your "executive officers", directors, trustees, partners, or managers (if you are a limited liability company) are insureds, but only while performing duties as executive officers, directors, trustees or managers related to the conduct of your business. Any "licensed practitioner of the healing arts" is not an insured unless specifically added as an insured by endorsement.

3. Each of the following is also an insured:

Your "volunteer workers", but 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. Any "licensed practitioner of the healing arts" is not an insured unless specifically added as an insured by endorsement.

However, none of these "employees" is an insured for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
4. Your "funding sources" but only with respect to their liability as a "funding source" of yours or while performing authorized duties related to the conduct of your business.

5. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "professional incident" previously committed and covered by this coverage part.

No person is an insured with respect to the conduct of any current or past partnership or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMIT OF LIABILITY AND DEDUCTIBLE

1. The Limits Of Liability 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 Aggregate Limit is the most we will pay for the sum of all damages.
3. Subject to 2. above, the Each Professional Incident Limit is the most we will pay for all damages because of all injury arising out of any one "professional incident".
4. Our obligation under this insurance to pay damages regarding any "professional incident" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
6. All related "professional incidents" arising out of the providing of or failure to provide "professional health care services" to any one person shall be considered one "professional incident".

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of A Professional Incident, Claim Or Suit.

- a. You must see to it that we are notified as soon as practicable of a circumstance which may result in a claim. To the extent possible, notice should include:
 - (1) Specific circumstances surrounding the "professional incident",
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury arising out of the "professional incident".
- 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 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.

3. Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over other insurance covering an individual "licensed practitioner of the healing arts" acts or omissions. When this insurance is excess over other insurance, we will have no duty to defend the individual "licensed practitioner of the healing arts" against any "suit" if any other insurer has a duty to defend that individual "licensed practitioner of the healing arts" against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the rights of that individual "licensed practitioner of the healing arts" against all those other insurers.

When this insurance is excess over other insurance, we will pay, up to the applicable limits of insurance, the amount of the loss that exceeds the sum of the total amount that all such other insurance would pay for the loss in the absence of this insurance.

If other insurance is also excess, we will share the remaining loss with that other insurance.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this coverage part, 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 coverage part in reliance upon your representations.

6. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada; and
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

SECTION V – DEFINITIONS

1. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
2. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
3. "Funding source" means those persons or organizations which have contributed to your non-profit organization and require, under a written contract, status as an insured.

4. "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.
5. "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".
6. "Licensed practitioner of the healing arts" means those persons who are required to be licensed to practice medicine and includes physicians, physician's assistants, surgeons, dentists, psychiatrists, residents, interns, externs, chiropractors, acupuncturists, nurse practitioners, nurse midwives or certified registered nurse anesthetists.
7. "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.
8. "Professional healthcare services" mean:
 - a. The rendering or failure to render:
 - (1) Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - (2) Any health or therapeutic service, treatment, advice or instruction;
 - (3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming; or
 - (4) Advisory services or counseling with respect to such things as mental health, crisis prevention, social services or drug and alcohol rehabilitation or similar subjects;
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
 - c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.
9. "Professional incident" means any act or omission in the providing of or failure to provide "professional healthcare services" by:
 - a. The insured; or
 - b. Any person acting under the personal direction, control or supervision of the insured.
10. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
11. "Silica-related dust" means a mixture or combination of silica and other dust or particles.

- 12.** "Suit" means a civil proceeding in which damages because of 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.
- 13.** "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.



American Alternative Insurance Corporation

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS-MADE VERSION)

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE FORM
PLEASE READ THE ENTIRE FORM CAREFULLY**

This is a claims-made and reported coverage form. "Claims" must be first made against the insured during the policy period or during the applicable Extended Reporting Period and reported to us under the terms of Section IV, Paragraphs 1. and 2.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form 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.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – COVERAGES

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Liability And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability 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 injury only if:

- (1) The injury is caused by a "professional incident" that takes place in the coverage territory;
- (2) The "professional incident" did not occur before the Retroactive Date shown in the Declarations or after the end of the policy period; and
- (3) A "claim" for damages, with respect to the injury, is first made against any insured in accordance with Paragraph c. below, during the policy period or during the applicable extended reporting period.

c. A "claim" shall be considered to be first made at the earlier of the following times:

- (1) When notice of such "claim" is received by any insured and reported to us in writing; or
- (2) When a "claim" is made directly to us in writing.
- (3) When notice of a "professional incident" or "interrelated professional incident" is first made pursuant to **Section IV- Conditions Duties In The Event Of A Professional Incident, Claim Or Suit** Paragraph 1.b.

d. All "claims" arising out of a "professional incident" to the same person, including damages claimed by any person for care, loss of services or death resulting at any time from the injury, will be deemed to have been made at the time the first of such "claims" is made, regardless of the number of "claims" subsequently made.

2. Exclusions

This insurance does not apply to:

a. Criminal Acts

Injury arising out of a criminal act or omission, including fraud, committed by the insured. This exclusion does not affect our duty to defend, in accordance with the Insuring Agreement, an insured prior to determining, through the appropriate legal processes, that the insured is responsible for a criminal act or has instructed, directed or provided approval for another person concerning such criminal act.

b. Contractual Liability

Injury 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 that the insured would have in the absence of the contract or agreement.

c. Liability Arising Out Of HMOs, PPOs, IPAs, Hospitals Or Other Enterprises

Injury for which the insured may be held liable as a proprietor, hospital administrator, officer, stockholder or member of the board of directors, trustees or governors of any Health Maintenance Organization (HMO), Preferred Provider Organization (PPO), Individual Practice Association (IPA), hospital, sanitarium, nursing home, laboratory or other similar enterprises.

d. Workers Compensation And Similar Laws

Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or any similar law.

e. Employers' Liability

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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. War

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.

g. Abuse And Molestation

Injury based upon, attributable to, or arising out of the actual, alleged or threatened abuse, molestation or violation of the civil rights of any person committed or allegedly committed by any insured. Physical contact necessary to perform authorized or medically necessary "professional healthcare services" is not abuse or molestation.

h. HIV/AIDS

Injury directly or indirectly based upon or arising out of bodily injury, sickness, disease, death, humiliation or emotional distress of any person in connection with any condition, disease or sickness associated with or arising out of Acquired Immune Deficiency Syndrome (AIDS).

i. Unauthorized Services

Injury arising out of the rendering or failure to render "professional healthcare services" by or on behalf of a licensed healthcare professional who is not authorized by you.

j. License

Injury caused by the insured:

- (1) While the insured's professional license is suspended or revoked;
- (2) Who is an unlicensed healthcare professional; or
- (3) After the insured's license has lapsed or been non renewed.

k. Under the Influence

Injury arising out of "professional healthcare services" performed by an insured while under the influence of intoxicants or illegal drugs as defined by the statutes of the state of the insured's operation. This exclusion applies only to the insured who was under the influence of the intoxicants or illegal drugs.

l. Employment Practices

Injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of a person as a consequence of injury to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

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.

m. Clinical or Experimental Trials

Injury arising out of clinical or experimental trials involving your clients or patients.

n. Aircraft, Auto or Watercraft

Injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

o. Pollution

Injury, loss, cost, or expense based upon, attributable to, or arising out of:

- (1) The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- (2) 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
- (3) A "claim" or suit brought by or on behalf of any 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".

p. Fungi or Bacteria

Injury, loss, cost or expense based upon, attributable to or arising out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "fungi" or bacteria, by any insured.

q. Asbestos, Lead and Silica

Injury arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of or presence of asbestos, lead, "silica" or "silica-related dust"; or

Any loss, cost or expense arising, in whole or in part, out of 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, asbestos, lead, "silica" or "silica-related dust".

r. Violation Of An Antitrust Law

Any "claim" for damages arising out of the violation of an antitrust law.

s. Rendering Of Or Failure To Render Professional Services By Others

Injury arising out of the rendering of or failure to render "professional healthcare services" by any other person for whose acts or omissions the insured may be held liable as a member, partner, officer, director or stockholder of any professional partnership, limited liability company, association or corporation.

This exclusion does not apply to the Named Insured.

t. Fines And Penalties

Any "claim" for the payment of fines, penalties, or assessments made by or on behalf of any federal, state, or local government agency or division.

u. Prior Acts

Injury based upon, attributable to or arising out of a "professional incident" or "interrelated professional incident" that occurred before the Retroactive Date, if any, shown in the Declarations.

v. Prior Knowledge

Injury based upon, attributable to or arising out of a "professional incident" or "occurrence" you or an "executive officer" had knowledge of or information on prior to the inception date of continuous claims-made coverage with us, which reasonably may be expected to result in a "claim".

w. Claims or Professional Incidents Reported to Prior Insurers

Injury based upon, attributable to, or arising out of the same facts, "professional incidents" or "interrelated professional incidents":

- (1) Alleged or contained in any "claim" which has been reported; or
- (2) Any circumstances of which notice has been given

under any insurance policy of which this coverage part is a renewal or replacement.

3. Supplementary Payments

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. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of liability. We do not have to furnish these bonds.
- c. 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.
- d. All costs taxed against the insured in the "suit".
- e. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the limits of liability nor be subject to the deductible.

SECTION II – WHO IS AN INSURED

- 1. The organization named in the Declarations is an insured;
- 2. Your past and present "executive officers", directors, trustees, partners, or managers (if you are a limited liability company) are insureds, but only while performing duties as executive officers, directors, trustees or managers related to the conduct of your business. Any "licensed practitioner of the healing arts" is not an insured unless specifically added as an insured by endorsement.

- 3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past and present "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. Any "licensed practitioner of the healing arts" is not an insured unless specifically added as an insured by endorsement.

However, none of these "employees" is an insured for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
- 4. Your past or present "funding sources" but only with respect to their liability as a "funding source" of yours or while performing authorized duties related to the conduct of your business.
 - 5. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "wrongful act" previously committed and covered by this coverage part.

No person is an insured with respect to the conduct of any current or past partnership or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

- 1. The Limits Of Liability 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
 - c. Persons or organizations making "claims".
- 2. The Aggregate Limit is the most we will pay for the sum of all damages.

3. Subject to 2. above, the Each Professional Incident Limit is the most we will pay for all damages because of all injury arising out of any one "professional incident".
4. Our obligation under this insurance to pay damages regarding any "professional incident" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
5. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.
6. All related "professional incidents" arising out of the providing of or failure to provide "professional health care services" to any one person shall be considered one "professional incident".

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

SECTION IV – CONDITIONS

1. Duties In The Event Of A Professional Incident, Claim Or Suit

- a. As a condition precedent to our obligations under this coverage part, the insured must give us written notice of any "claim" made against any insured as soon as practicable, but in no event:
 - (1) Later than sixty (60) days after the end of the policy period; or
 - (2) After the end of the supplemental extended reporting period, if exercised.
- b. If during the policy period or basic extended reporting period any insured becomes aware of a specific "professional incident" that occurred on or after the retroactive date that may reasonably be expected to give rise to a "claim" against any insured, and during the policy period or basic extended reporting period the insured gives written notice to us of:
 - (1) A description of the specific "professional incident", including all relevant dates;
 - (2) The names of the persons involved in the specific "professional incident", including names of the potential claimants;
 - (3) Particulars as to the reasons for anticipating a "claim" which may result from such specific "professional incident";

- (4) The nature of the alleged or potential damages arising from such specific "professional incident"; and
- (5) The circumstances by which the insured first became aware of the specific "professional incident";

then any "claim" subsequently made against any insured arising out of such specific "professional incident" shall be deemed under this coverage part to be a "claim" made during the policy period in which such specific "professional incident" was first reported to us.

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";
- (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 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.

2. Extended Reporting Period

- a. This coverage part provides a Basic Extended Reporting Period. A Supplemental Extended Reporting Period is available, as described below.
- b. The extended reporting periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us before the end of the applicable extended reporting period; and
 - (2) The "claim" arose out of a "professional incident" committed by an insured on or after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period.
- c. There are no separate limits or additional limits of liability for the Extended Reporting Periods.
- d. The basic extended reporting period is automatically provided without additional charge. The basic extended reporting period starts with the end of the "policy period" and lasts for sixty (60) days.

The basic extended reporting period does not apply to "claims" that are covered under any subsequent insurance you purchase.

- e. A supplemental extended reporting period of twelve (12) months to sixty (60) months is available, but only by an endorsement and for an additional charge if this coverage part is cancelled or not renewed by either you or us.

This supplemental extended reporting period starts when the basic extended reporting period set forth in Paragraph d. above, ends.

You must give us a written request for the endorsement specifying the length of time, together with the full payment of the additional premium, within 60 days after the end of the "policy period".

We will determine the additional premium in accordance with our rules and rates. The additional premium for this endorsement will not exceed 200% of the coverage part annual premium.

- f. Once in effect, the supplemental extended reporting period cannot be cancelled. The premium for the supplemental extended reporting period will be deemed full earned as of the date it is purchased.
- g. The Supplemental Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Condition, applicable to the supplemental extended reporting period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the supplemental extended reporting period starts.

3. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

4. Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is:

- (1) Effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to injury on other than a claims-made basis, if:
 - (a) No Retroactive Date is shown in the Declarations of this insurance; or
 - (b) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance.
- (2) Issued to a "licensed practitioner of the healing arts" who is not an "employee".

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay, up to the applicable limits of liability, the amount of the loss that exceeds the sum of the total amount that all such other insurance would pay for the loss in the absence of this insurance.

If other insurance is also excess, we will share the remaining loss with that other insurance.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. Representations

By accepting this coverage part, 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 coverage part in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limit of Liability, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada; and
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

SECTION V – DEFINITIONS

1. "Claim" means a "suit" or demand made by or for the injured person for monetary damages because of alleged injury to which this insurance applies.
2. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
3. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
4. "Funding source" means those persons or organizations which have contributed to your non-profit organization and require, under a written contract, status as an insured.
5. "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.
6. "Interrelated professional incident" means all causally connected "professional incidents".
7. "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".
8. "Licensed practitioner of the healing arts" means those persons who are required to be licensed to practice medicine and includes physicians, physician's assistants, surgeons, dentists, psychiatrists, residents, interns, externs, chiropractors, acupuncturists, nurse practitioners, nurse midwives or certified registered nurse anesthetists.
9. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
10. "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.
11. "Professional healthcare services" mean:
 - a. The rendering or failure to render:
 - (1) Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - (2) Any health or therapeutic service, treatment, advice or instruction;
 - (3) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming; or
 - (4) Advisory services or counseling with respect to such things as mental health, crisis prevention, social services or drug and alcohol rehabilitation or similar subjects;
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
 - c. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures.
12. "Professional incident" means any act or omission in the providing of or failure to provide "professional healthcare services" by:
 - a. The insured; or

- b.** Any person acting under the personal direction, control or supervision of the insured.
- 13.** "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, and silica dust or silica compounds.
- 14.** "Silica-related dust" means a mixture or combination of "silica" and other dust or particles.
- 15.** "Suit" means a civil proceeding in which damages because of 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.
- 16.** "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.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 4010 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PRODUCTS

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

A. The following exclusion is added to **Section 1 - Coverages - 2. Exclusions:**

Products

This insurance does not apply to any injury arising out of the preparation, cooking, serving, or distribution of food or beverage products.

POLICY NUMBER:

MANAGEMENT PORTFOLIO
MP 4011 01 07



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SPECIFIC LITIGATION OR OTHER INCIDENT

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM **MP 4002**
SCHEDULE

Excluded Lawsuit Or Other Incident:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following exclusion is added to **Section 1 - Coverages - 2. Exclusions:**

We will not pay for any injury resulting from any "claim" based upon, attributable to, or arising out of:

1. Any excluded lawsuit or other incident shown in the Schedule above; or
2. The same or substantially the same fact, circumstance or situation underlying or alleged in the excluded lawsuit or other incident shown in the Schedule above.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 4012 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – VICARIOUS LIABILITY FOR SPECIFIED HEALTHCARE PRACTITIONERS

This endorsement modifies insurance provided under the following:

- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

Name Of Licensed Practitioner(s) of the Healing Arts:

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. The following exclusion is added to Section 1 - Coverages - 2. Exclusions:

Vicarious Liability

This insurance does not apply to injury resulting from any "claim" based upon, attributable to, or arising out of "professional incidents" committed by the person(s) shown in the Schedule.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE EXTENSION – CONTRACTUAL LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

A. Paragraph 2.b. of Exclusions under Section I – Coverages is replaced by the following:

2. Exclusions

This insurance does not apply to:

b. Contractual Liability

Injury 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 arising out of a "professional incident":

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement pertaining to the operation of your business:
 - (a) Under which you assume the tort liability of another party to pay for injury 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;
 - (b) The injury is caused, in whole or in part, by you or by those acting on your behalf; and
 - (c) The injury occurs subsequent to the execution of the contract or agreement.

Solely for the purposes of liability assumed in that contract or agreement, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of injury arising out of a "professional incident", provided:

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

B. The following is added to 3. – Supplementary Payments under Section I – Coverages:

- g.** 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:
 - (1) The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement pertaining to the operation of your business under which you assume the tort liability of another party to pay for injury arising out of a "medical incident" or "business entity incident";
 - (2) This insurance applies to such liability assumed by the insured;

- (3) The obligation to defend, or the cost of the defense of, that indemnitee, has also been assumed by the insured in the same contract or agreement;
- (4) The allegations in the "suit" and the information we know about the "medical incident" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- (5) 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
- (6) The indemnitee:
 - (a) Agrees in writing to:
 - (i) Cooperate with us in the investigation, settlement or defense of the "suit";
 - (ii) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
 - (iii) Notify any other insurer whose coverage is available to the indemnitee; and
 - (iv) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and
 - (b) Provides us with written authorization to:
 - (i) Obtain records and other information related to the "suit"; and
 - (ii) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph **A.3.b.(2)** of this endorsement, such payments will not be deemed to be damages for injury arising out of a "medical incident" or "business entity incident" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when:

- (1) We have used up the applicable limit of insurance in the payment of judgments or settlements; or
- (2) The conditions set forth above, or the terms of the agreement described in Paragraph **(6)** above, are no longer met.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 4022 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – PRACTITIONERS PRIMARY COVERAGE

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

Name Of Health Care Practitioner(s):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include, as an insured, any "licensed practitioner of the healing arts", other than a "Medical Director" who is designated in the Schedule, but only for acts or omissions within the scope of their employment by you or while performing duties related to the conduct of your business.

B. Condition 4. Other Insurance is amended as follows:

Paragraph **4.b.** is not applicable as respects the Health Care Practitioners listed in the above Schedule.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – PRACTITIONERS EXCESS COVERAGE

This endorsement modifies insurance provided under the following:

- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

Name Of Health Care Practioners(s):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Section II – Who Is An Insured** is amended to include, as an insured, any "licensed practitioner of the healing arts" who is designated in the Schedule, but only for acts or omissions within the scope of their employment by you or while performing duties related to the conduct of your business.
- B.** With respect to the "licensed practitioners of the healing arts" included as insureds by Paragraph **A.** of this endorsement, paragraph **4.b.** of **Section IV – Conditions** in the Social Service And Healthcare Professional Liability Coverage Form (Occurrence Version) and paragraph **5.b.** of **Section IV – Conditions** in the Social Service And Healthcare Professional Liability Coverage Form (Claims Made Version) is replaced by the following:

Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance issued to the "licensed practitioner of the healing arts" who is designated in the Schedule. When this insurance is excess over such other insurance, we will have no duty to defend that "licensed practitioner of the healing arts" against any "suit" if any other insurer has a duty to defend that "licensed practitioner of the healing arts" against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the rights of that "licensed practitioner of the healing arts" against all those other insurers.



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**ADDITIONAL INSURED –
SOCIAL WORKERS AND COUNSELORS
EXCESS COVERAGE**

This endorsement modifies insurance provided under the following:

- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

Name Of Social Worker(s) or Counselor(s):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A. Section II – Who Is An Insured** is amended to include, as an insured, any social worker or counselor who is designated in the Schedule, but only for acts or omissions within the scope of their employment by you or while performing duties related to the conduct of your business.
- B.** With respect to the social workers or counselors included as insureds by Paragraph **A.** of this endorsement, paragraph **4.b.** of **Section IV – Conditions** in the Social Service And Healthcare Professional Liability Coverage Form (Occurrence Version) and paragraph **5.b.** of **Section IV – Conditions** in the Social Service And Healthcare Professional Liability Coverage Form (Claims Made Version) is replaced by the following:

Other Insurance

b. Excess Insurance

This insurance is excess over any other insurance issued to social worker or counselor who is designated in the Schedule. When this insurance is excess over such other insurance, we will have no duty to defend that social worker or counselor against any "suit" if any other insurer has a duty to defend that social worker or counselor against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the rights of that social worker or counselor against all those other insurers.

POLICY NUMBER:

MANAGEMENT PORTFOLIO
MP 4030 01 07



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTAL EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

# of months: 12, 24, 36, 48, 60		
Premium:	\$	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** A Supplemental Extended Reporting Period Endorsement is provided, as described in Section **IV - Conditions**, Paragraph **2. Extended Reporting Period** and applies for the period of time as shown in the Schedule above.
- B.** This endorsement will not take effect unless the additional premium, as required in Section **IV - Conditions**, Paragraph **2.e.** is paid. Once in effect, this endorsement may not be cancelled. The premium for the Supplemental Extended Reporting Period Endorsement will be deemed fully earned as of the date it is purchased.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 4042 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**WAIVER OF TRANSFER OF RIGHTS OF RECOVERY
AGAINST OTHERS TO US**

This endorsement modifies insurance provided under the following:

- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (OCCURRENCE VERSION)
- SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

SCHEDULE

Name Of Person or Organization):

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US Condition - Section IV – Social Service and Healthcare Professional Liability Coverage Form is amended by the addition of the following:

We waive any right of recovery we may have against the person or organization shown in the Schedule above because of payments we make for injury arising from acts related to the conduct of your business operations and you are required under a written contract with that person or organization to waive your right of recovery. This waiver applies only to the person or organization shown in the Schedule above



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - DEFENSE EXPENSE WITHIN LIMITS

"Defense expenses" are payable within, not in addition to, the Limit of Liability.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form 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.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

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

- (1) The amount we will pay for damages and "defense expenses" is limited as described in **Section III – Limits Of Liability And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability in the payment of "defense expenses" and/or damages.

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The injury occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "act of sexual abuse or molestation" or claim, knew that the injury had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the injury had occurred, then any continuation, change or resumption of such injury during or after the policy period will be deemed to have been known prior to the policy period.

c. Injury 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 "act of sexual abuse or molestation" or claim, includes any continuation, change or resumption of that injury after the end of the policy period.

d. Injury 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 "act of sexual abuse or molestation" or claim:

- (1) Reports all, or any part, of the injury to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the injury; or
- (3) Becomes aware by any other means that injury has occurred or has begun to occur.

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

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or,
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1) (a), (b) or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

l. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any claim made against an insured by another insured.

n. Knowledge Of Prior Acts

Any claim arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation" or claim has knowledge of any prior "act of sexual abuse or molestation" committed by such person, whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any claim arising out of the violation of the civil rights of any person.

3. Supplementary Payments

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

- a. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- b. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability.

SECTION II – WHO IS AN INSURED

- 1. The organization named in the Declarations is an insured.
- 2. Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.
- 3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
- 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 a. or b. above.
- 4. Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
- 5. Your past or present trustees (if members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.

6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.
7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 Aggregate Limit of Liability is the most we will pay for the sum of:
 - a. All damages; and
 - b. All "defense expenses".
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages and "defense expenses" because of injury arising out of any one "act of sexual abuse or molestation".
An "act of sexual abuse or molestation" includes any number of acts as described in the definition of "act of sexual abuse or molestation".
4. "Defense expenses" are not payable by us in addition to the Limits of Liability, but are payable within the Limits of Liability shown in the Declarations, thereby reducing the Limits of Liability shown in the Declarations.
5. Our obligation under this insurance to pay damages regarding any "act of sexual abuse or molestation" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
6. If we incur "defense expenses" that are less than the deductible amount, we may pay those expenses and then seek reimbursement from the insured.
7. We may pay any part or the entire deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken; you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of An Act Of Sexual Abuse Or Molestation, Occurrence, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "act of sexual abuse or molestation" which may result in a claim or any "occurrence" involving a minor. To the extent possible, notice should include:

- (1) Specific circumstances surrounding the "act of sexual abuse or molestation" or the "occurrence";
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence".

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 within 60 days of receipt of the claim or "suit".

You must see to it that we receive written notice of the claim or "suit" as soon as practicable, but in no event later than 60 days from the date you received notification of the "Act of sexual abuse or molestation", claim or "suit".

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 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.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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 all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Liability shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this policy, you agree:

- a. The 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 coverage part in reliance upon your representations.

6. Separation Of Insureds

Except with respect to the Limits Of Liability and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

9. Transfer Of Duties When The Limit Of Liability Is Used Up

- a. If we conclude that, based on claims or injuries which have been reported to us and to which this insurance may apply, the applicable limit of liability is likely damages or settlements and/or "defense expenses" we will notify the first Named Insured, in writing, to that effect.
- b. When the applicable limit of liability has actually been used up in the payment of damages and/or "defense expenses" we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.** above and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When **b.** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:
 - (1) Cooperate in the transfer of control of "suits"; and
 - (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- d. We will take no action with respect to defense for any claim if such claim is reported to us after the applicable limit of liability has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a claim, to arrange defense for such claim.
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b.** above.
- f. The exhaustion of the applicable limit of liability and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

- 1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
- 2. "Defense expenses" mean payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense, including:
 - a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired by us.
 - c. 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.
 - d. Costs taxed against the insured in the "suit".
 "Defense expenses" do not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **a.** and **b.** above).
- 3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".

4. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
5. "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".
6. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
7. "Sexual abuse or molestation" means actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
8. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
9. "Suit" means a civil proceeding in which damages because of 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.
10. "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. A temporary worker does not include a substitute teacher.
11. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form 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.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as damages because of injury to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for injury to which this insurance does not apply. We may at our discretion investigate any "act of sexual abuse or molestation" 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 Liability And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability in the payment of damages.

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The injury occurs during the policy period; and

(3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "act of sexual abuse or molestation" or claim, knew that the injury had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the injury had occurred, then any continuation, change or resumption of such injury during or after the policy period will be deemed to have been known prior to the policy period.

c. Injury 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 "act of sexual abuse or molestation" or claim, includes any continuation, change or resumption of that injury after the end of the policy period.

d. Injury 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 "act of sexual abuse or molestation" or claim:

- (1) Reports all, or any part, of the injury to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the injury; or
- (3) Becomes aware by any other means that injury has occurred or has begun to occur.

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

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or,

(c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1) (a), (b) or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

I. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any claim made against an insured by another insured.

n. Knowledge Of Prior Acts

Any claim arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation", or claim has knowledge of any prior "act of sexual abuse or molestation" committed by such person, whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any claim arising out of the violation of the civil rights of any person.

3. Supplementary Payments

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.** The cost of bonds to release attachments, but only for bond amounts within the applicable limit of liability. We do not have to furnish these bonds.
- c.** 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.
- d.** All costs taxed against the insured in the "suit".

e. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.

f. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability

SECTION II – WHO IS AN INSURED

- 1.** The organization named in the Declarations is an insured.
- 2.** Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.
- 3.** Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:

- a.** To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
- b.** To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph **a.** above; or
- 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 **a.** or **b.** above.
- 4.** Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
- 5.** Your past or present trustees or members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.

6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.
7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 Aggregate Limit is the most we will pay for the sum of all damages.
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages because of injury arising out of any one "act of sexual abuse or molestation".

An "act of sexual abuse or molestation" includes any number of acts as described in the definition of "act of sexual abuse or molestation".
4. Our obligation under this insurance to pay damages regarding any "act of abuse or molestation" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
5. We may pay any part or the entire deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken; you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of An Act Of Sexual Abuse Or Molestation, Occurrence, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "act of sexual abuse or molestation" which may result in a claim or any "occurrence" involving a minor. To the extent possible, notice should include:
 - (1) Specific circumstances surrounding the "act of sexual abuse or molestation" or the "occurrence";
 - (2) The names and addresses of any injured persons and witnesses; and
 - (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence".
- 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 within 60 days of receipt of the claim or "suit".

You must see to it that we receive written notice of the claim or "suit" as soon as practicable, but in no event later than 60 days from the date you received notification of the "act of sexual abuse or molestation, claim or "suit".
- 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 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.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary.

Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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 all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Liability shown in the Declarations of this coverage part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of liability or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this policy, you agree:

- a.** The 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.

6. Separation Of Insureds

Except with respect to the Limits Of Liability and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a.** As if each Named Insured were the only Named Insured; and
- b.** Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. Territory

Coverage territory means:

- a.** The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b.** International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or



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- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in a. above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in a. above or in a settlement we agree to.

SECTION V – DEFINITIONS

1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
2. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
3. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
4. "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".
5. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
6. "Sexual abuse or molestation" means the actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
7. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
8. "Suit" means a civil proceeding in which damages because of 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.
9. "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. A temporary worker does not include a substitute teacher.
10. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group, but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (SEPARATE LIMITS FOR DEFENSE AND INDEMNITY)

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form 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.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

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

- (1) The amount we will pay for damages and "defense expenses" is limited as described in **Section III – Limits Of Liability; And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability in the payment of for damages, and/or when we have used up the Defense Expense Aggregate for the payment of "defense expenses".

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The injury occurs during the policy period; and
- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "act of sexual abuse or molestation" or claim, knew that the injury had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the injury had occurred, then any continuation, change or resumption of such injury during or after the policy period will be deemed to have been known prior to the policy period.

c. Injury 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 "act of sexual abuse or molestation" or claim, includes any continuation, change or resumption of that injury after the end of the policy period.

d. Injury 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 "act of sexual abuse or molestation" or claim:

- (1) Reports all, or any part, of the injury to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the injury; or
- (3) Becomes aware by any other means that injury has occurred or has begun to occur.

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

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;

- (b) Termination of that person's employment; or,

- (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or

- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1) (a), (b) or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

l. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any claim made against an insured by another insured.

n. Knowledge Of Prior Acts

Any claim arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation" or claim has knowledge of any prior "act of sexual abuse or molestation" committed by such person whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any claim arising out of the violation of the civil rights of any person.

3. Defense Expense Payments

"Defense expense" payments or reimbursements are subject to the Defense Expense Limit shown in the Declarations of this policy. If no Defense Expense Limit is shown in the Declarations of this policy, the Defense Expense Limit shall be equal to the Aggregate Limit of Liability shown in the Declarations of this policy.

4. Supplementary Payments

We will pay, with respect to any claim we investigate or settle or any "suit" against an insured we defend:

- a. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- b. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability.

SECTION II – WHO IS AN INSURED

1. The organization named in the Declarations is an insured.
2. Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.
3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:
 - a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
4. Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
5. Your past or present trustees (if members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.

6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.
7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 Aggregate Limit of Liability is the most we will pay for the sum of all damages.
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages because of injury arising out of any one "act of sexual abuse or molestation".

An "act of sexual abuse or molestation" includes any number of acts as described in the definition.
4. The Defense Expense Limit as described in Paragraph **C. Defense Expense Payments** of Section **I** is the most we are obligated to pay for the sum of all "defense expenses".

Each payment we make for "defense expenses" reduces the Defense Expense Limit.
5. The Deductible amount shown in the Declarations applies to each "claim".
6. The Deductible amount shown in the Declarations of this coverage part is subtracted from either the damages or "defense expense incurred, whichever amount is incurred first.
7. We may pay any part or all of the deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The limits of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

SECTION IV – CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of An Act Of Sexual Abuse Or Molestation, Occurrence, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an "act of sexual abuse or molestation" which may result in a claim. or any "occurrence" involving a minor. To the extent possible, notice should include:

- (1) Specific circumstances surrounding the "act of sexual abuse or molestation" or the "occurrence";
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence";

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 within 60 days of receipt of the claim or "suit".

You must see to it that we receive written notice of the claim or "suit" as soon as practicable, but in no event later than 60 days from the date you received notification of the "act of sexual abuse or molestation", claim or "suit".

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 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.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (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 all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Liability shown in the Declarations of this Coverage Part.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of liability or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Representations

By accepting this policy, you agree:

- a. The 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 coverage part in reliance upon your representations.

6. Separation Of Insureds

Except with respect to the Limits Of Liability and the Insured Versus. Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

7. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

8. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

9. Transfer Of Duties When The Applicable Limit Of Liability Or The Defense Expense Limit Is Used Up

a. If we conclude that, based on claims or injuries which have been reported to us and to which this insurance may apply:

- (1)** The applicable Limit of Liability is likely to be used up in the payment of judgments or settlements for damages; or
- (2)** The Defense Expense Limit is likely to be used up in the payment of "defense expenses",

we will notify the first Named Insured, in writing, to that effect.

b. When either of the following has occurred:

- (1)** The applicable Limit of Liability has actually been used up in the payment of judgments or settlements for damages; or
- (2)** The Defense Expense Limit has actually been used up in the payment of "defense expenses",

we will:

- (3)** Notify the first Named Insured in writing, as soon as practicable, that:
 - (a)** The applicable Limit of Liability has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended; or
 - (b)** The Defense Expense Limit has actually been used up and that our duty to defend the insured against any "suit" seeking damages has ended,

whichever is applicable.

- (4)** Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.(1)** or **b.(2)** above and which are reported to us before that duty to defend ended; and
- (5)** Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

c. When either **b.(1)** or **b.(2)** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:

- (1)** Cooperate in the transfer of control of "suits"; and
- (2)** Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

d. We will take no action with respect to defense for any claim or "suit" if such claim or "suit" is reported to us after:

- (1)** The applicable Limit of Liability has been used up, even if the Defense Expense Limit has not been used up; or
- (2)** The Defense Expense Limit has been used up, even if the applicable Limit of Liability has not been used up.

When either Paragraph **d.(1)** or **d.(2)** has occurred, it becomes the responsibility of the first Named Insured, and any other insured involved in such a claim, to arrange defense for such claim.

e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b.** above.

The duty of the first Named Insured to reimburse us will begin on:

- (1)** The date on which the applicable Limit of Liability is used up, if we sent notice in accordance with Paragraph **a.1** above; or
- (2)** The date on which we sent notice in accordance with Paragraph **b.1.** above, if we did not send notice in accordance with Paragraph **a.1.** above.

f. If a limit of liability is available for payment of damages and our duty to defend the insured against "suits" and to pay "defense expenses" has ended because we have used up the Defense Expense Limit and we have transferred the control of defense of "suits" to you, the following provisions apply:

- (1)** We retain the right, at our discretion, to appeal any judgment, award or ruling at our expense.
- (2)** You and any other involved insured must:
 - (a)** Continue to comply with the Notice To Us Condition as well as the other provisions of this policy; and
 - (b)** Direct defense counsel of the insured to:

- (i) Furnish us with the information we may request to evaluate "suits" and coverage under this policy for those "suits"; and
 - (ii) Cooperate with any counsel we may select to monitor or associate in defense of those "suits".
- (3) You have the right to settle any outstanding or additional "suits". However, our obligation to pay for such a settlement is limited to the amount within or up to the available Limit of Liability.
- g. The exhaustion of:
- (1) The applicable Limit of Liability by the payment of judgments or settlements for damages; or
 - (2) The Defense Expense Limit by the payment or reimbursement of "defense expenses",
- and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
 2. "Defense expenses" mean payments allocated to a specific claim or "suit" we investigate, settle or defend, for its investigation, settlement or defense, including:
 - a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired by us.
 - c. 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.
 - d. Costs taxed against the insured in the "suit".
- "Defense expenses" do not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs a. and b. above).
3. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
 4. "Executive officers" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 5. "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".
 6. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
 7. "Sexual abuse or molestation" means actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
 8. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
 9. "Suit" means a civil proceeding in which damages because of 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.

10. "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. A temporary worker does not include a substitute teacher.

11. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group, but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - DEFENSE EXPENSE WITHIN LIMITS (CLAIMS-MADE VERSION)

**THIS IS A CLAIMS-MADE AND REPORTED POLICY
PLEASE READ THE ENTIRE FORM CAREFULLY**

This is a claims-made and reported coverage form. "Claims" must be first made against the insured during the "policy period" or during the applicable Extended Reporting Period and reported to us under the terms of Section IV, Paragraphs 1. and 2. "Defense expenses" are payable within, not in addition to, the Limit of Liability.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word insured means any person or organization qualifying as such under Section III – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

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

- (1) The amount we will pay for damages and/or defense expenses is limited as described in Section III – **Limits Of Liability And Deductible**; and
- (2) Our right and duty to defend end when we have used up the applicable limit of liability in the payment of damages and/or "defense expenses".

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The "act of sexual abuse or molestation" did not occur before the Retroactive Date shown in the Declarations or after the end of the policy period; and
- (3) A "claim" for damages, with respect to the injury, is first made against any insured in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide in accordance with **Section IV – Conditions - 2. Extended Reporting Period**.

c. A "claim" shall be considered to be first made at the earlier of the following times:

- (1) When notice of such "claim" is received by any insured and reported to us in writing; or
- (2) When a "claim" is made directly to us in writing; or
- (3) When notice of an "act of sexual abuse or molestation" or "interrelated act of sexual abuse or molestation" is first made pursuant to Section IV **Conditions - Notice to Us Paragraph 1.b**.

- d. All "claims" arising out of the same "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" committed by one or more insureds shall be considered a single "act of sexual abuse or molestation". All "claims" arising out of this single "act of sexual abuse or molestation" shall be deemed to be first made on the date the initial "claim" arising out of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first made pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(a) or notice of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first reported pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(b).

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or,
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1)(a), (b), or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

l. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any "claim" made against an insured by another insured.

n. Knowledge of Prior Acts

Any "claim" arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation", or "claim" has knowledge of any prior "act of sexual abuse or molestation" committed by such person, whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any "claim" arising out of the violation of the civil rights of any person.

q. Claims or Acts of Sexual Abuse or Molestation Reported to Prior Insurers

Any injury based upon, attributable to, or arising out of the same facts, "acts of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this policy is a renewal or replacement.

r. Prior Acts

Any injury based upon, attributable to, or arising out of an "act of sexual abuse or molestation" or "interrelated act of sexual abuse or molestation" that has occurred before the Retroactive Date, if any, shown in the Declarations.

s. Knowledge Of Prior Acts

Any injury based upon, attributable to or arising out of an "act of sexual abuse or molestation" or "occurrence" you or an "executive officer" had knowledge of or information on prior to the inception date of continuous claims-made coverage with us, which reasonably may be expected to result in a "claim".

3. Supplementary Payments

We will pay, with respect to any "claim" we investigate or settle or any "suit" against an insured we defend:

- a. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- b. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability.

SECTION II – WHO IS AN INSURED

- 1. The organization named in the Declarations is an insured.
- 2. Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.

3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
4. Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
 5. Your past or present trustees or members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.
 6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.
 7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 Aggregate Limit is the most we will pay for the sum of all damages and/or "defense expenses".
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages and/or "defense expenses" because of injury arising out of any one "act of sexual abuse or molestation".
4. "Defense expenses" are not payable by us in addition to the Limits of Liability, but are payable within the Limits of Liability shown in the Declarations, thereby reducing the Limits of Liability shown in the Declarations.
5. Our obligation under this insurance to pay damages regarding any "act of sexual abuse or molestation" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
6. If we incur "defense expenses" that are less than the deductible amount, we may pay those expenses and then seek reimbursement from the insured.
7. We may pay any part or the entire deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken; you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The Limits of Liability of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

SECTION IV – CONDITIONS

1. Notice To Us

- a. As a condition precedent to our obligations under this coverage part, the insureds must give us written notice of any "claim" made against any insured or any "occurrence" involving a minor as soon as practicable, but in no event:
 - (1) Later than sixty (60) days after the end of the "policy period"; or
 - (2) After the end of the Supplemental Extended Reporting Period if exercised.

b. If during the "policy period" or the basic extended reporting period, any insured becomes aware of a specific "act of sexual abuse or molestation" that occurred after the retroactive date and before the end of the "policy period" or an "occurrence" that may reasonably be expected to give rise to a "claim" against any insured, and during the policy period or the basic extended reporting period, the insured gives written notice to us of:

- (1) A description of the specific "act of sexual abuse or molestation" or an "occurrence" including all relevant dates;
- (2) The names of the persons involved in the specific "act of sexual abuse or molestation" or the "occurrence", including names and addresses of any injured persons and witnesses;
- (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence"; and
- (5) The circumstances by which the insureds first became aware of the specific "act of sexual abuse or molestation" or the "occurrence",

then any "claim" subsequently made against any insured arising out of such specific "act of sexual abuse or molestation" or the "occurrence" shall be deemed under this coverage part to be a "claim" made during the policy period in which such specific "act of sexual abuse or molestation" was first reported to us.

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. Extended Reporting Period

a. This coverage part provides a Basic Extended Reporting Period. A Supplemental Extended Reporting Period is available, as described below.

b. The extended reporting periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" to which the following applies:

- (1) The "claim" is first made and reported to us before the end of the applicable extended reporting period; and
- (2) The "claim" arose out of a "wrongful act" committed by an insured on or after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period.

c. There are no separate limits or additional limits of liability for the extended reporting periods.

d. The basic extended reporting period is automatically provided without additional charge. The basic extended reporting period starts with the end of the policy period and lasts for sixty (60) days.

The basic extended reporting period does not apply to "claims" that are covered under any subsequent insurance you purchase.

e. A supplemental extended reporting period of twelve (12) months to sixty (60) months is available, but only by an endorsement and for an additional charge if this coverage part is cancelled or not renewed by either you or us.

This supplemental extended reporting period starts when the basic extended reporting period set forth in Paragraph d. above, ends.

You must give us a written request for the endorsement specifying the length of time, together with the full payment of the additional premium, within 60 days after the end of the "policy period".

We will determine the additional premium in accordance with our rules and rates. The additional premium for this endorsement will not exceed 200% of the coverage part annual premium.

f. Once in effect, the supplemental extended reporting period cannot be cancelled. The premium for the supplemental extended reporting period will be deemed fully earned as of the date it is purchased.

g. The Supplemental Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Condition, applicable to the supplemental extended reporting period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the supplemental extended reporting period starts.

3. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to loss on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;

unless such other policy is written specifically excess of this policy by reference in such other policy to this coverage part's policy number.

This insurance is also excess of any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. Representations And Severability

The insureds represent that all information and statements contained in the "application" are true, accurate and complete. All such information and statements are the basis for our issuing this policy and shall be considered as incorporated into and constitute a part of this policy. In the event that the "application" contains any misrepresentation or misstatement of a material fact, this policy shall not afford coverage to any insured who knew of such misrepresentation or misstatement.

7. Separation Of Insureds

Except with respect to the Limits of Insurance and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or

- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

10. Transfer Of Duties When The Limit Of Liability Is Used Up

- a. If we conclude that, based on "claims" or injuries which have been reported to us and to which this insurance may apply, the applicable limit of liability is likely to be used up in the payment of damages and/or "defense expenses" we will notify the first Named Insured, in writing, to that effect.
- b. When the applicable limit of liability has actually been used up in the payment of judgments or settlements and/or "defense expenses" we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.** above and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When **b.** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:
 - (1) Cooperate in the transfer of control of "suits"; and
 - (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of liability has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b.** above.
- f. The exhaustion of the applicable limit of liability and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

- 1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
- 2. "Application" means all signed applications for this policy, including any attachments and other materials submitted in conjunction with the signed application(s).
- 3. "Claim" means a "suit" or demand made by or for the injured person for monetary damages because of alleged injury to which this insurance applies.
- 4. "Defense expenses" mean payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:
 - a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired by us.

- c. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
- d. Costs taxed against the insured in the "suit".
"Defense expenses" do not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs a. and b. above).
- 5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 7. "Interrelated act of sexual abuse or molestation" means all causally connected "acts of sexual abuse or molestation".
- 8. "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".
- 9. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
- 10. "Sexual abuse or molestation" means the actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
- 11. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
- 12. "Suit" means a civil proceeding in which damages because of 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.
- 13. "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. A temporary worker does not include a substitute teacher.
- 14. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.
"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group, but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (CLAIMS MADE VERSION)

**THIS IS A CLAIMS-MADE AND REPORTED POLICY
PLEASE READ THE ENTIRE FORM CAREFULLY**

This is a claims-made and reported coverage form. "Claims" must be first made against the insured during the "policy period" or during the applicable Extended Reporting Period and reported to us under the terms of Section IV, Paragraphs 1. and 2.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word insured means any person or organization qualifying as such under Section III – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

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

- (1) The amount we will pay for damages is limited as described in **Section III – Limits Of Liability And Deductible**; and

- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements.

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The "act of sexual abuse or molestation" did not occur before the Retroactive Date shown in the Declarations or after the end of the policy period; and
- (3) A "claim" for damages, with respect to the injury, is first made against any insured in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide in accordance with **Section IV – Conditions - 2. Extended Reporting Period**.

c. A "claim" shall be considered to be first made at the earlier of the following times:

- (1) When notice of such "claim" is received by any insured and reported to us in writing; or
- (2) When a "claim" is made directly to us in writing; or
- (3) When notice of an "act of sexual abuse or molestation" or "interrelated act of sexual abuse or molestation" is first made pursuant to Section IV **Conditions - Notice to Us Paragraph 1.b**.

- d. All "claims" arising out of the same "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" committed by one or more insureds shall be considered a single "act of sexual abuse or molestation". All "claims" arising out of this single "act of sexual abuse or molestation" shall be deemed to be first made on the date the initial "claim" arising out of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first made pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(a) or notice of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first reported pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(b).

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or,
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1)(a), (b), or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

l. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any "claim" made against an insured by another insured.

n. Knowledge of Prior Acts

Any "claim" arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation", or "claim" has knowledge of any prior "act of sexual abuse or molestation" committed by such person, whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any "claim" arising out of the violation of the civil rights of any person.

q. Claims or Acts of Sexual Abuse or Molestation Reported to Prior Insurers

Any injury based upon, attributable to, or arising out of the same facts, "acts of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this policy is a renewal or replacement.

r. Prior Acts

Any injury based upon, attributable to, or arising out of an "act of sexual abuse or molestation" or "interrelated act of sexual abuse or molestation" that has occurred before the Retroactive Date, if any, shown in the Declarations.

s. Prior Knowledge

Any injury based upon, attributable to or arising out of an "act of sexual abuse or molestation" or "occurrence" you or an "executive officer" had knowledge of or information on prior to the inception date of continuous claims-made coverage with us, which reasonably may be expected to result in a "claim".

3. Supplementary Payments

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. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- c. 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.
- d. All costs taxed against the insured in the "suit".
- e. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- f. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability

SECTION II – WHO IS AN INSURED

1. The organization named in the Declarations is an insured.
2. Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.
3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
4. Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
 5. Your past or present trustees or members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.
 6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.

7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 Aggregate Limit is the most we will pay for the sum of all damages.
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages because of injury arising out of any one "act of sexual abuse or molestation".
5. Our obligation under this insurance to pay damages regarding any "act of sexual abuse or molestation" on behalf of the insured applies only to the amount of damages in excess of the deductible amount, if any, stated in the Declarations.
6. We may pay any part or the entire deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken; you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The Limits of Liability of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

SECTION IV – CONDITIONS

1. Notice To Us

- a. As a condition precedent to our obligations under this coverage part, the insureds must give us written notice of any "claim" made against any insured or any "occurrence" involving a minor as soon as practicable, but in no event:
 - (1) Later than sixty (60) days after the end of the "policy period"; or
 - (2) After the end of the Supplemental Extended Reporting Period if exercised.

b. If during the "policy period" or the basic extended reporting period, any insured becomes aware of a specific "act of sexual abuse or molestation" that occurred after the retroactive date and before the end of the "policy period" or an "occurrence" that may reasonably be expected to give rise to a "claim" against any insured, and during the policy period or the basic extended reporting period, the insured gives written notice to us of:

- (1) A description of the specific "act of sexual abuse or molestation" or an "occurrence" including all relevant dates;
- (2) The names of the persons involved in the specific "act of sexual abuse or molestation" or the "occurrence", including names and addresses of any injured persons and witnesses;
- (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence"; and
- (5) The circumstances by which the insureds first became aware of the specific "act of sexual abuse or molestation" or the "occurrence",

then any "claim" subsequently made against any insured arising out of such specific "act of sexual abuse or molestation" or the "occurrence" shall be deemed under this coverage part to be a "claim" made during the policy period in which such specific "act of sexual abuse or molestation" was first reported to us.

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. Extended Reporting Period

- a. This coverage part provides a Basic Extended Reporting Period. A Supplemental Extended Reporting Period is available, as described below.
- b. The extended reporting periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us before the end of the applicable extended reporting period; and
 - (2) The "claim" arose out of a "wrongful act" committed by an insured on or after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period.
- c. There are no separate limits or additional limits of liability for the extended reporting periods.

d. The basic extended reporting period is automatically provided without additional charge. The basic extended reporting period starts with the end of the policy period and lasts for sixty (60) days.

The basic extended reporting period does not apply to "claims" that are covered under any subsequent insurance you purchase.

e. A supplemental extended reporting period of twelve (12) months to sixty (60) months is available, but only by an endorsement and for an additional charge if this coverage part is cancelled or not renewed by either you or us.

This supplemental extended reporting period starts when the basic extended reporting period set forth in Paragraph d. above, ends.

You must give us a written request for the endorsement specifying the length of time, together with the full payment of the additional premium, within 60 days after the end of the "policy period".

We will determine the additional premium in accordance with our rules and rates. The additional premium for this endorsement will not exceed 200% of the coverage part annual premium.

f. Once in effect, the supplemental extended reporting period cannot be cancelled. The premium for the supplemental extended reporting period will be deemed fully earned as of the date it is purchased.

g. The Supplemental Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Condition, applicable to the supplemental extended reporting period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the supplemental extended reporting period starts.

3. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to loss on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;

unless such other policy is written specifically excess of this policy by reference in such other policy to this coverage part's policy number.

This insurance is also excess of any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

6. Representations And Severability

The insureds represent that all information and statements contained in the "application" are true, accurate and complete. All such information and statements are the basis for our issuing this policy and shall be considered as incorporated into and constitute a part of this policy. In the event that the "application" contains any misrepresentation or misstatement of a material fact, this policy shall not afford coverage to any insured who knew of such misrepresentation or misstatement.

7. Separation Of Insureds

Except with respect to the Limits of Insurance and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;

- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

10. Transfer Of Duties When The Limit Of Liability Is Used Up

- a. If we conclude that, based on "claims" or injuries which have been reported to us and to which this insurance may apply, the applicable limit of liability is likely to be used up in the payment of damages we will notify the first Named Insured, in writing, to that effect.
- b. When the applicable limit of liability has actually been used up in the payment of damages we will:
 - (1) Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;
 - (2) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.** above and which are reported to us before that duty to defend ended; and
 - (3) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When **b.** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:
 - (1) Cooperate in the transfer of control of "suits"; and
 - (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

- d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of liability has been used up. It becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b.** above.
- f. The exhaustion of the applicable limit of liability and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

- 1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
- 2. "Application" means all signed applications for this policy, including any attachments and other materials submitted in conjunction with the signed application(s).
- 3. "Claim" means a "suit" or demand made by or for the injured person for monetary damages because of alleged injury to which this insurance applies.
- 4. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
- 5. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- 6. "Interrelated act of sexual abuse or molestation" means all causally connected "acts of sexual abuse or molestation".
- 7. "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".

8. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
9. "Sexual abuse or molestation" means the actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
10. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
11. "Suit" means a civil proceeding in which damages because of 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.
12. "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. A temporary worker does not include a substitute teacher.
13. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group, but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - SEPARATE LIMITS FOR DEFENSE AND INDEMNITY (CLAIMS MADE VERSION)

THIS IS A CLAIMS-MADE AND REPORTED POLICY
PLEASE READ THE ENTIRE FORM CAREFULLY

This is a claims-made and reported coverage form. "Claims" must be first made against the insured during the policy period or during the applicable Extended Reporting Period and reported to us under the terms of Section IV, Paragraphs 1. and 2.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word insured means any person or organization qualifying as such under Section III – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

SECTION I – SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE

1. Insuring Agreement

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

- (1) The amount we will pay for damages and "defense expenses" is limited as described in **Section III – Limits Of Liability And Deductible**; and

- (2) Our right and duty to defend end when we have used up the applicable limit of liability in the payment of "defense expenses" and/or damages.

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 injury only if:

- (1) The injury is caused by an "act of sexual abuse or molestation" that takes place in the coverage territory;
- (2) The "act of sexual abuse or molestation" did not occur before the Retroactive Date shown in the Declarations or after the end of the policy period; and
- (3) A "claim" for damages, with respect to the injury, is first made against any insured in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide in accordance with **Section IV – Conditions - 2. Extended Reporting Period**.

c. A "claim" shall be considered to be first made at the earlier of the following times:

- (1) When notice of such "claim" is received by any insured and reported to us in writing; or
- (2) When a "claim" is made directly to us in writing; or
- (3) When notice of an "act of sexual abuse or molestation" or "interrelated act of sexual abuse or molestation" is first made pursuant to Section IV **Conditions - Notice to Us Paragraph 1.b**.

d. All "claims" arising out of the same "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" committed by one or more insureds shall be considered a single "act of sexual abuse or molestation". All "claims" arising out of this single "act of sexual abuse or molestation" shall be deemed to be first made on the date the initial "claim" arising out of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first made pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(a) or notice of such "act of sexual abuse or molestation" or "interrelated acts of sexual abuse or molestation" was first reported pursuant to Section IV - **Conditions - Notice to Us** Paragraph 1.(b).

2. Exclusions

This insurance does not apply to:

a. Knowledge of An Act of Sexual Abuse Or Molestation"

Any insured with knowledge of the "act of sexual abuse or molestation" who intentionally fails to report such act to the proper authorities.

b. Contractual Liability

Any injury 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 that the insured would have in the absence of the contract or agreement.

c. Workers Compensation And Similar Laws

Any obligation of the insured under workers compensation, disability benefits or unemployment compensation law or any similar law.

d. Aircraft, Auto or Watercraft

Any injury arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft.

e. Employers' Liability

Any injury to:

- (1) Any person 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 a person 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 obligations to share damages with or repay someone else who must pay damages because of the injury.

f. Employment Practices

Any injury to:

- (1) A person arising out of any:
 - (a) Refusal to employ that person;
 - (b) Termination of that person's employment; or,
 - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of a person as a consequence of any injury to that person at whom any of the employment-related practices described in Paragraphs f.(1)(a), (b), or (c) above is directed.

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.

g. War

Any 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.

h. Perpetrator Exclusion

Any insured who participated in or who conspired with, knowingly allowed or directed a participant in any "act of sexual abuse or molestation". We will defend an insured for covered civil action subject to the terms of this coverage part until either a judgment or final adjudication establishes such an "act of sexual abuse or molestation", or the insured confirms such act.

i. Damage To Property

Any damage to or loss of use of property owned; rented to; leased by; in the care, custody or control of; or entrusted to any insured.

j. Costs, Fines And Penalties

Costs, expenses, fines or penalties incidental to or arising from any criminal investigation or proceeding regarding the "act of sexual abuse or molestation".

k. Material Published With Knowledge Of Falsity

Any 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.

l. Material Published Prior To Policy Period

Any injury arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

m. Insured vs. Insured

Any "claim" made against an insured by another insured.

n. Knowledge Of Prior Acts

Any "claim" arising from an "act of sexual abuse or molestation" by an insured or anyone for whom the insured is legally responsible that initially occurs after the Named Insured, its "executive officers", directors, trustees, partners or managers (if it is a limited liability corporation) or an "employee" authorized by you to give and receive notice of an "act of sexual abuse or molestation" or "claim" has knowledge of any prior "act of sexual abuse or molestation" committed by such person, whether the "act of sexual abuse or molestation" occurred before or after such person was hired by you or became your responsibility. This exclusion does not apply if the initial knowledge of a prior "act of sexual abuse or molestation" is possessed only by an insured or "employee" described above who committed such "act of sexual abuse or molestation". For the purposes of this exclusion, a prior "act of sexual abuse or molestation" does not include an alleged "act of sexual abuse or molestation."

o. Violation of Penal Statute

Any injury arising out of any actual or alleged violation of a penal statute or ordinance committed by or with the knowledge or consent of any insured.

p. Violation of Civil Rights

Any "claim" arising out of the violation of the civil rights of any person.

3. Defense Expense Payments

"Defense expense" payments are subject to the Defense Expense Aggregate shown in the Declarations of this policy. If no defense aggregate is shown in the declarations of this coverage part, the Defense Aggregate is equal to the Aggregate Limit of Liability shown in the Declarations of this coverage part.

4. Supplementary Payments

We will pay, with respect to any "claim" we investigate or settle or any "suit" against an insured we defend:

- a. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
- b. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.

These payments will not reduce the Limits Of Liability.

SECTION II – WHO IS AN INSURED

- 1. The organization named in the Declarations is an insured.
- 2. Your past and present "executive officers", directors, trustees, partners or managers (if you are a limited liability company) are insureds, but only while performing duties as "executive officers", directors, trustees or managers related to the conduct of your business.
- 3. Your past and present "volunteer workers", but only while performing duties related to the conduct of your business, or your past or present "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" are insureds for injury:

- a. To you, to your members (if you are a limited liability company), or to a co-"employee" while that co-"employee" is either in the course of his or her employment or performing duties related to the conduct of your business;
 - b. To the spouse, child, parent, brother or sister of that co-"employee" as a consequence of paragraph a. above; or
 - 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 a. or b. above.
4. Your past or present appointed or elected officials, other than "employees" or "executive officers", but only while performing duties related to the conduct of your business.
 5. Your past or present trustees or members of your Board of Governors if you are a private, non-profit or charitable institution, but only while performing duties related to the conduct of your business.
 6. Past or present student teachers teaching as part of their educational requirements, but only while performing duties related to the conduct of your business.
 7. Your legal representative if you die, but only with respect to their duties as such. That representative will have all of your rights and duties under this Coverage Part.

SECTION III – LIMITS OF LIABILITY AND DEDUCTIBLE

1. The Limits of Liability 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 most we will pay for all damages resulting from all "claims" first made during the policy period and the applicable extended reporting period is the Aggregate Limit shown in the Declarations.
If the aggregate Limit of Liability is exhausted by the payment of damages, we will have no further obligation or liability to pay damages under this coverage part.
3. Subject to 2. above, the Act Of Sexual Abuse Or Molestation Limit is the most we will pay for all damages because of injury arising out of any one "act of sexual abuse or molestation".
4. The Defense Expense Aggregate is the most we are obligated to pay for "defense expenses" resulting from all "claims" first made during the "policy period" and the applicable extended reporting period.

If the Defense Expense Limit is exhausted by the payment of "defense expenses" we will have no further obligations to defend any "claims or suits" under this coverage part.

Each payment or reimbursement we make for "defense expenses" reduces the Defense Expense Limit.

5. The Deductible amount shown in the Declarations of this coverage part is subtracted from either the damages incurred or "defense expense" incurred, whichever amount is incurred first.
6. We may pay any part or all of the deductible amount to effect settlement of any "claim" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The Limits of Liability of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limit of Liability.

SECTION IV – CONDITIONS

1. Notice To Us

- a. As a condition precedent to our obligations under this coverage part, the insureds must give us written notice of any "claim" made against any insured or any "occurrence" involving a minor as soon as practicable, but in no event:
 - (1) Later than sixty (60) days after the end of the "policy period"; or
 - (2) After the end of the Supplemental Extended Reporting Period if exercised.
- b. If during the "policy period" or the basic extended reporting period, any insured becomes aware of a specific "act of sexual abuse or molestation" that occurred after the retroactive date and before the end of the "policy period" or an "occurrence" that may reasonably be expected to give rise to a "claim" against any insured, and during the policy period or the basic extended reporting period, the insured gives written notice to us of:
 - (1) A description of the specific "act of sexual abuse or molestation" or an "occurrence" including all relevant dates;
 - (2) The names of the persons involved in the specific "act of sexual abuse or molestation" or the "occurrence", including names and addresses of any injured persons and witnesses;

- (3) The nature and location of any injury arising out of the "act of sexual abuse or molestation" or the "occurrence"; and
- (5) The circumstances by which the insureds first became aware of the specific "act of sexual abuse or molestation" or the "occurrence",

then any "claim" subsequently made against any insured arising out of such specific "act of sexual abuse or molestation" or the "occurrence" shall be deemed under this coverage part to be a "claim" made during the policy period in which such specific "act of sexual abuse or molestation" was first reported to us.

- c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

2. Extended Reporting Period

- a. This coverage part provides a Basic Extended Reporting Period. A Supplemental Extended Reporting Period is available, as described below.
- b. The extended reporting periods do not extend the policy period or change the scope of coverage provided. They apply only to "claims" to which the following applies:
 - (1) The "claim" is first made and reported to us before the end of the applicable extended reporting period; and
 - (2) The "claim" arose out of a "wrongful act" committed by an insured on or after the Retroactive Date, if any, shown in the Declarations and before the end of the policy period.
- c. There are no separate limits or additional limits of liability for the extended reporting periods.
- d. The basic extended reporting period is automatically provided without additional charge. The basic extended reporting period starts with the end of the policy period and lasts for sixty (60) days.

The basic extended reporting period does not apply to "claims" that are covered under any subsequent insurance you purchase.

- e. A supplemental extended reporting period of twelve (12) months to sixty (60) months is available, but only by an endorsement and for an additional charge if this coverage part is cancelled or not renewed by either you or us.

This supplemental extended reporting period starts when the basic extended reporting period set forth in Paragraph d. above, ends.

You must give us a written request for the endorsement specifying the length of time, together with the full payment of the additional premium, within 60 days after the end of the "policy period".

We will determine the additional premium in accordance with our rules and rates. The additional premium for this endorsement will not exceed 200% of the coverage part annual premium.

- f. Once in effect, the supplemental extended reporting period cannot be cancelled. The premium for the supplemental extended reporting period will be deemed fully earned as of the date it is purchased.
- g. The Supplemental Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Condition, applicable to the supplemental extended reporting period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the supplemental extended reporting period starts.

3. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

4. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured, and the claimant or the claimant's legal representative.

5. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to loss on other than a claims-made basis, if:

- (1) No Retroactive Date is shown in the Declarations of this insurance; or
- (2) The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance;

unless such other policy is written specifically excess of this policy by reference in such other policy to this coverage part's policy number.

This insurance is also excess of any other primary insurance available to you covering liability for damages arising out of "acts of sexual abuse or molestation" for which you have been added as an additional insured by attachment of an endorsement.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of liability 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 liability to the total applicable limits of liability of all insurers.

6. Representations And Severability

The insureds represent that all information and statements contained in the "application" are true, accurate and complete. All such information and statements are the basis for our issuing this policy and shall be considered as incorporated into and constitute a part of this policy. In the event that the "application" contains any misrepresentation or misstatement of a material fact, this policy shall not afford coverage to any insured who knew of such misrepresentation or misstatement.

7. Separation Of Insureds

Except with respect to the Limits of Liability and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in the Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. Territory

Coverage territory means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. International waters or airspace, but only if the injury occurs in the course of travel or transportation between any places included in **a.** above; or
- c. All other parts of the world if the injury arises out of the activities of a person whose home is in the territory described in **a.** above, but is away for a short time on your business

provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in **a.** above or in a settlement we agree to.

10. Transfer Of Duties When The Applicable Limit Of Liability Or The Defense Expense Limit Is Used Up

- a. If we conclude that, based on "claims" or injuries which have been reported to us and to which this insurance may apply:
 - (1) The applicable Limit of Liability is likely to be used up in the payment of damages; or
 - (2) The Defense Expense Limit is likely to be used up in the payment of "defense expenses",
 we will notify the first Named Insured, in writing, to that effect.
- b. When either of the following has occurred:
 - (1) The applicable Limit of Liability has actually been used up in the payment of damages; or

- (2) The Defense Expense Limit has actually been used up in the payment of "defense expenses",
- we will:
- (3) Notify the first Named Insured in writing, as soon as practicable, that:
- (a) The Limit of Liability has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended; or
- (b) The Defense Expense Limit has actually been used up and that our duty to defend the insured against any "suit" seeking damages has ended,
- whichever is applicable.
- (4) Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph **b.(1)** or **b.(2)** above and which are reported to us before that duty to defend ended; and
- (5) Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.
- c. When either **b.(1)** or **b.(2)** above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:
- (1) Cooperate in the transfer of control of "suits"; and
- (2) Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.
- d. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after:
- (1) The applicable Limit of Liability has been used up, even if the Defense Expense Limit has not been used up; or
- (2) The Defense Expense Limit has been used up, even if the applicable Limit of Liability has not been used up.
- When either Paragraph **d.(1)** or **d.(2)** has occurred, it becomes the responsibility of the first Named Insured, and any other insured involved in such a "claim", to arrange defense for such "claim".
- e. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph **b.** above.
- The duty of the first Named Insured to reimburse us will begin on:
- (1) The date on which the applicable Limit of Liability is used up, if we sent notice in accordance with Paragraph **a.** above; or
- (2) The date on which we sent notice in accordance with Paragraph **b.** above, if we did not send notice in accordance with Paragraph **a.** above.
- f. If a limit of liability is available for payment of damages and our duty to defend the insured against "suits" and to pay "defense expenses" has ended because we have used up the Defense Expense Limit and we have transferred the control of defense of "suits" to you, the following provisions apply:
- (1) We retain the right, at our discretion, to appeal any judgment, award or ruling at our expense.
- (2) You and any other involved insured must:
- (a) Continue to comply with the Notice To Us Condition as well as the other provisions of this policy; and
- (b) Direct defense counsel of the insured to:
- (i) Furnish us with the information we may request to evaluate "suits" and coverage under this policy for those "suits"; and
- (ii) Cooperate with any counsel we may select to monitor or associate in defense of those "suits".
- (3) You have the right to settle any outstanding or additional "claims" or "suits". However, our obligation to pay for such a settlement is limited to the amount within or up to the available Limit of Liability.
- g. The exhaustion of:
- (1) The applicable Limit of Liability by the payment of judgments or settlements for damages; or
- (2) The Defense Expense Limit by the payment or reimbursement of "defense expenses",
- and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

1. "Act of sexual abuse or molestation" means an act or any number of acts of "sexual abuse or molestation", committed by a person or persons, regardless of the number of times the act(s) of "sexual abuse or molestation" took place, the number of persons alleging injury or the number of locations in which the act took place. Any number of acts of "sexual abuse or molestation" in which a given insured participates shall be considered one "act of sexual abuse or molestation", regardless of the participation or lack thereof of any other insureds. If an "act of sexual abuse or molestation" committed by a person or persons takes place over more than one policy period, the "act of abuse or molestation" will be deemed to have been committed during the first policy period on the date on which the first of such acts or alleged acts took place and only that policy will apply.
2. "Application" means all signed applications for this policy, including any attachments and other materials submitted in conjunction with the signed application(s).
3. "Claim" means a "suit" or demand made by or for the injured person for monetary damages because of alleged injury to which this insurance applies.
4. "Defense expenses" mean payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:
 - a. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 - b. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired by us.
 - c. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
 - d. Costs taxed against the insured in the "suit".

"Defense expenses" do not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs **a.** and **b.** above).
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Interrelated act of sexual abuse or molestation" means all causally connected "acts of sexual abuse or molestation".
8. "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".
9. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
10. "Sexual abuse or molestation" means the actual, attempted or alleged sexual assault, sexual injury, sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not "sexual abuse or molestation".
11. "Sexual harassment" means any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or persons acting in concert, which causes physical and/or mental injuries. "Sexual harassment" includes:
 - a. The above conduct when submission to or rejection of such conduct is made either implicitly or explicitly a condition of a person's employment, or a basis for employment decisions affecting a person; or
 - b. The above conduct when such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.
12. "Suit" means a civil proceeding in which damages because of 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.
13. "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. A temporary worker does not include a substitute teacher.

14. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.

"Volunteer worker" includes any trustee, official or member of the board of directors or governing board of your parent-teacher organization or association or parent support group, but only with respect to their duties or activities performed on your behalf.



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

Sexual and Physical Abuse Application

THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. "CLAIMS" MUST BE FIRST MADE AGAINST AN "INSURED PERSON" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO US AS SOON AS PRACTICABLE DURING THE "POLICY PERIOD", ANY SUBSEQUENT RENEWAL OF THE POLICY OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE INSURANCE FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY IF THE "WRONGFUL ACT" OUT OF WHICH THE "CLAIM" AROSE OCCURRED ON OR AFTER THE RETROACTIVE DATE, IF ANY, SHOWN IN THE DECLARATIONS, AND BEFORE THE END OF THE "POLICY PERIOD". "DEFENSE EXPENSES" ARE PAYABLE WITHIN, NOT IN ADDITION TO, THE LIMIT OF LIABILITY.

INSTRUCTIONS:

1. Answer all applicable questions. If questions are not applicable, please indicate.
2. Attach any requested information to the document.
3. Application must be signed by the highest ranking executive.
4. Please read the statement at the end of the application carefully.

NAMED INSURED	POLICY EFFECTIVE DATE
OPERATIONS	POLICY NUMBER
LOCATIONS	PROGRAM
CONTACT PERSON	PRODUCER

A) OPERATIONS

- Daycare Centers
- Special Needs Educational Facilities
- Boy or Girl Scouts
- Camps (Residential)
- Nursery Schools
- Schools - public or private elementary, junior high or high school
- Foster Homes
- Churches
- Other _____



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B) LIMITS REQUESTED: _____

Has any insurer ever cancelled or non-renewed coverage? Yes No

If Yes, please explain:

	EXCESS COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limits:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit:						
Policy Premium:						

Have all known claims, incident with no claim, or allegations with no claims been reported to prior Excess carrier(s)? Yes No



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	UNDERLYING COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limit/SIR:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit/SIR:						
Policy Premium:						

C) LOSS HISTORY – FURNISH FIRST DOLLAR LOSS HISTORY FOR CURRENT AND PRIOR FIVE YEARS FOR ALL SEXUAL ABUSE CLAIMS, INCIDENTS WITH NO CLAIMS, OR ALLEGATIONS WITH NO CLAIMS, WHETHER OR NOT INSURED.

Policy Term	# Claims	Open or Closed	# Incidents/Allegations with no Claims	Total Paid Indemnity/Expenses	Total Incurred Indemnity/Expenses



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On a separate document, please provide the following information for any individual claim with a Total Incurred Amount in excess of \$10,000:

1. Date of alleged or actual initial abuse
2. Date claim was brought
3. Description of loss or alleged abuse
4. Total Paid
5. Total Incurred
6. Open or closed
7. Valuation date

D) GENERAL DATA

§ Number of full-time employees: _____

§ Number of part-time employees: _____

§ Annual number of volunteers: _____

E) EXPOSURE DATA

§ Average daily number of children for all operations listed on page 1: _____



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F) RISK MANAGEMENT

- 1. Is there a Sexual Abuse Prevention Program in effect?
2. Has a written policy been established clearly expressing management's commitment to sexual abuse prevention?
3. Have written procedures encompassing rules, a code of conduct and disciplinary measures been established for all staff and/or volunteers, which clearly define the policy and consequences of non-adherence?
4. Has a mechanism been developed to ensure that sexual abuse prevention policies and procedures are implemented and enforced throughout the organization?
5. Is there a Sexual Abuse Prevention Coordinator that reports to a member of management?
6. Are management/staff trained in policies and procedures relating to the Sexual Abuse Prevention Program?
7. Are volunteers trained in policies and procedures relating to the Sexual Abuse Prevention Program?
8. Do policies and procedures include an incident reporting and follow-up mechanism?
9. Are standard applications used for all prospective employees or volunteers?
10. Is there a minimum of two background checks for prospective employees with documentation maintained in file?
11. Do background checks include checks with "Sex Offender Hot-lines," State Police, State Department of Social Services, or similar public agencies? (where applicable)
12. In the past five years have any employees or officers been terminated for cause related to sexually abusive behavior?
13. Are records maintained documenting adherence to all applicable policies and procedures, e.g., hiring and screening, code of conduct, training, incident and follow-up procedures?
14. Are you aware of any circumstances that may result in a sexual abuse claim? If Yes, explain on a separate sheet.
15. Have any members of the staff been transferred because allegations of sexual abuse?

b CHECKLIST

Have you attached

- Ü All policies and procedures (including incident response) related to your Sexual Abuse Prevention Program
Ü Training Program Details
Ü List of all Sexual Abuse claims with a Total Incurred Amount in excess of \$10,000
Ü Claims procedures



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NOTICE TO APPLICANT – PLEASE READ CAREFULLY

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED, AS AUTHORIZED AGENT FOR ALL PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE, DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO ISSUE, OR THE APPLICANT TO PURCHASE, ANY INSURANCE POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED. THE INSURER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING THIS POLICY. IN THE EVENT THAT THE "APPLICATION" CONTAINS ANY MISREPRESENTATION OR MISSTATEMENT OF A MATERIAL FACT, THIS POLICY SHALL NOT AFFORD COVERAGE TO ANY "INSURED" WHO KNEW OF SUCH MISREPRESENTATION OR MISSTATEMENT.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE INSURER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED DECLARES THAT THE INDIVIDUALS AND ORGANIZATIONS PROPOSED FOR THIS INSURANCE HAVE BEEN NOTIFIED THAT:

- A. THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR BASIC EXTENDED REPORTING PERIOD.
- B. THE LIMIT OF LIABILITY IS REDUCED BY AMOUNTS INCURRED AS "DEFENSE EXPENSES" AND SUCH EXPENSES WILL BE SUBJECT TO THE DEDUCTIBLE AMOUNT.

(WORDS WITHIN QUOTATION MARKS ARE DEFINED IN THE INSURANCE POLICY.)

FRAUD STATEMENT TO ARKANSAS APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO COLORADO APPLICANTS

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

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.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.



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FRAUD STATEMENT TO KENTUCKY APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO MARYLAND APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MISSOURI APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.



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FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT (All other states)

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

The applicant represents to the best of its knowledge and belief that the statements set forth herein are true and include all material information.

Named Insured
Authorized Signature

Title

Date



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

Sexual and Physical Abuse Application

THIS APPLICATION IS FOR A CLAIMS-MADE POLICY. "CLAIMS" MUST BE FIRST MADE AGAINST AN "INSURED PERSON" DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO US AS SOON AS PRACTICABLE DURING THE "POLICY PERIOD", ANY SUBSEQUENT RENEWAL OF THE POLICY OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE INSURANCE FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY IF THE "WRONGFUL ACT" OUT OF WHICH THE "CLAIM" AROSE OCCURRED ON OR AFTER THE RETROACTIVE DATE, IF ANY, SHOWN IN THE DECLARATIONS, AND BEFORE THE END OF THE "POLICY PERIOD".

INSTRUCTIONS:

1. Answer all applicable questions. If questions are not applicable, please indicate.
2. Attach any requested information to the document.
3. Application must be signed by the highest ranking executive.
4. Please read the statement at the end of the application carefully.

NAMED INSURED	POLICY EFFECTIVE DATE
OPERATIONS	POLICY NUMBER
LOCATIONS	PROGRAM
CONTACT PERSON	PRODUCER

A) OPERATIONS

- Daycare Centers
- Special Needs Educational Facilities
- Boy or Girl Scouts
- Camps (Residential)
- Nursery Schools
- Schools – public or private elementary, junior high or high school
- Foster Homes
- Churches
- Other _____

B) LIMITS REQUESTED: _____

Has any insurer ever cancelled or non-renewed coverage? Yes No



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If Yes, please explain:

Four horizontal lines for explanation.

	EXCESS COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limits:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit:						
Policy Premium:						

Have all known claims, incident with no claim, or allegations with no claims been reported to prior Excess carrier(s)? Yes No



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	UNDERLYING COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limit/SIR:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit/SIR:						
Policy Premium:						

C) LOSS HISTORY – FURNISH FIRST DOLLAR LOSS HISTORY FOR CURRENT AND PRIOR FIVE YEARS FOR ALL SEXUAL ABUSE CLAIMS, INCIDENTS WITH NO CLAIMS, OR ALLEGATIONS WITH NO CLAIMS, WHETHER OR NOT INSURED.

Policy Term	# Claims	Open or Closed	# Incidents/Allegations with no Claims	Total Paid Indemnity/Expenses	Total Incurred Indemnity/Expenses



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On a separate document, please provide the following information for any individual claim with a Total Incurred Amount in excess of \$10,000:

1. Date of alleged or actual initial abuse
2. Date claim was brought
3. Description of loss or alleged abuse
4. Total Paid
5. Total Incurred
6. Open or closed
7. Valuation date

D) GENERAL DATA

§ Number of full-time employees: _____

§ Number of part-time employees: _____

§ Annual number of volunteers: _____

E) EXPOSURE DATA

§ Average daily number of children for all operations listed on page 1: _____



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F) RISK MANAGEMENT

- | | | |
|---|------------------------------|-----------------------------|
| 1. Is there a Sexual Abuse Prevention Program in effect? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Has a written policy been established clearly expressing management's commitment to sexual abuse prevention? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have written procedures encompassing rules, a code of conduct and disciplinary measures been established for all staff and/or volunteers, which clearly define the policy and consequences of non-adherence? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Has a mechanism been developed to ensure that sexual abuse prevention policies and procedures are implemented and enforced throughout the organization? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Is there a Sexual Abuse Prevention Coordinator that reports to a member of management? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Are management/staff trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. Are volunteers trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Do policies and procedures include an incident reporting and follow-up mechanism? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Are standard applications used for all prospective employees or volunteers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Is there a minimum of two background checks for prospective employees with documentation maintained in file? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. Do background checks include checks with "Sex Offender Hot-lines," State Police, State Department of Social Services, or similar public agencies? (where applicable) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 12. In the past five years have any employees or officers been terminated for cause related to sexually abusive behavior? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 13. Are records maintained documenting adherence to all applicable policies and procedures, e.g., hiring and screening, code of conduct, training, incident and follow-up procedures? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 14. Are you aware of any circumstances that may result in a sexual abuse claim? If Yes, explain on a separate sheet. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 15. Have any members of the staff been transferred because allegations of sexual abuse? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |



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b CHECKLIST

Have you attached

- ü All policies and procedures (including incident response) related to your Sexual Abuse Prevention Program
- ü Training Program Details
- ü List of all Sexual Abuse claims with a Total Incurred Amount in excess of \$10,000
- ü Claims procedures

NOTICE TO APPLICANT - PLEASE READ CAREFULLY

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED, AS AUTHORIZED AGENT FOR ALL PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE, DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO ISSUE, OR THE APPLICANT TO PURCHASE, ANY INSURANCE POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER. THIS APPLICATION WILL BECOME A PART OF SUCH POLICY IF ISSUED. THE INSURER WILL HAVE RELIED UPON THIS APPLICATION AND ATTACHMENTS IN ISSUING THIS POLICY. IN THE EVENT THAT THE "APPLICATION" CONTAINS ANY MISREPRESENTATION OR MISSTATEMENT OF A MATERIAL FACT, THIS POLICY SHALL NOT AFFORD COVERAGE TO ANY "INSURED" WHO KNEW OF SUCH MISREPRESENTATION OR MISSTATEMENT.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE INSURER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED DECLARES THAT THE INDIVIDUALS AND ORGANIZATIONS PROPOSED FOR THIS INSURANCE HAVE BEEN NOTIFIED THAT:

THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST THE "INSUREDS" DURING THE "POLICY PERIOD" OR BASIC EXTENDED REPORTING PERIOD.

(WORDS WITHIN QUOTATION MARKS ARE DEFINED IN THE INSURANCE POLICY.)

FRAUD STATEMENT TO ARKANSAS APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO COLORADO APPLICANTS

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.



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FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

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.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

FRAUD STATEMENT TO KENTUCKY APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO MARYLAND APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MISSOURI APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.



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FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT (All other states)

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

The applicant represents to the best of its knowledge and belief that the statements set forth herein are true and include all material information.

Named Insured
Authorized Signature

Title

Date

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 5011 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – PENDING OR PRIOR LITIGATION (NEWLY ACQUIRED SUBSIDIARIES)

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (ALL CLAIMS-MADE VERSIONS)

SCHEDULE

Pending Or Prior Litigation Date:

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following exclusion is added to **Section I – Exclusions:**

This insurance does not apply to any injury based upon, attributable to, or arising out of any "claim" first made before the Pending or Prior Litigation Date shown in the Schedule above against any newly acquired subsidiary or its insured persons.

POLICY NUMBER:

MANAGEMENT PORTFOLIO
MP 5012 01 07



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SPECIFIC LITIGATION OR OTHER INCIDENT

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (ALL CLAIMS-MADE VERSIONS))

SCHEDULE

Coverage:	Excluded Lawsuit Or Other Incident:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following exclusion is added to **Section I – Exclusions:**

This insurance does not apply to any injury based upon, attributable to, or arising out of:

1. Any excluded lawsuit or other incident shown in the Schedule above; or
2. The same or substantially the same fact, circumstance or situation underlying or alleged in the excluded lawsuit or other incident shown in the Schedule above.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 5021 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – FOSTER PARENTS

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE LIABILITY COVERAGE FORM (ALL VERSIONS)

A. Section II – Who Is An Insured is amended to include the following as insureds:

1. Any of your foster parents, but only while acting within the scope of their duties as foster parents on your behalf.

B. The following is added to Paragraph 4.b. Other Insurance - Excess Insurance (all occurrence versions) and **Paragraph 5.b. Other Insurance - Excess Insurance** (all claims-made versions)

This insurance is excess over any valid and collectible insurance that is Foster Parents Liability Coverage or similar insurance purchased by you that covers your liability or the liability of the foster parents arising out of your foster care operations.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 5022 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED – CONTRACTED PROFESSIONALS

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE LIABILITY COVERAGE FORM (ALL VERSIONS)

SCHEDULE

<p>Name Of Contracted Professional(s):</p>

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

A. Section II – Who Is An Insured is amended to include, as an insured, any contracted professional(s) who is designated in the Schedule, but only for acts or omissions while performing duties related to the conduct of your business.

B. With respect to the contracted professional(s) included as an insured by Paragraph **A.** of this endorsement, the **Section IV – Other Insurance Condition** is replaced by the following:

Other Insurance

This insurance is excess over other insurance issued to a contracted professional who is designated in the Schedule. When this insurance is excess over such other insurance, we will have no duty to defend that health care professional against any "suit" if any other insurer has a duty to defend that health care professional against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the rights of that health care professional against all those other insurers.

When this insurance is excess over such other insurance, we will pay, up to the applicable limits of insurance, the amount of the loss that exceeds the sum of the total amount that all such other insurance would pay for the loss in the absence of this insurance.

If there is any other insurance that is also excess, we will share the remaining loss with that other insurance.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVERAGE AMENDMENT – PHYSICAL ABUSE

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE LIABILITY COVERAGE FORM (ALL VERSIONS)

- A.** Throughout this coverage part, the words "act of sexual abuse or molestation" are replaced with the words "act of abuse or molestation" and the words "sexual abuse or molestation" are replaced with the words "abuse or molestation".
- B.** For the purposes of the coverage provided by this endorsement, the definition of "sexual abuse and molestation" is replaced with the following definition:
 - 1.** Abuse or molestation means the actual, attempted or alleged physical or sexual assault, physical or sexual injury, physical or sexual misconduct or molestation resulting in bodily injury, sickness or disease, mental injury, mental anguish, shock or disability, including death resulting from any of these at any time. "Sexual harassment" is not sexual abuse or molestation.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 5030 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTAL EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM (ALL CLAIMS-MADE VERSIONS)

SCHEDULE

# of months: 12, 24, 36, 48, 60		
Premium:	\$	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** A Supplemental Extended Reporting Period Endorsement is provided, as described in Section IV, Paragraph 2. **Extended Reporting Period** and applies for the period of time as shown in the Schedule above.
- B.** This endorsement will not take effect unless the additional premium, as required in Section IV, Paragraph 2.e. **Extended Reporting Period**, is paid. Once in effect, this endorsement may not be cancelled. The premium for the Supplemental Extended Reporting Period Endorsement will be deemed fully earned as of the date it is purchased.



American Alternative Insurance Corporation

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM

**THIS IS A CLAIMS-MADE AND REPORTED COVERAGE FORM
PLEASE READ THE ENTIRE FORM CAREFULLY**

This is a claims-made and reported coverage form. "Claims" must be first made against the insured during the "policy period" or during the applicable Extended Reporting Period and reported to us under the terms of Section V, Paragraphs A. and B. "Defense expenses" are payable within, not in addition to, the Limits of Liability.

Various provisions in this coverage form restrict coverage. Read the entire coverage form carefully to determine rights, duties and what is and is not covered.

Throughout this coverage form the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this coverage form. The words "we", "us" and "our" refer to the company providing this insurance.

The word insured means any person or organization qualifying as such under Section III – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI – Definitions.

SECTION I – MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE

A. Insuring Agreement

1. We will pay those sums the insured becomes legally obligated to pay as "loss" 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 because of a "wrongful act" to which this insurance does not apply. We may, at our discretion, investigate any incident and settle any "claim" that may result. But:
 - a. The amount we will pay for "loss" is limited as described in Section III – **Limits Of Liability And Deductible**;

- b. The coverage and duty to defend provided by this coverage part will end when we have used up the applicable limit of liability for the payment of "loss".

No other obligation or liability to pay sums, such as civil or criminal fines, imposed on you or any other insured, or to perform acts or services is covered.

2. This insurance applies to "loss" only if:
 - a. The "loss" arises out of a "wrongful act" that takes place in the "coverage territory";
 - b. The "wrongful act" did not occur before the Retroactive Date, if any, shown in the Declarations or after the end of the "policy period"; and
 - c. A "claim" for "loss" is first made against any insured in accordance with Paragraph c. below, during the "policy period" or during the applicable extended reporting period.
3. A "claim" shall be considered to be first made at the earlier of the following times:
 - a. When notice of such "claim" is received by any insured and reported to us in writing;
 - b. When a "claim" is made directly to us in writing; or
 - c. When notice of a "wrongful act" or "interrelated wrongful act" is first made pursuant to Section IV - **Conditions A. Notice to Us Paragraph A.2.**
4. All "claims" arising out of the same "wrongful act" or "interrelated wrongful acts" committed by one or more "insureds" shall be considered a single "claim". Such single "claim" shall be deemed to be first made on the date the initial "claim" arising out of such "wrongful act" or "interrelated wrongful act" is first made pursuant to Section IV - **Conditions A. Notice to Us Paragraph A.1** or notice of such "wrongful act" or "interrelated wrongful acts" is first reported pursuant to Section IV - **Conditions A. Notice to Us Paragraph A.2.**

B. Exclusions

We will not pay for any "loss" resulting from any "claim":

1. Based upon, attributable to, or arising in fact out of any dishonest, malicious, fraudulent or deliberately criminal act or any willful violation of any statute or regulation of an insured.

This exclusion does not affect our duty to defend, in accordance with Paragraph **A.1.** above, an insured prior to determining, through the appropriate legal processes, that the insured is responsible for a criminal, fraudulent or malicious act or omission;

2. Based upon, attributable to, or arising in fact out of the gaining of any profit, remuneration or advantage to which an "insured" was not legally entitled.

A "wrongful act" committed by any "insured person" shall not be imputed to any other "insured person" for purposes of applying exclusions **1.** and **2.**

3. Based upon, attributable to or arising out of any actual or alleged breach of any oral, written or implied contract or agreement, or for liability of others assumed by the insured under any such contract or agreement, except if the insured would have been liable in the absence of such contract or agreement;

4. Based upon, attributable to or arising out of any obligation of the "insured" under a workers compensation, disability benefits or unemployment compensation law or any similar law;

5. Based upon, attributable to, or arising out of the actual or alleged rendering or failure to render "healthcare services";

6. 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. Based upon, attributable to, or arising out of the actual, alleged or threatened abuse, molestation, or violation of the civil rights of any person committed or allegedly committed by any insured;

8. Based upon, attributable to, or arising out of a "wrongful act" or "interrelated wrongful act" that has occurred before the Retroactive Date, if any, shown in the Declarations;

9. Based upon, attributable to, or arising out of the same facts, "wrongful acts" or "interrelated wrongful acts", alleged or contained in any "claim" which has been reported, or in any circumstances of which notice has been given, under any insurance policy of which this coverage part is a renewal or replacement;

10. Based upon, attributable to, or arising out of any demand, "suit", or other proceeding against any insured which was pending on or existed prior to the applicable Pending or Prior Litigation Date shown in the Declarations, or arising out of the same or substantially the same facts, circumstances or allegations which are the subject of, or the basis for, such demand, "suit", or other proceeding;

11. Based upon, attributable to or arising out of any "wrongful act" caused by an insured:

- a. While the insured's professional license is suspended or revoked;
- b. Who is an unlicensed professional; or
- c. After the insured's license has lapsed or been non renewed;

12. Based upon, attributable to, or arising out of any actual or alleged violation of the responsibilities, obligations or duties in regard to any pension, profit sharing, health and welfare or other employee benefit plan or trust including but not limited to responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, or amendments thereto or similar provisions of any federal, state or local statutory law or common law upon fiduciaries;

13. Based upon, attributable to, or arising, in whole or in part, out of the actual, alleged, threatened or suspected inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, asbestos, lead, "silica" or "silica-related dust"; or

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, asbestos, lead, "silica" or "silica-related dust", by any insured or by any other person or entity;

14. Based upon, attributable to, or arising out of the ownership, management, maintenance and/or control by the insured of any captive insurance company or entity including, but not limited to, claims alleging financial losses and/or the insolvency or bankruptcy of the named insured as a result of such ownership, management, maintenance and/or control;

15. Based upon, attributable to, or arising out of:

- a. The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time;
- b. 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
- c. A claim or "suit" brought by or on behalf of any 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";

16. Based upon, attributable to or arising out of abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, "fungi" or bacteria, by any insured;

17. Brought by one insured against another insured;

18. Arising out of the ownership, maintenance, use or entrustment to others of any aircraft, auto or watercraft.

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 with respect to any aircraft, auto or watercraft;

19. Based upon, attributable to or arising out of bodily injury, mental or emotional distress, sickness, disease or death of any person, or damage to or destruction of any property including the loss of its use;

20. Based upon, attributable to or arising out of the actual or alleged infringement of any copyright, trademark, trade dress, trade name, service mark, service name, title, slogan or patent;

21. Based upon, attributable to or arising out of a "wrongful act" or "occurrence" you or an "executive officer" had knowledge of or information on prior to the inception date of continuous claims-made coverage with us, which reasonably may be expected to result in a "claim";

22. Based upon, or arising out of any violation of the Securities Act of 1933 as amended; the Securities Exchange Act of 1934 as amended; any state blue sky or securities laws or amendments thereto; any similar state or federal laws or amendments thereto; or any regulation issued pursuant to any of the forgoing statutes;

23. Based upon, attributable to or arising out of any "wrongful act" for professional services that are not specifically listed in Description of Insured Professional Services on the Declarations page of this coverage part.

SECTION II – WHO IS AN INSURED

A. You are an insured.

B. Your former and present directors, officers, and trustees are insureds, but only while performing duties related to the conduct of your business.

C. Your former and present "employees" are also insureds, but only with respect to "wrongful acts" committed while in your employ or while performing duties related to the conduct of your business.

D. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. You must notify us of such acquisition or formation as soon as practicable. However, coverage under this provision:

1. Is afforded only until the 90th day after you acquire or form the organization, or until the end of the "policy period", whichever is earlier; and

2. Does not apply to a "wrongful act" committed before you acquired or formed the organization.

E. If an insured dies or is adjudged incompetent, this insurance will terminate for that insured. But the insured's legal representative will be an insured for any "wrongful act" previously committed and covered by this coverage part.

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 LIABILITY AND DEDUCTIBLE

A. The most we will pay for the sum of all "loss" resulting from all "claims" first made during the "policy period" and the applicable extended reporting period, is the aggregate Limit of Liability shown in the Declarations.

If the aggregate Limit of Liability is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under this coverage part.

- B.** Subject to **A.** above, the most we will pay for "loss" arising out of each "wrongful act" or "inter-related wrongful act" first made during the "policy period" and the basic extended reporting period is the Per Wrongful Act Limit of Liability shown in the Declarations.
- C.** "Defense expenses" are part of the "loss" and are not payable by us in addition to the limits of liability, but are payable within the limits of liability shown in the Declarations, thereby reducing the Limits of Liability shown in the Declarations.
- D.** Subject to Paragraph **B.** above, we will pay only that amount of the "loss" which is in excess of the applicable Deductible Amount shown in the Declarations.
- E.** The Deductible amount shown in the Declarations applies to all "claims" arising out of the same "wrongful act" regardless of the number of persons, or organizations making such "claims".
- F.** We may pay any part or all of the deductible amount to effect settlement of any "claim" and, upon notification of the action taken; you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

The Limits of Liability of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the "policy period" shown in the Declarations, unless the "policy period" is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the limits of liability.

SECTION IV – CONDITIONS

A. Notice To Us

- 1.** As a condition precedent to our obligations under this policy, the insureds must give us written notice of any "claim" made against any insured as soon as practicable, but in no event:
 - a.** Later than sixty (60) days after the end of the "policy period"; or
 - b.** After the end of the supplemental extended reporting period, if exercised.
- 2.** If during the "policy period" or basic extended reporting period, any insured becomes aware of a specific "wrongful act" that occurred after the retroactive date and before the end of the "policy period" that may reasonably be expected to give rise to a "claim" against any insured, and during the "policy period" or basic extended reporting period, the insureds give written notice to us of:

- a.** A description of the specific "wrongful act", including all relevant dates;
- b.** The names of the persons involved in the specific "wrongful act", including names of the potential claimants;
- c.** Particulars as to the reasons for anticipating a "claim" which may result from such specific "wrongful act";
- d.** The nature of the alleged or potential damages arising from such specific "wrongful act"; and
- e.** The circumstances by which the insureds first became aware of the specific "wrongful act";

then any "claim" subsequently made against any insured arising out of such specific "wrongful act" shall be deemed under this policy to be a "claim" made during the "policy period" in which such specific "wrongful act" was first reported to us.

- 3.** No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our written consent.

B. Extended Reporting Period

- 1.** This coverage part provides a Basic Extended Reporting Period. A Supplemental Extended Reporting Period is available, as described below.
- 2.** The extended reporting periods do not extend the "policy period" or change the scope of coverage provided. They apply only to "claims" to which the following applies:
 - (a)** The "claim" is first made and reported to us before the end of the applicable extended reporting period; and
 - (b)** The "claim" arose out of a "wrongful act" committed by an "insured" on or after the Retroactive Date, if any, shown in the Declarations and before the end of the "policy period".
- 3.** There are no separate limits or additional limits of liability for the extended reporting periods.
- 4.** The basic extended reporting period is automatically provided without additional charge. The basic extended reporting period starts with the end of the "policy period" and lasts for sixty (60) days.

The basic extended reporting period does not apply to "claims" that are covered under any subsequent insurance you purchase.

5. A supplemental extended reporting period of twelve (12) months to sixty (60) months is available, but only by an endorsement and for an additional charge if this coverage part is cancelled or not renewed by either you or us.

This supplemental extended reporting period starts when the basic extended reporting period set forth in Paragraph **d.** above, ends.

You must give us a written request for the endorsement specifying the length of time, together with the full payment of the additional premium, within 60 days after the end of the "policy period".

We will determine the additional premium in accordance with our rules and rates. The additional premium for this endorsement will not exceed 200% of the coverage part annual premium.

6. Once in effect, the supplemental extended reporting period cannot be cancelled. The premium for the supplemental extended reporting period will be deemed fully earned as of the date it is purchased.
7. The Supplemental Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the supplemental extended reporting period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the supplemental extended reporting period starts.

C. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this coverage part.

D. Assistance And Cooperation

The insureds shall, as a condition precedent to their rights under this coverage part, give to us all information, assistance and cooperation as we may reasonably require.

E. Legal Action Against Us

No person or organization has a right under this coverage part:

1. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
2. To sue us on this coverage part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this coverage part or that are in excess of the applicable limit of liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

F. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

1. Primary Insurance

This insurance is primary except when **b.** below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph **c.** below.

2. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the "policy period" shown in the Declarations of this insurance and applies to "loss" on other than a claims-made basis, if:

- a. No Retroactive Date is shown in the Declarations of this insurance; or
- b. The other insurance has a "policy period" which continues after the Retroactive Date shown in the Declarations of this insurance,

unless such other policy is written specifically excess of this coverage part by reference in such other policy to this coverage part's policy number.

When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach, each insurer contributes equal amounts until it has paid its applicable limit of liability 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 liability to the total applicable limits of insurance of all insurers.

G. Representations

By accepting this coverage part, you agree that:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations you made to us; and
3. We have issued this coverage part in reliance upon your representations.

H. Separation Of Insureds

Except with respect to the Limits of Liability and the Insured Versus Insured exclusion, and any rights or duties specifically assigned in this coverage part to the first Named Insured, this insurance applies:

1. As if each Named Insured were the only Named Insured; and
2. Separately to each insured against whom a "claim" is made.

I. Subrogation

If the insured has rights to recover all or part of any payment we have made under this coverage part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

J. Territory

Coverage territory means:

1. The United States of America (including its territories and possessions), Puerto Rico and Canada; and
2. International waters or airspace, but only if the "loss" occurs in the course of travel or transportation between any places included in 1. above; or
3. All other parts of the world if the injury or damage arises out of the activities of a person whose home is in the territory described in 1. above, but is away for a short time on your business

provided the "insured's" responsibility to pay damages is determined in a "suit" on the merits, in the territory described in 1. above or in a settlement we agree to.

K. Transfer Of Duties When The Limit Of Liability Is Used Up

1. If we conclude that, based on "claims" which have been reported to us and to which this insurance may apply, the limits of liability are likely to be used up in the payment of "loss" we will notify the first Named Insured, in writing, to that effect.

2. When the limits of liability have actually been used up in the payment of "loss" we will:

- a. Notify the first Named Insured in writing, as soon as practicable, that such a limit has actually been used up and that our duty to defend the insured against "suits" seeking damages subject to that limit has also ended;
- b. Initiate, and cooperate in, the transfer of control, to any appropriate insured, of all "suits" for which the duty to defend has ended for the reason described in Paragraph 2. above and which are reported to us before that duty to defend ended; and
- c. Take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such "suits" until such transfer is completed, provided the appropriate insured is cooperating in completing such transfer.

3. When 2. above has occurred, the first Named Insured, and any other insured involved in a "suit" seeking damages subject to that limit, must:

- a. Cooperate in the transfer of control of "suits"; and
- b. Arrange for the defense of such "suit" within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such "suit" must be made as soon as practicable.

4. We will take no action with respect to defense for any "claim" if such "claim" is reported to us after the applicable limit of liability has been used up. It becomes the responsibility of the first named insured, and any other insured involved in such a "claim", to arrange defense for such "claim".

5. The first Named Insured will reimburse us as soon as practicable for expenses we incur in taking those steps we deem appropriate in accordance with Paragraph 2. above.

6. The exhaustion of the applicable limits of liability and the resulting end of our duty to defend will not be affected by our failure to comply with any of the provisions of this Condition.

SECTION V – DEFINITIONS

- A. "Claim" means a "suit" or demand made by or for the injured person for damages because of alleged "loss".
- B. "Defense expenses" mean payments allocated to a specific "claim" we investigate, settle or defend, for its investigation, settlement or defense, including:

1. Fees and salaries of attorneys and paralegals we retain, including attorneys and paralegals who are our "employees".
 2. All other litigation or administrative hearing expenses, including fees or expenses of expert witnesses hired either by us or by the defense attorney retained by an insured.
 3. Reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the "claim", including actual loss of earnings up to \$250 a day because of time off from work.
 4. 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 liability, we will not pay any prejudgment interest based on that period of time after the offer.
 5. All interest on the full amount of the judgment that accrues after the entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of liability.
 6. Costs taxed against the insured in the "suit".
"Defense expenses" do not include salaries and expenses of our "employees" or the insured's "employees" (other than those described in Paragraphs 1. and 2. above).
- C. "Employee" includes a "leased worker" and a "temporary worker" but does not include an independent contractor.
 - D. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
 - E. "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.
 - F. "Health care services" mean "health care services" including:
 1. The rendering or failure to render:
 - a. Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. Any counseling, health or therapeutic service, treatment, advice or instruction; or
 - c. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming; or
 - d. Advisory services or counseling with respect to such things as mental health, crisis prevention, social services or drug and alcohol rehabilitation or similar subjects.
2. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
 3. The handling or treatment of dead bodies, including autopsies, organ donation or other procedures;
- G. "Interrelated wrongful act" means all causally connected "wrongful acts".
 - H. "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".
 - I. "Loss" means "defense expenses", compensatory damages, settlement amounts, legal fees and costs awarded pursuant to judgments.
"Loss" does not include civil or criminal fines, the multiplied portion of multiplied damages, penalties imposed by law, taxes, or matters that are uninsurable pursuant to applicable law.
 - J. "Occurrence" means an event, including continuous or repeated exposure to substantially the same general harmful conditions.
 - K. "Policy period" means the period of time from the inception date of this coverage part shown in the Declarations to the expiration date shown in the Declarations, or its earlier cancellation or termination date.
 - L. "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.
 - M. "Silica" means silicon dioxide (occurring in crystalline, amorphous and impure forms), silica particles, silica dust or silica compounds.
 - N. "Silica-related dust" means a mixture or combination of "silica" and other dust or particles.
 - O. "Suit" means a civil proceeding in which damages because of "loss" to which this insurance applies are alleged, including:
 1. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent;
 2. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent; or
 3. Any administrative proceeding or hearing conducted by a governmental agency (federal, state or local) having the proper legal authority over the matter in which such damages are claimed.

- P.** "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.
- Q.** "Wrongful act" means any act, error or omission in the rendering of or failure to render professional services. Professional services do not include "health care services".

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 7010 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SPECIFIC SUBSIDIARY

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM

SCHEDULE

Excluded Subsidiary(ies):

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

The following exclusion is added to **Section I - Miscellaneous Professional Liability Coverage** – paragraph **B. Exclusions:**

We will not pay for any "loss" resulting from any "claim" based upon, attributable to, or arising out of any actual or alleged "wrongful act" committed or allegedly committed by any "organization" or its "insured persons" on behalf of the "subsidiary"(ies) shown in the Schedule above.

POLICY NUMBER:

MANAGEMENT PORTFOLIO
MP 7011 01 07



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION – SPECIFIC LITIGATION OR OTHER INCIDENT

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM

SCHEDULE

Coverage:	Excluded Lawsuit Or Other Incident:
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.	

The following exclusion is added to **Section I - Miscellaneous Professional Liability Coverage** – paragraph **B. Exclusions:**

This insurance does not apply to any "loss" resulting from any "claim" based upon, attributable to, or arising out of:

1. Any excluded lawsuit or other incident shown in the Schedule above; or
2. The same or substantially the same fact, circumstance or situation underlying or alleged in the excluded lawsuit or other incident shown in the Schedule above.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP 7030 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SUPPLEMENTAL EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM

SCHEDULE

# of months: 12, 24, 36, 48, 60		
Premium:	\$	
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.		

- A.** A Supplemental Extended Reporting Period Endorsement is provided, as described in Section **IV - Conditions**, Paragraph **B. Extended Reporting Period** and applies for the period of time as shown in the Schedule above.
- B.** This endorsement will not take effect unless the additional premium, as required in Section **IV**, Paragraph **B.5. Extended Reporting Period**, is paid. Once in effect, this endorsement may not be cancelled. The premium for the Supplemental Extended Reporting Period Endorsement will be deemed fully earned as of the date it is purchased.



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

APPLICABLE TO MP 4002 ONLY

THIS APPLICATION IS FOR A COVERAGE PART WRITTEN ON A CLAIMS-MADE BASIS. "CLAIMS" MUST BE FIRST MADE AGAINST ANY INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO US AS SOON AS PRACTICABLE DURING THE POLICY PERIOD, ANY SUBSEQUENT RENEWAL OF THE POLICY OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE INSURANCE FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY IF THE "WRONGFUL ACT" OUT OF WHICH THE "CLAIM" AROSE OCCURRED ON OR AFTER THE RETROACTIVE DATE, IF ANY, SHOWN IN THE DECLARATIONS AND BEFORE THE END OF THE POLICY PERIOD.

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY APPLICATION

Please answer all questions completely. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. This Application must be completed, signed, and dated by an officer, director or equivalent executive of the Organization. Please include all attachments referenced throughout the Application and complete any supplemental applications referenced within the Application. Please type or print.

The information requested in this Application is for underwriting purposes only and does not constitute notice to the Insurer under any Policy of a Claim or potential Claim. All such notices must be submitted to the Insurer pursuant to the terms of the Policy, if and when issued.

All questions must be completed to enable us to provide you with a quote. Please include any brochures or descriptive materials that may assist us in a better understanding of your agency.

I. YOUR AGENCY

1. The precise name of your agency including any "D/B/A's" _____

For Profit Non-Profit Other; Describe _____

2. Your mailing address: _____

City and State _____ Zip _____

Effective Date of Coverage: _____ Webpage address: _____

Please provide the addresses of all locations owned/leased by the insured to be covered:

STREET ADDRESS CITY AND STATE ZIP CODE OCCUPANCY/EXPOSURE

(1) _____

(2) _____

(3) _____

(4) _____

3. Please provide a brief description of your operations.

4. How long has your agency been in operation? _____ What is your annual budget? _____

a. Name all subsidiary companies/locations and other operations within applicant's control. _____

b. Has applicant sold, acquired or discontinued any operations in the last 5 years? If yes, explain. _____

5. Please give a complete percentage breakdown of your funding sources (total to equal 100%).

6. What organizations or associations are you a member of? (Please avoid use of acronyms)

7. Are you aware of any state, federal, local code or professional ethics violations by your agency or any of your employees? Yes No

8. Are you licensed by the state(s) in which you operate? Yes No If No, is a license required? _____
(Please attach a copy of license and latest inspection)

If yes, is it renewed annually semi-annually other _____

Has your license ever been suspended or revoked? Yes No

If yes, please give details. _____

9. Provide the following information:

a. Does your state permit you to do criminal background investigations on prospective employees/volunteers?

Yes No

b. If yes, is a complete background investigation required for all staff?

Yes No

c. Do you verify employment related references?

Yes No

d. Do you verify educational requirements?

Yes No

e. Do you conduct a personal interview?

Yes No

f. Are licenses checked for employees/volunteers, when appropriate?

Yes No

10. a. Do you discuss at staff orientation, physical and sexual abuse issues, how to recognize the signs and what to do if a client reports someone abused him/her? Yes No

b. Do you have a plan of supervision that monitors staff in day-to-day relationships with clients?

Yes No

c. Do you have a crisis management plan for dealing with staff, victim, parents, authorities and media if you have an incident of abuse? Yes No

d. Have you ever had an incident that resulted in an allegation of sexual abuse? Yes No

If yes, was a claim ever made against you? Yes No

(If yes, please give details on a separate sheet of paper including the date of the incident and any action taken by management to prevent from occurring again.)

11. Do you maintain training programs for your staff? Yes No

If yes, are they mandatory? Yes No

Describe training offered _____

II. YOUR OPERATIONS

12. PLEASE CHECK **YES** or **NO** TO THE SERVICE (S) BELOW THAT BEST DESCRIBE YOUR OPERATION. *Check all that apply.*

a. **RESIDENTIAL CARE**

Do you operate any Residential Facilities? Yes No

(If "Yes", please complete a Residential Facility Questionnaire XXX-XX for each facility.)

b. **OUTPATIENT SERVICES**

Provide annual number of Client Contacts for the following services (A Client Contact is determined by taking the # of clients multiplied by the number of times they visit the facility) Include Location No.:

YES	NO		# Client Contacts	Loc No.
<input type="checkbox"/>	<input type="checkbox"/>	Drug & Alcohol Treatment: Individual	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Drug & Alcohol Classes (DUI/DWI)	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Mental Health Counseling: Individual	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Mental Health Counseling: Group	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	MR Treatment Center	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Cerebral Palsy Center	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Rehabilitation Agency	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Case Management (MH/MR/Comm. Support)	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Training	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Hospice (outpatient)	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Family Skills Training	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Independent Living Skills Training	_____	_____ on site _____ off site

c. **Provide number of clients/children per day and number of days per year that facility operates and at what location:**

YES	NO		No. per day	No. of clients per year	No. of days	Loc
<input type="checkbox"/>	<input type="checkbox"/>	Before & After School Care	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Headstart Program	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Well Child Day Care	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Day Camps for Mentally Ill or Developmentally Disabled	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Day Care for Mentally Ill or Dev. Dis.	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Sheltered Workshop/Work Activity	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Recreation Program	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	Day Schools	_____	_____	_____	_____
<input type="checkbox"/>	<input type="checkbox"/>	*Agencies for Aging/Senior Citizens	_____	_____	_____	_____

*If yes, please describe the service provided for Agencies for Aging/Senior Citizens (Please complete a Senior Care Supplement XXX-XX) _____

d. Foster and/or Adoption Placement Agency Loc # _____
 (If "Yes", please complete attached Foster/Adoption Placement Supplement XXX-XX.)

e. Home Care _____ Home Health Care _____ Respite Care _____ Loc # _____

Age Range of Clients (please enter the number of clients in each age group):

Level of Care: Developmentally Disabled 0-17 _____ 18-60 _____ 60+ _____

Mentally Impaired 0-17 _____ 18-60 _____ 60+ _____

Other 0-17 _____ 18-60 _____ 60+ _____

Please describe services provided _____

f. Methadone Maintenance Clinic No. of Licensed Slots: _____ Loc No. _____

g. Meals on Wheels No. of Meals Annually: _____ Loc No. _____

h. Hotline Center No. of Calls Annually: _____ Loc No. _____

i. Referral Agency No. of Referrals Annually: _____ Loc No. _____

- j. CASA(Court Appointed Special Advocates)
No. of Cases Assigned Annually: _____ Loc No. _____
- k. Mentorship No. of Matches: _____ Loc No. _____
Center based ___ Off-site based ___ How often do they meet? _____ Loc No. _____
- l. Advocacy Services No. of Clients Served: _____ Loc No. _____
- m. Other Services not described above Annual Client Contacts/Appointments: _____
_____ Loc No. _____
_____ Loc No. _____
_____ Loc No. _____

13. STAFF	Employees		Non-Employees (Volunteers/Consultants)	
	No. Full time	No. Part Time	No. Full time	No. Part Time
RN'S/LPN'S	_____	_____	_____	_____
Physicians Assts.	_____	_____	_____	_____
Nurse Practitioners	_____	_____	_____	_____
Social Workers	_____	_____	_____	_____
Residence Managers	_____	_____	_____	_____
Counselors	_____	_____	_____	_____
Physicians	_____	_____	_____	_____
Psychologist	_____	_____	_____	_____
Occupational Therapist	_____	_____	_____	_____
Physical Therapist	_____	_____	_____	_____
Personal Trainer	_____	_____	_____	_____
Health /Fitness Instructor	_____	_____	_____	_____
Nutritionist/Dietician	_____	_____	_____	_____
Others (specify)	_____	_____	_____	_____

(Include any Medical Director(s) in appropriate class)

14. Total Number of Staff: _____ Ratio of Staff to Clients: _____ (staff) to _____ (clients)
Annual Staff turnover rate: _____ %

15. Does your staff include any of the following types of professionals?
- Accountant Yes No If yes, how many? _____
 - Attorney Yes No If yes, how many? _____
 - Architect Yes No If yes, how many? _____
 - Engineer Yes No If yes, how many? _____
 - Financial Advisor/Consultant Yes No If yes, how many? _____

If you would like coverage for these individuals please complete the appropriate Supplemental Miscellaneous Professional Application.

16. Do you handle clients' money, bills or finances of any type?
If yes, please give details(what is handled and what controls are in place). _____

17. Are any of your facilities in operation 24 hours? Yes No. If yes, is there a supervisor on duty 24 hours? Yes No

III. MEDICAL STAFF & PROCEDURES

17. Do you have any employed, volunteer or contracted Physicians/Psychiatrists serving your organization?
 Yes No Do you want coverage for these Physicians and Psychiatrists? Yes No

(If Yes, complete the Physicians and Psychiatrists Liability Questionnaire XXX-XX.)

18. Do you provide any primary medical or skilled nursing services? Yes No If yes, please explain.

19. Do you or any of your staff prescribe or administer any medications? Yes No If yes, **please provide a list** on a separate sheet of paper of the medications, who prescribes them, for what purpose, and how they are secured.

20. Do you have Policies & Procedures in place for prescribing/administering medication? Yes No
Are non-FDA approved drugs prescribed or administered? Yes No

21. Are you involved in any of the following; Clinical Trials, pharmaceutical testing or research Yes No
If yes, please describe: _____

22. Does a physician screen client prior to admission? Yes No If no, please describe procedure which determines who is eligible for admission: _____

23. Are Patients physically restrained? Yes No

24. Do you have facilities for surgery, x-rays, or other medical treatment? Yes No
If yes, please describe: _____

25. Do you contract with any other facilities for additional beds? Yes No If yes, please indicate the number or estimated number of beds and provide a copy of the contract. No. of beds _____

26. Does your agency recommend release, parole or incarceration of clients? Yes No
(If yes, please explain on a separate sheet of paper.)

27. Do you treat any sexual offenders? Yes No
(If yes, please explain on a separate sheet of paper.)

28. Do you service clients recently released from a lock-up facility? Yes No
(Describe the nature of offenses on a separate sheet of paper.)

IV. ADDITIONAL INSURED (PROFESSIONAL LIABILITY)

Insurable Interest - Check box that applies

Name: _____ Funding/Grant Contract/Services Other
Address: _____ Describe: _____

Name: _____ Funding/Grant Contract/Services Other
Address: _____ Describe: _____

Name: _____ Funding/Grant Contract/Services Other
Address: _____ Describe: _____

V. YOUR INSURANCE HISTORY

LINE	COMPANY	LIMITS	PREMIUM	DED	EXPIRATION DATE	RETROACTIVE DATE
Professional Liability						

49. If you have not purchased coverage before, please explain. _____

50. Is your expiring professional liability coverage on a claims made basis? Yes No
If yes, would you like us to include prior acts coverage? Yes No

If yes, please provide proof of uninterrupted claims made coverage since the retroactive date.

51. Has any carrier cancelled or refused coverage for your agency? Yes No

(THIS QUESTION DOES NOT APPLY TO APPLICANTS IN MISSOURI)

If yes, please explain. _____

VI. CLAIM INFORMATION

52. Have you had any claims and/or circumstances that have not been previously reported? Yes No

If yes, please attach detailed claim information with the date of the loss or occurrence, the status, the amount reserved or paid and a description of the claim or allegation.

Please attach 5 years loss history for all coverages requested.

53. Please describe your procedures when reporting potential incidents to the proper authorities. _____

NOTICE TO APPLICANT – PLEASE READ CAREFULLY

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED, AS AUTHORIZED AGENT FOR ALL PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE, DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO ISSUE, OR THE APPLICANT TO PURCHASE, ANY INSURANCE POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER. IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE INSURER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED, AS THE AUTHORIZED REPRESENTATIVE OF THE INSURED ACKNOWLEDGES THAT THEY HAVE BEEN ADVISED THAT:

- A. THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF EXERCISED.**

(APPLICABLE TO MP 4002 ONLY)

(WORDS WITHIN QUOTATION MARKS ARE DEFINED IN THE INSURANCE POLICY.)

FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO ARKANSAS APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO COLORADO APPLICANTS

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

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.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

FRAUD STATEMENT TO KENTUCKY APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signature of Applicant

_____/_____/_____
Date

Name and Title

This application form duly completed, together with any supplementary information must be signed in ink by the applicant

Please Print Name

Signature of Producer submitting

Date Signed

Producing Agency : _____

Address: _____

Telephone: () _____

Did you remember to?

If you have Physicians on staff and are requesting Physicians coverage :

Complete the Physicians & Psychiatrists Liability Supplement for each individual to be named on the policy

If you are a Foster Care or Adoption Agency :

Complete the Foster Care and Adoption Care Supplement

If you have a Residential Facility :

Complete the Residential Facility Supplement

If you have a Vocational or Sheltered Workshop :

Complete the Vocational/Sheltered workshop Supplement

If you provide Senior Care or Adult Day care:

Complete the Senior Care Supplement

If you have specific Professionals on staff and are requesting Miscellaneous Professional coverage:

Complete the appropriate Miscellaneous Professional Liability application for the professionals identified in Question 15 of this application.

If you are applying for Sexual Abuse or Molestation coverage:

Complete the appropriate Sexual Abuse Or Molestation Liability application .

General Reminders:

Did you complete each question in all applicable sections as we cannot offer a quote based on incomplete information?

- Did you sign and date all applications?
- Did you attach current loss runs?



American Alternative Insurance Corporation

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(800) 305-4954

Licensed Practitioner of the Healing Arts SUPPLEMENTAL APPLICATION

INSTRUCTIONS: A Licensed Practitioner of the healing arts application must be completed for each practitioner to be named on the policy. Please complete the entire form and attach curriculum vitae. If a section does not apply or is not relevant, answer "N/A" or "none". Information provided by you will be used by underwriters in determining the acceptability of adding the specific practitioner to the professional insurance coverage.

- Your Name _____
- Agency/Organization Name _____
- Medical Specialty _____ Are you Board Certified? Yes___ No___
- License Number/State _____
- Is the coverage requested to be on a Primary or Excess basis? _____
(If Excess is requested, minimum underlying limits of \$1,000,000 per claim must be verified and a copy of the Physicians primary declaration page must be attached)
- What is your working relationship with the Clinic/Center/Organization? Employee___ Contractor___ Volunteer___
- Hours per week you work on behalf of the Organization? _____ How many weeks per year? _____
- List the responsibilities/duties you perform for the Organization (please be specific).

- Do you or will you perform any of the following medical procedures or services on behalf of the Organization?
Yes___ No___ If yes, how many per year? _____

	Times/yr.	None		Times/yr.	None
Entry Level Physicals	_____	_____	Medical Detox.	_____	_____
Methadone Treatment	_____	_____	HIV/AIDS Treatment	_____	_____
Infant/Child Medical Care	_____	_____	Prescribing Medications	_____	_____

- Do you provide any other medical procedures or service on behalf of the Organization? Yes___ No___
If yes, please describe below:

- Do you obtain consent to treat patients? Yes___ No___

- If the patient requires more specialized care, do you refer the patient to a specialist? Yes___ No___
If yes, how do you determine the specialist that you refer the patient to?



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ADOPTION AND FOSTER CARE PLACEMENT
AGENCY SUPPLEMENTAL APPLICATION

Named Insured: _____

Name of Agency/Facility: _____

I. FOSTER PLACEMENT AGENCIES:

Important - Please attach: Copies of placement policy and procedures, family selection, training guidelines and any and all applications used in the process.

- 1. What is the annual number of foster care placements? Current Year _____ Projected next year _____
2. Average number of children being placed in fosters home? _____ Group Home? _____
3. Average age of children being placed in foster homes? _____ Group Home? _____
4. What is the maximum number of children allowed per foster home? _____
5. How does this agency recruit foster homes? _____
6. Who licenses the foster homes? [] Insured [] State [] Other please explain: _____
7. Is insured legally responsible for the following:
- Placement of children in homes? [] Yes [] No
- Licensing of foster parents and homes? [] Yes [] No
- Licensing of group homes if used? [] Yes [] No
- Supervision, Inspection and Home Checks? [] Yes [] No
- Do contract or subcontract any of above ? [] Yes [] No
o If yes please provide detailed explanation.
8. Does insured use any homes licensed by the state? [] Yes [] No
If yes, does Insured re-interview and inspect homes prior to placement? [] Yes [] No
If no, does Insured inspect home within 30 days of placement? [] Yes [] No
9. Does insured receive prior placed children either from the state or private agencies? [] Yes [] No
If yes, does Insured require complete history and case workers file prior to placing in another home? [] Yes [] No
10. Does the insured have full immunity from the State? [] Yes [] No
If yes, please include a copy of state law regarding immunity.
If no, does insured have any immunity regarding foster care? [] Yes [] No
If yes, please include copy of any state law regarding immunity and or explanation of liability.
11. Does insured have a hold harmless with the state/county/other foster care agency? [] Yes [] No
12. How frequently are home inspections done? _____, Are they scheduled or unscheduled? _____
13. Does home inspection include a consultation with foster child? [] Yes [] No
If yes is consultation done [] alone [] or group
14. Is your Foster Care program accredited? [] Yes [] No If yes, what accreditation? _____
Expiration Date: _____
15. Do Foster Families receive Orientation and Training? [] Yes [] No
16. Do Foster Families receive full discloser with respect to child's health history and related back ground? [] Yes [] No
17. Is one foster parent required to stay at home and not seek outside employment? [] Yes [] No
18. Does the acceptance procedure include background research and FBI checks? [] Yes [] No
19. How often are children moved from one home to another? _____
20. What is the percentage of children with disabilities(physical or mental)? _____%
21. What percentage of children are removed from their parents' home involuntarily? _____%
By whose authority? Explain procedure: _____

22. Current number of certified foster families: _____
23. Who compensates the foster families? _____
24. How many caseworkers do you have? Full Time: _____ Part Time: _____
25. What is the average number of cases per caseworker? _____
26. Can any of your caseworkers be foster families? _____
27. Are there written procedures outlining the steps to be taken in the event of alleged physical or sexual abuse?
 Yes No

II. ADOPTION PLACEMENT AGENCIES:

IMPORTANT: Please attach copies of all homestudy applications and information to prospective families, family selection criteria, placement guidelines and procedures.

1. What is the annual number of adoption placements? Current Year _____; Projected next year _____
2. Where does the agency receive adoptive children from? Please indicate the percentage:
 Domestic agencies _____ %
 Outside the United States _____ %
 Private Placement _____ %
 Other _____ %

3. Do your procedures require a comprehensive Health Screening of all children prior to being placed? Yes No
4. For adoptions outside the United States, do the procedures require screening for:
 Hepatitis Yes No
 Tuberculosis Yes No
 Intestinal Parasites Yes No
5. Are both birth parents contacted prior to all adoption proceedings? Yes No
6. Do you have an attorney on staff? Yes No If yes, provide the name of the Legal Errors and Omissions carrier and limits carried: _____
7. Do you perform home studies for clients other than your prospective adoptive parents? Yes No
 If yes, please provide estimate of the number of these home studies performed. _____
8. If International Adoptions, please list countries of origin: _____
9. Do you perform consulting services for other agencies? Yes No
10. Please describe the selection process for Adoptive parents? _____

11. Does the selection/acceptance procedure include background research and FBI checks? Yes No
12. Do you provide specific information about the child/children to the prospective adoptive parents prior to formalizing the agreement? Yes No If yes, are these disclosures written or verbal? _____
13. Do Adoption Families receive full disclosure with respect to child's health history and related background? Yes No

 Signature of Applicant

_____/_____/_____
 Date

 Name and Title



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SUPPLEMENTAL RESIDENTIAL FACILITY QUESTIONNAIRE

PLEASE ATTACH A COPY OF FACILITY LICENSE AND MOST RECENT STATE INSPECTION

1. Location Number _____ Name of the Agency _____

Name of the Facility _____

2. Which of the following best describes this facility?

Substance Abuse

- Detox: Med ___ Non-Med ___
Residential Halfway House
Sober Living

Mental Health

- Group Homes
Res. Treatment/Halfway House
Supervised Living Arrangements
Therapeutic Foster Care

Other

- Domestic Violence
Homeless Shelter
Other _____

3. Licensed bed capacity _ Total bed capacity (if not licensed facility) _____ Current occupancy _____

4. Please indicate the staffing at this facility:

Table with columns: Discipline, 1st Shift, 2nd Shift, 3rd Shift. Rows include Psychiatrist, Other Physicians, Psychologists, Social Workers, Residential Managers, Residential Aid, Others.

5. Advise number of residents in each age group at this facility:

less than 18 18 to 30 31 to 59 60 and over (Please attach age census)
Average length of stay _____

6. Is the facility Room and Board only? Yes No If no, please describe treatment provided.

7. Is this facility for Mentally Ill? _____ Developmentally disabled? _____

8. Any residents with depressive disorder? Yes No

Schizophrenia _____ Paranoia _____ Psychotic _____

9. Number of residents that are non-ambulatory: _____

10. Does this facility have 24 hour on-site staff? Yes No

11. Are clients adjudicated or here in lieu of incarceration? Yes No

12. Is this a lock-up facility for any of your residents? Yes No

13. Are you appointed legal guardian for any of the residents? Yes No

14. If residents cook, is the cooking supervised? Yes No

15. At what temperature is the water set? _____

16. Is the insured responsible for obtaining medical treatment for residents? Yes No

17. Does a staff member administer medications? Yes No

18. What measures are taken to monitor client activities? _____

Do you have sign out procedures? Yes No If no, are there alarms on doors? Yes No

19. Are there animals on premises? Yes No If yes, please describe size and breed:

Are they restrained or do they interact with clients? _____

Signature of Applicant

____/____/_____
Date

Name and Title



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Vocational / Sheltered Workshop
SUPPLEMENTAL APPLICATION
(Complete a Supplement for each Location)

Name of the Agency _____

Name of the Facility _____
(If different from your agency name)

Location No. _____

- 1. What is the number of clients served daily: _____; Age Range: _____
2. Number of Supervisors/trainers assigned to this location: _____
3. Estimated Annual receipts from workshop: _____
4. Provide a brief description of activities and nature of work performed: _____
5. Are Clients covered by Workers' Compensation? [] Yes [] No
6. Are clients paid a salary and considered employees? [] Yes [] No
7. What percentage of clients are physically challenged? _____
8. What percentage of clients are mentally challenged? _____
9. Does workshop provide transportation? [] Yes [] No, If yes, please describe: _____
10. Do clients work with power equipment? [] Yes [] No If yes, please describe safety measures: _____
11. Are janitorial services performed for others? [] Yes [] No If yes, describe equipment used: _____
12. Any woodworking of any type? [] Yes [] No If yes, describe dust control, spraying safeguards & ventilation: _____
13. Any plastics manufacturing of any type? [] Yes [] No If yes, describe dust control, heat safeguards & ventilation: _____
14. Any use of chemicals? [] Yes [] No If yes, describe types, quantities and how stored: _____
15. Do your products produce any fumes, acids or waste? [] Yes [] No If yes, how are these exposures controlled: _____
16. Does your facility have a formal training program for the staff? [] Yes [] No
17. If yes, does it include the following: Emergency procedures including first aid? [] Yes [] No
Review of labor laws? [] Yes [] No
Training in recognition of problems with clients? [] Yes [] No
18. Is there a formal quality control procedure in place for manufactured items? [] Yes [] No
19. Are hold harmless/contractual agreements signed with customers? [] Yes [] No
If yes, please describe: _____

20. Describe any hazard, on or away from the premises, not normally existing with this class of business: _____

Signature of Applicant

____/____/_____
Date

Name and Title



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SENIOR CARE SUPPLEMENTAL APPLICATION

Named Insured _____

Name of the Facility _____
(If different from your agency name)

1. What is the daily number of adults attending? _____
2. Briefly describe your facility/programs/activities: _____

3. Please indicate the Staff to client ratio: _____
4. What percentage of clients are mentally challenged? _____
5. What percentage of clients are physically challenged? _____
6. What percentage of clients have dementia or Alzheimer's? _____
7. Are any clients Non-ambulatory? Yes No. If yes, are written plans in place for emergency evacuation? Yes No
8. If the facility fully wheel-chair accessible? Yes No
9. Are residents required to have physical exams prior to enrolling in the center/program? Yes No
10. Do staff members administer medications? Yes No
11. Are medicines kept locked when not in use? Yes No
12. Are written records kept on all clients? Yes No
13. Do you pick up or transport clients to or from the facility? Yes No . If yes, please describe: _____

14. Do you allow unannounced visitors? Yes No
15. Do you accept drop-ins? Yes No
16. Is the staff trained in first aid and CPR? Yes No. If no, describe process in place to obtain first aid or medical care for clients in your care: _____

17. Is food service provided? Yes No. If yes, are dining facilities provided and do they conform to local/state building codes? Yes No
18. Are criminal background and reference checks conducted on all staff, including employees and volunteers? Yes No
19. Are there off premises activities and/or filed trips? Yes No. If yes, please describe: _____

Signature of Applicant

____/____/____
Date

Name and Title



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Sexual and Physical Abuse Application

"DEFENSE EXPENSES" ARE PAYABLE WITHIN, NOT IN ADDITION TO, THE LIMIT OF LIABILITY.

INSTRUCTIONS:

1. Answer all applicable questions. If questions are not applicable, please indicate.
2. Attach any requested information to the document.
3. Application must be signed by the highest ranking executive.
4. Please read the statement at the end of the application carefully.

NAMED INSURED	POLICY EFFECTIVE DATE
OPERATIONS	POLICY NUMBER
LOCATIONS	PROGRAM
CONTACT PERSON	PRODUCER

A) OPERATIONS

- Daycare Centers
- Special Needs Educational Facilities
- Boy or Girl Scouts
- Camps (Residential)
- Nursery Schools
- Schools - public or private elementary, junior high or high school
- Foster Homes
- Churches
- Other _____

B) LIMITS REQUESTED: _____

Has any insurer ever cancelled or non-renewed coverage? Yes No

If Yes, please explain:

	EXCESS COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limits:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit:						
Policy Premium:						

Have all known claims, incident with no claim, or allegations with no claims been reported to prior Excess carrier(s)? Yes No

	UNDERLYING COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limit/SIR:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit/SIR:						
Policy Premium:						

C) LOSS HISTORY – FURNISH FIRST DOLLAR LOSS HISTORY FOR CURRENT AND PRIOR FIVE YEARS FOR ALL SEXUAL ABUSE CLAIMS, INCIDENTS WITH NO CLAIMS, OR ALLEGATIONS WITH NO CLAIMS, WHETHER OR NOT INSURED.

Policy Term	# Claims	Open or Closed	# Incidents/Allegations with no Claims	Total Paid Indemnity/Expenses	Total Incurred Indemnity/Expenses

On a separate document, please provide the following information for any individual claim with a Total Incurred Amount in excess of \$10,000:

1. Date of alleged or actual initial abuse
2. Date claim was brought
3. Description of loss or alleged abuse
4. Total Paid
5. Total Incurred
6. Open or closed
7. Valuation date

D) GENERAL DATA

§ Number of full-time employees: _____

§ Number of part-time employees: _____

§ Annual number of volunteers: _____

E) EXPOSURE DATA

§ Average daily number of children for all operations listed on page 1: _____

F) RISK MANAGEMENT

- | | | |
|---|------------------------------|-----------------------------|
| 1. Is there a Sexual Abuse Prevention Program in effect? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Has a written policy been established clearly expressing management's commitment to sexual abuse prevention? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have written procedures encompassing rules, a code of conduct and disciplinary measures been established for all staff and/or volunteers, which clearly define the policy and consequences of non-adherence? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Has a mechanism been developed to ensure that sexual abuse prevention policies and procedures are implemented and enforced throughout the organization? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Is there a Sexual Abuse Prevention Coordinator that reports to a member of management? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Are management/staff trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. Are volunteers trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Do policies and procedures include an incident reporting and follow-up mechanism? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Are standard applications used for all prospective employees or volunteers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Is there a minimum of two background checks for prospective employees with documentation maintained in file? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. Do background checks include checks with "Sex Offender Hot-lines," State Police, State Department of Social Services, or similar public agencies? (where applicable) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 12. In the past five years have any employees or officers been terminated for cause related to sexually abusive behavior? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 13. Are records maintained documenting adherence to all applicable policies and procedures, e.g., hiring and screening, code of conduct, training, incident and follow-up procedures? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 14. Are you aware of any circumstances that may result in a sexual abuse claim? If Yes, explain on a separate sheet. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 15. Have any members of the staff been transferred because allegations of sexual abuse? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

b CHECKLIST

Have you attached

- All policies and procedures (including incident response) related to your Sexual Abuse Prevention Program
- Training Program Details
- List of all Sexual Abuse claims with a Total Incurred Amount in excess of \$10,000
- Claims procedures

NOTICE TO APPLICANT – PLEASE READ CAREFULLY

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED, AS AUTHORIZED AGENT FOR ALL PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE, DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO ISSUE, OR THE APPLICANT TO PURCHASE, ANY INSURANCE POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER. THE INSURER WILL HAVE RELIED UPON THE STATEMENTS MADE IN THIS APPLICATION AND ATTACHMENTS IN ISSUING THIS POLICY.

IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE INSURER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

THE UNDERSIGNED, AS THE AUTHORIZED REPRESENTATIVE OF THE INSURED ACKNOWLEDGES THAT THEY HAVE BEEN ADVISED THAT:

- A. THE LIMIT OF LIABILITY IS REDUCED BY AMOUNTS INCURRED AS "DEFENSE EXPENSES" AND SUCH EXPENSES WILL BE SUBJECT TO THE DEDUCTIBLE AMOUNT.

(WORDS WITHIN QUOTATION MARKS ARE DEFINED IN THE INSURANCE POLICY.)

FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO ARKANSAS APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO COLORADO APPLICANTS

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

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.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

FRAUD STATEMENT TO KENTUCKY APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

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Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

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Signature of Applicant

_____/_____/_____
Date

Name and Title



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

Sexual and Physical Abuse Application

INSTRUCTIONS:

1. Answer all applicable questions. If questions are not applicable, please indicate.
2. Attach any requested information to the document.
3. Application must be signed by the highest ranking executive.
4. Please read the statement at the end of the application carefully.

NAMED INSURED	POLICY EFFECTIVE DATE
OPERATIONS	POLICY NUMBER
LOCATIONS	PROGRAM
CONTACT PERSON	PRODUCER

A) OPERATIONS

- Daycare Centers
- Special Needs Educational Facilities
- Boy or Girl Scouts
- Camps (Residential)
- Nursery Schools
- Schools – public or private elementary, junior high or high school
- Foster Homes
- Churches
- Other _____

B) LIMITS REQUESTED: _____

Has any insurer ever cancelled or non-renewed coverage? Yes No

If Yes, please explain:

	EXCESS COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limits:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit:						
Policy Premium:						

Have all known claims, incident with no claim, or allegations with no claims been reported to prior Excess carrier(s)? Yes No

	UNDERLYING COVERAGE (CURRENT YEAR & PRIOR FIVE YEARS)					
Policy Term:	_____	_____	_____	_____	_____	_____
Carrier:						
Limit/SIR:						
Claims Made/Occurrence:						
Aggregate:						
Retro Date:						
Defense Inside/ Outside Limit/SIR:						
Policy Premium:						

C) LOSS HISTORY – FURNISH FIRST DOLLAR LOSS HISTORY FOR CURRENT AND PRIOR FIVE YEARS FOR ALL SEXUAL ABUSE CLAIMS, INCIDENTS WITH NO CLAIMS, OR ALLEGATIONS WITH NO CLAIMS, WHETHER OR NOT INSURED.

Policy Term	# Claims	Open or Closed	# Incidents/Allegations with no Claims	Total Paid Indemnity/Expenses	Total Incurred Indemnity/Expenses

On a separate document, please provide the following information for any individual claim with a Total Incurred Amount in excess of \$10,000:

1. Date of alleged or actual initial abuse
2. Date claim was brought
3. Description of loss or alleged abuse
4. Total Paid
5. Total Incurred
6. Open or closed
7. Valuation date

D) GENERAL DATA

§ Number of full-time employees: _____

§ Number of part-time employees: _____

§ Annual number of volunteers: _____

E) EXPOSURE DATA

§ Average daily number of children for all operations listed on page 1: _____

F) RISK MANAGEMENT

- | | | |
|---|------------------------------|-----------------------------|
| 1. Is there a Sexual Abuse Prevention Program in effect? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 2. Has a written policy been established clearly expressing management's commitment to sexual abuse prevention? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 3. Have written procedures encompassing rules, a code of conduct and disciplinary measures been established for all staff and/or volunteers, which clearly define the policy and consequences of non-adherence? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 4. Has a mechanism been developed to ensure that sexual abuse prevention policies and procedures are implemented and enforced throughout the organization? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 5. Is there a Sexual Abuse Prevention Coordinator that reports to a member of management? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 6. Are management/staff trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 7. Are volunteers trained in policies and procedures relating to the Sexual Abuse Prevention Program? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 8. Do policies and procedures include an incident reporting and follow-up mechanism? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 9. Are standard applications used for all prospective employees or volunteers? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 10. Is there a minimum of two background checks for prospective employees with documentation maintained in file? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 11. Do background checks include checks with "Sex Offender Hot-lines," State Police, State Department of Social Services, or similar public agencies? (where applicable) | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 12. In the past five years have any employees or officers been terminated for cause related to sexually abusive behavior? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 13. Are records maintained documenting adherence to all applicable policies and procedures, e.g., hiring and screening, code of conduct, training, incident and follow-up procedures? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 14. Are you aware of any circumstances that may result in a sexual abuse claim? If Yes, explain on a separate sheet. | <input type="checkbox"/> Yes | <input type="checkbox"/> No |
| 15. Have any members of the staff been transferred because allegations of sexual abuse? | <input type="checkbox"/> Yes | <input type="checkbox"/> No |

b CHECKLIST

Have you attached

- All policies and procedures (including incident response) related to your Sexual Abuse Prevention Program
- Training Program Details
- List of all Sexual Abuse claims with a Total Incurred Amount in excess of \$10,000
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Signature of Applicant

____/____/_____
Date

Name and Title



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

THIS APPLICATION IS FOR A COVERAGE PART WRITTEN ON A CLAIMS-MADE BASIS. "CLAIMS" MUST BE FIRST MADE AGAINST ANY INSURED DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO US AS SOON AS PRACTICABLE DURING THE "POLICY PERIOD", ANY SUBSEQUENT RENEWAL OF THE POLICY OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE INSURANCE FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY IF THE "WRONGFUL ACT" OUT OF WHICH THE "CLAIM" AROSE OCCURRED ON OR AFTER THE RETROACTIVE DATE, IF ANY, SHOWN IN THE DECLARATIONS AND BEFORE THE END OF THE "POLICY PERIOD". "DEFENSE EXPENSES" ARE PAYABLE WITHIN, NOT IN ADDITION TO, THE LIMIT OF LIABILITY.

Miscellaneous Professional Liability
APPLICATION – Accountants/Financial Advisors or
Investment Managers

INSTRUCTIONS: Please complete the entire form. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. If a section does not apply or is not relevant, answer "N/A" or "none". Information provided by you will be used by underwriters in determining the acceptability of adding the professionals to the Miscellaneous Professional insurance coverage.

- 1. Applicant/Organization Name
2. Address of Organization
3. Address where specified professional(s) is located
4. Please provide the number of professionals seeking coverage: # of Accountants, # of Financial Advisors
5. Type of entity: Non Profit, For Profit, Other
6. What is the professionals working relationship with the Applicant/Organization? Employee, Volunteer, Contractor
7. Are the Professionals requesting coverage: Full Time, Part time
8. List the responsibilities/duties performed for the Organization

Accountants:

- 1. Do you or will you perform any of the following services on behalf of the Organization?
Organization Internal Business Services for Others
Audit Services
Tax Services
Bookkeeping Services
Compilations and Reviews
Data Processing services
Pension & Benefit plans
Estate Planning
Fiduciary Activities
Business valuation
Management Consulting
Other(please describe):

2. Do you provide any other professional services on behalf of the Organization? Yes No
If yes, please describe below:

3. Do you provide services as a Lawyer, Insurance Agent/Broker, Escrow Agent, or Investment/Financial Advisor.
 Yes No If yes, provide particulars of services: _____

4. Have all CPA's seeking coverage completed continuing education required for their level of license and/or certificate? Yes No If no, indicate exceptions: _____

5. Does the organization delegate work to or subcontract work from other accounting firms? Yes No
If yes, indicate nature of work. _____
6. What are the total gross fees to the organization associated with providing accounting services to members, clients, or other third parties? _____
7. Provide information on the largest entities (members, clients, or other third parties) for which services are provided. (any accounting for over 10% of the total services or else the largest three) _____

8. If fees are specifically charged for accountant services, has the firm adopted a policy of not filing suit for fees?
 Yes No If no, indicate suits for collection of fees in the last five years. _____

9. Have the accountants performed any professional services for any publicly traded company? Yes No
If yes, describe nature of services and company. _____

10. Do you utilize engagement letters which specifically outline the nature and scope of the work to be performed for the organization? Yes No
11. Do you audit or review investment funds? Yes No. If yes, please provide fund names and asset values:

12. Do you or the organization audit or perform valuations of investments or investment funds for which you or the organization are the financial or investment advisor? Yes No if yes, please indicate which funds or investments. _____
13. Are financial statements, reports and projections that are prepared by you or your staff checked by an owner, principal, partner or manager prior to their release? Yes No
14. Are business tax returns checked and verified by a disassociated preparer prior to their release? Yes No
15. With regard to unaudited statements, do you always issue a disclaimer of opinion in or with such statements?
 Yes No
16. Does the professional applicant;
a. Invest Organization's funds or act in a decision making capacity with respect to the Organization? Yes No
If yes, please describe: _____
b. Control receipt or disbursement of any part of Organization's funds? Yes No
c. Required to be Bonded for handling Organization's funds? Yes No
17. Have the accountants or organization had any quality peer review of accounting and review services? Yes No
If yes, indicate when, who performed peer review and the outcome. _____

18. Have all known potential claims, incidents or suits, if any, been reported to your present carrier? Yes No

19. Has the applicant, predecessors or any other person for whom insurance is being requested ever been subject to disciplinary action or reprimand by any state board of accountancy (or equivalent thereof), the S.E.C. , any other governmental regulatory agency, federal , state, local court, or any state or national accounting society?
 Yes No If yes, please provide full details: _____

20. Is the professional applicant controlled, owned or associated with any other firm, corporation or company, other than as stated above? Yes No If yes, please provide full details: _____

21. Have you ever been convicted of a crime or felony? Yes___ No___
22. Provide information on **your** in-force professional Liability insurance. (if none exists, please indicate "none")
- Insurance Company Name _____ Expiration date _____
 - Limits of Liability \$ _____ Policy # _____
 - Does your policy cover you while performing work for the agency/organization? Yes___ No___
 - Retroactive Date _____

Financial Advisor/Investment Manager:

- What are the professional qualifications of the Financial Advisor(s) applying for coverage?
 Licenses Held:_____ Professional Organizations:_____
 Length of time working as an Advisor : _____
 Length of time working with the Organization: _____
- Is the professional applicant registered with the SEC as an investment advisor? Yes No
 If yes, please provide full details: _____

- Is the applicant registered with any other regulatory agency, commission or association? Yes No
 If yes, please provide full details: _____

- Does the professional applicant contract with any Outside Service Providers? Yes No
 If yes, please provide full details: _____

- Do you manage investment funds or advise the strategy for the management of investment funds? Yes No
 If yes, please attach a separate page providing names of funds and fund asset sizes managed.
- Please provide on a separate page a list of your three(3) largest clients and any involving over 10% of your total services.
- Are the investment and management fees charged fully disclosed to investment participants at least annually?
 Yes No If No please explain. _____

- Do you provide an investment strategy document as part of the client disclosure statement indicating the portfolio mix planned for the client, the relative risk levels of the investment types and obtain client signoff? Yes No
 If No please explain. _____
- For marketable investments, do clients receive monthly statements showing the current market valuation of investments? Yes No If No please explain. _____

- For investments that do not have an active market, indicate types of asset value information provided, sources of such information, and frequency information is provided. _____

11. Do you or the organization audit or perform valuations of investments or investment funds for which you or the organization also are the financial or investment advisor? Yes No
If yes, indicate which funds or investments: _____
12. Does the professional applicant provide any computer service and/or internet service for its clients or the general public? Yes No If yes, please describe services provided and for whom: _____

13. Is the applicant proposed for this insurance engaged in any business other than as a financial advisor?
 Yes No If yes, please provide full details: _____

14. Does the applicant manage private account assets of related and/or affiliated companies? Yes No
If yes, please provide full details: _____

15. Does the advisor recommend or invest in any of the following specialty investments on behalf of the organization?
Below investment grade bonds(BBB or lower) Yes No
Guaranteed investment contracts Yes No
Commodity or other futures Yes No
Precious metals Yes No
Mortgage, Mortgage pools, or other Mortgage backed securities Yes No
Real Estate Investment Trusts (REITS) Yes No
Option contracts or futures Yes No
General or Limited Partnerships Yes No
Real Estate Yes No
Foreign or International Securities Yes No
Derivatives Yes No
Other(please describe: _____)
16. With respect to the above specialty investments, does applicant require a signed disclosure statement acknowledging the volatility of such investments from organization and/or clients? Yes No
If no, please explain: _____

17. Does the applicant have written formal procedures to ensure the clients investment management contracts are adhered to? Yes No
18. Are annual independent audits performed for all investment funds and for individual account records? Yes No
If no please explain: _____

19. Has the applicant been fined by the SEC or any other regulatory authority for any reason? Yes No
If yes, please provide full details: _____

20. Has any person(s) or entity(s) proposed for this insurance ever been a party to or subject of any civil, criminal, disciplinary action or administrative proceeding alleging or investigating a violation of any federal or state security law or regulation? Yes No If yes, please provide full details: _____

21. Have you ever been convicted of a crime or felony? Yes___ No___
22. Provide information on **your** in-force professional Liability insurance. (if none exists, please indicate "none")
a. Insurance Company Name _____ Expiration date _____
b. Limits of Liability \$ _____ Policy # _____
c. Does your policy cover you while performing work for the agency/organization? Yes___ No___
d. Retroactive Date _____

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Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signature of Applicant

____/____/_____
Date

Name and Title



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

THIS APPLICATION IS FOR A COVERAGE PART WRITTEN ON A CLAIMS-MADE BASIS. "CLAIMS" MUST BE FIRST MADE AGAINST ANY INSURED DURING THE "POLICY PERIOD" OR ANY APPLICABLE EXTENDED REPORTING PERIOD, AND REPORTED TO US AS SOON AS PRACTICABLE DURING THE "POLICY PERIOD", ANY SUBSEQUENT RENEWAL OF THE POLICY OR ANY APPLICABLE EXTENDED REPORTING PERIOD. THE INSURANCE FOR WHICH THIS APPLICATION IS MADE APPLIES ONLY IF THE "WRONGFUL ACT" OUT OF WHICH THE "CLAIM" AROSE OCCURRED ON OR AFTER THE RETROACTIVE DATE, IF ANY, SHOWN IN THE DECLARATIONS AND BEFORE THE END OF THE "POLICY PERIOD". "DEFENSE EXPENSES" ARE PAYABLE WITHIN, NOT IN ADDITION TO, THE LIMIT OF LIABILITY.

Miscellaneous Professional Liability APPLICATION – Lawyers/Attorneys

INSTRUCTIONS: Please complete the entire form. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. If a section does not apply or is not relevant, answer "N/A" or "none". Information provided by you will be used by underwriters in determining the acceptability of adding the professionals to the Miscellaneous Professional insurance coverage.

1. Applicant/Organization Name _____
2. Address of Organization _____
3. Address where specified professional(s) is located _____
4. Type of entity: Non Profit For Profit Other, Please describe: _____
5. What is the professionals working relationship with the Applicant/Organization?
 Employee Volunteer Contractor
6. Are the Professionals requesting coverage: Full Time Part time If Part Time, How many Hours per week do they work on behalf of the Organization? _____ How many weeks per year? _____
7. General description of the business of the organization. _____

8. List the responsibilities/duties performed for the Organization (please be specific).

9. Is any Employed lawyer a member of the American Corporate Counsel Association(ACCA)? Yes No
10. Please attach a separate page providing the following information for each Employed Lawyer to be insured: Name, title, ACCA membership #(if applicable), year of admission to bar, principal area(s) of practice, and whether the lawyer is a director or officer of the Organization.
11. Do you or will you perform any of the following services on behalf of the Organization?

	<u>Organization Internal Business</u>	<u>Services for Others</u>
Contract Drafting/Review/Approval	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Copyright/Patent/Trademark	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Collection/Repossession	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Corporate Transactional	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Environmental Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
ERISA/Employee Benefits	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
International Law	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Labor Relations	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No

Litigation	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other Regulatory Compliance	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Moonlighting(representation of clients other than Insured Organization)	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Pro Bono	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Real Estate	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Securities	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Taxation	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Utility Regulation	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> No
Other(please describe):	_____	

12. Does any Employed Lawyer issue written legal opinions to or for the use of:
- a) The Board of Directors? Yes No
 - b) Entities other than the Insured Organization in which the Insured Organization has an equity interest? Yes No
 - c) Third Parties? Yes No
 - d) Other? _____ Yes No
- If yes to any part of this question, please describe the types of opinions issued and the recipients thereof: _____
- _____
- _____

13. If litigation is performed on behalf of organization members or clients, or other lawyer clients, indicate the following:
- | | |
|--------------------------------------|--------------------------------------|
| Representing Plaintiff _____% | Representing Defense _____% |
| Average Case size: _____ | Average Case size: _____ |
| Largest Case size: _____ | Largest Case size: _____ |
| Personal Injury/Bodily Injury _____% | Personal Injury/Bodily Injury _____% |
| Workers Compensation _____% | Workers Compensation _____% |
| Class Action _____% | Class Action _____% |
| Medical Malpractice _____% | Medical Malpractice _____% |
| Contractual _____% | Contractual _____% |
| Business Transaction _____% | Business Transaction _____% |
| Other: _____% | Other: _____% |

14. Does any Employed or contracted lawyer prepare, review, comment on, or approve financial statements, proxy statements, prospectuses, registration statements, annual or quarterly reports, or other reports filed with federal or state agencies or released to shareholders or the public regarding the Organization? Yes No
- If yes, please describe the role of Lawyer(s) in such preparation, review, comment or approval. _____
- _____
- _____

15. Does any Employed or contracted lawyers represent individual employees of the Organization in judicial, administrative, or other proceedings? Yes No If yes, please provide details: _____
- _____
- _____

16. Does any employed or contracted lawyer provide personal legal services to any director, officer, or employee of the Organization in such director's, officer's or employee's individual capacity? Yes No If yes, please indicate:
- a) The type of personal legal services provided: _____
 - b) The percentage of the Lawyer's time devoted to the provision of personal legal services: _____

17. Please provide a brief description of the structure and management of the legal department, including the legal department's placement within the general organization of the Insured Organization.
- _____
- _____
- _____

18. Please indicate the types of legal work that are typically referred by the Organization to outside counsel and any guidelines governing such referrals. _____

19. Do you provide any other professional services on behalf of the Organization? Yes No
If yes, please describe below:

20. Does the organization have an indemnification policy or practice applicable to Employed Lawyers, regardless of whether the Employed Lawyers are directors or officers of the organization? Yes No

If yes, please provide details and attach indemnification provisions and relevant limitation of liability provisions in the certificate of incorporation or corporate bylaws, as well as any other indemnification policies or agreements.

21. Does the organization and/or the legal department have written policies or procedures with regard to the following:

- Training of newly hired employed lawyers? Yes No
- Continuing legal education for employed lawyers? Yes No
- Circulation and updating of documents within legal department? Yes No
- Litigation docket control within the legal department? Yes No
- Preparation and approval of legal opinions for the use of entities other than the organization? Yes No
- Organization compliance with federal, state, or local statutes or regulations? Yes No
- Employee hiring, termination, and promotion? Yes No

22. How do the employed lawyers avoid conflicts of interest? Is a conflicts avoidance system utilized? _____

23. Specifically, what procedures are in place to:

a) Avoid conflicts between employed lawyers duties to the Organization and any legal services provided to Directors, Officers, or Employees? _____

b) Avoid conflicts between employed lawyers duties to the Organization and any legal services provided to members and clients of the organization? _____

24. Is the professional applicant controlled, owned or associated with any other firm, corporation or company, other than as stated above? Yes No If yes, please provide full details: _____

25. Have all known potential claims, incidents or suits, if any, been reported to your present carrier? Yes No

26. Has the applicant, predecessors or any other person for whom insurance is being requested ever been subject of a reprimand or disciplined by, or refused admission to, a bar association, court or administrative agency? Yes No If yes, please provide full details: _____

27. After inquiry, have any claims or suits been made against any employed lawyer within the past five(5) years arising out of his or her provision of legal services, whether or not such claims or suits arose out of work performed for the Organization? Yes No If yes, please provide a complete Claim Summary for each such claim or suit.

28. After inquiry, is any lawyer seeking coverage aware of any circumstance, allegation, or contention as to any incident which may result in a claim or suit against any Lawyer seeking coverage? Yes No If yes, please provide a complete Claim Summary for each such circumstance, allegation, or contention.

Note: Information provided in response to Questions 19 and 20 does not constitute notice of a claim or potential claim under any insurance policy. All such notices must be submitted in accordance with the policy.

29. Have you ever been convicted of a crime or felony? Yes No

30. Provide information on **your** in-force professional Liability insurance. (if none exists, please indicate "none")

- a) Insurance Company Name _____ Expiration date _____
- b) Limits of Liability \$ _____ Policy # _____
- c) Does your policy cover you while performing work for the agency/organization? Yes ___ No ___
- d) Retroactive Date _____

NOTICE TO APPLICANT – PLEASE READ CAREFULLY

FOR THE PURPOSE OF THIS APPLICATION, THE UNDERSIGNED, AS AUTHORIZED AGENT FOR ALL PERSONS AND ENTITIES PROPOSED FOR THIS INSURANCE, DECLARES THAT TO THE BEST OF HIS/HER KNOWLEDGE THE STATEMENTS HEREIN ARE TRUE AND COMPLETE. THE INSURER IS AUTHORIZED TO MAKE ANY INQUIRY IN CONNECTION WITH THIS APPLICATION. SIGNING THIS APPLICATION DOES NOT BIND THE INSURER TO ISSUE, OR THE APPLICANT TO PURCHASE, ANY INSURANCE POLICY.

THE INFORMATION CONTAINED IN AND SUBMITTED WITH THIS APPLICATION IS ON FILE WITH THE INSURER. IF THE INFORMATION IN THIS APPLICATION MATERIALLY CHANGES PRIOR TO THE EFFECTIVE DATE OF THE POLICY, THE APPLICANT MUST NOTIFY THE INSURER, WHO MAY MODIFY OR WITHDRAW THE QUOTATION.

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- A.** THIS POLICY APPLIES ONLY TO "CLAIMS" FIRST MADE OR DEEMED MADE AGAINST THE INSURED DURING THE "POLICY PERIOD" OR EXTENDED REPORTING PERIOD, IF EXERCISED; AND
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(WORDS WITHIN QUOTATION MARKS ARE DEFINED IN THE INSURANCE POLICY.)

FRAUD STATEMENT

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FRAUD STATEMENT TO ARKANSAS APPLICANTS

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FRAUD STATEMENT TO DISTRICT OF COLUMBIA APPLICANTS

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.

FRAUD STATEMENT TO FLORIDA APPLICANTS

Any person who knowingly, and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.

FRAUD STATEMENT TO HAWAII APPLICANTS

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FRAUD STATEMENT TO NEW YORK APPLICANTS

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FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

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FRAUD STATEMENT TO VIRGINIA APPLICANTS

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FRAUD STATEMENT TO WASHINGTON APPLICANTS

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Signature of Applicant

____/____/_____
Date

Name and Title



American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241

(800) 305-4954

Miscellaneous Professional Liability APPLICATION – Architects & Engineers

INSTRUCTIONS: Please complete the entire form. If there is insufficient space to complete an answer, please continue on a separate sheet indicating the question number. If a section does not apply or is not relevant, answer "N/A" or "none". Information provided by you will be used by underwriters in determining the acceptability of adding the professionals to the Miscellaneous Professional insurance coverage.

1. Applicant/Organization Name _____
2. Address of Organization _____
3. Address where specified professional(s) is located _____
4. Type of entity: Non Profit For Profit Other, Please describe: _____
5. What is the professionals working relationship with the Applicant/Organization?
 Employee Volunteer Contractor
6. Are the Professionals requesting coverage: Full Time Part time If Part Time, How many Hours per week do they work on behalf of the Organization? _____ How many weeks per year? _____
7. Total Number of : Architects _____ Engineers _____ Other(Please describe) _____
8. What are the professional qualifications of the Architect(s) or Engineer(s) applying for coverage?
 Licenses Held: _____
 Professional Society Memberships: _____
 Length of time working as an Architect or Engineer: _____
 Length of time working with the Organization: _____
9. List States in which applicant is licensed? _____
 Any foreign work? Yes No If yes, please provide details: _____
10. A)List the responsibilities/duties performed for the Organization (please be specific).

 B)List the responsibilities/duties performed for members, clients, and other third parties on behalf of the organization.

Type of Services & Projects:

1. Do you or will you perform any of the following types of work on behalf of the Organization? (Indicate the proportion of the specific service as it relates to the work performed for the Insured organization)

Feasibility studies, surveys where applicant is not involved in the design:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Design/Supervision of construction	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Supervision of construction only	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Boundary surveys	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Sewage systems	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Water systems	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Foundations	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Interior Design	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
HV & AC	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Marine surveys	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %
Construction Managers:	<input type="checkbox"/> Yes	<input type="checkbox"/> No	_____ %

Machine Design Yes No _____ %
 Subsurface soil exploration Yes No _____ %
 Ground Testing or soil analysis Yes No _____ %
 Other(please describe): _____ Yes No _____ %

2. Do you or will you work on any of the following types of projects on behalf of the Organization? (Indicate the proportion of the specific service as it relates to the work performed for the Insured organization)
- Mines Yes No _____ %
 - Harbors & Jetties Yes No _____ %
 - Bridges & Tunnels Yes No _____ %
 - Dams Yes No _____ %
 - Nuclear & Atomic projects Yes No _____ %
 - Petrochemicals, refineries, fertilizer, ammonia, urea plants Yes No _____ %
 - Hospitals Yes No _____ %
 - Schools Yes No _____ %
 - Churches Yes No _____ %
 - Industrial Buildings Yes No _____ %
 - Commercial Buildings Yes No _____ %
 - Municipal Buildings: Yes No _____ %
 - Private Dwellings Yes No _____ %
 - Condominiums, Highrise apartments Yes No _____ %
 - Other(please describe): _____ Yes No _____ %

3. Does the applicant foresee any substantial changes in the percentages described in Questions #1 or #2 in the next twelve months? Yes No If yes, please describe: _____

4. Do you provide any other professional services on behalf of the Organization? Yes No
 If yes, please describe below: _____

5. What percentage of the applicant's work performed for the Organization involves any of the following:
- a) Subletting of work to others _____ %
 Please describe what is sublet: _____
 - b) Professional services on projects for owners who act as their own builder: _____ %
 - c) Professional services on projects for packages or "Turnkey" contractors:
 - (1) as Manager of project _____ %
 - (2) as Member of project _____ %

6. Does the organization act as a General Contractor? Yes No

7. Does the applicant or any subsidiary, parent or otherwise related entity engage in actual construction, manufacturing, fabrication, or real estate development? Yes No

8. Has the organization participated in a Joint Venture in the last five years? Yes No If yes, please provide details on a separate page.

9. Does the organization use written contracts on every project? Yes No If no, indicate percentage of services that used non-written contracts in the last 12 months. _____

10. What percentage of services are rendered under AIA(American Institute of Architects) or other standard contracts? Please specify if other standards are utilized. _____

11. When modified standard industry contracts, non-standard contracts, letter agreements, or other documents are utilized, are they reviewed by the organizations legal counsel prior to execution? Yes No

12. On projects where the applicant renders Construction Management Services, does the applicant use the American Institute of Architects, or the Associated General Contractors Standard form of agreement between Owner and Construction Manager? Yes No If any other form of agreement is used, please submit a copy of form used.

13. What percentage of contracts contain limitations of liability provisions? _____ %

14. List quality control measures and procedures that are employed by the organization? _____



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15. List the three(3) largest current projects. Include project name, client(if applicable), location, services rendered, billings, and value. _____

16. Have all known potential claims, incidents or suits, if any, been reported to your present carrier? Yes No
17. Have any claims or suits been made during the past five years against the applicant, its predecessors in business, any of the directors & officers of the Applicant organization or to the knowledge of the applicant against past partners, past officers, or past directors of the applicant? Yes No If yes, please provide full details:

18. Is the applicant, after proper inquiry of each director, officer or partner of the applicant or other prospective insured party, aware of any circumstance, incidents, situations or accidents that have occurred during the past five years which may result in a claim being made against the applicant, his predecessors in business, or any present or past partners, officers or directors of the applicant or organization? Yes No If yes, please provide full details:

19. Is the applicant, or other proposed party for whom insurance is being requested, aware of any deficiencies in work where he has performed professional services or deficiencies in work by others for whom the applicant is legally responsible during the last five years? Yes No If yes, please provide full details:

20. Has the applicant, or other proposed party for whom insurance is being requested, knowledge of injury to people or damage to property during the last five years on or at a project where the applicant has rendered professional services? Yes No If yes, please provide full details: _____

21. Is the professional applicant controlled, owned or associated with any other firm, corporation or company, other than as stated above? Yes No If yes, please provide full details: _____

22. Have you ever been convicted of a crime or felony? Yes No
23. Provide information on **your** in-force professional Liability insurance. (if none exists, please indicate "none")
- a) Insurance Company Name _____ Expiration date _____
 b) Limits of Liability \$ _____ Policy # _____
 c) Does your policy cover you while performing work for the agency/organization? Yes ___ No ___
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American Alternative Insurance Corporation

Statutory Office: 1013 Centre Road, Wilmington DE. 19805

Administrative Office: 555 College Road East, Princeton, N.J. 08543-5241 (800) 305-4954

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.

FRAUD STATEMENT TO LOUISIANA APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO MAINE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or a denial of insurance benefits.

FRAUD STATEMENT TO NEW JERSEY APPLICANTS

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

FRAUD STATEMENT TO NEW MEXICO APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

FRAUD STATEMENT TO NEW YORK APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

FRAUD STATEMENT TO OHIO APPLICANTS

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

FRAUD STATEMENT TO OKLAHOMA APPLICANTS

WARNING: Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

FRAUD STATEMENT TO OREGON APPLICANTS

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

FRAUD STATEMENT TO PENNSYLVANIA APPLICANTS

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

FRAUD STATEMENT TO TENNESSEE APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO VIRGINIA APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

FRAUD STATEMENT TO WASHINGTON APPLICANTS

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

Signature of Applicant

____/____/_____
Date

Name and Title



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL AR50 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS - CONSUMER INFORMATION

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The Arkansas Insurance Department requires that we include the address and phone number of the Department in each policy. Below you will find listed the address and phone number of the Arkansas Insurance Department.

ARKANSAS INSURANCE DEPARTMENT
CONSUMER SERVICES DIVISION
1200 W. 3rd ST.,
LITTLE ROCK, AR 72201-1904
TELEPHONE #: 800-852-5494 or 501 371-2640

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL AR51 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CONSENT FORM

This endorsement modifies insurance provided under the following:

- MANAGEMENT LIABILITY COVERAGE FORM - **MP 2001**
- EDUCATOR'S MANAGEMENT LIABILITY COVERAGE FORM - **MP 3001**
- SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - **MP5006**
- FIDUCIARY LIABILITY COVERAGE FORM - **MP 6001**
- MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM - **MP 7001**

This consent form applies to the following coverage parts included within the above referenced policy :

Check the coverage parts this consent form applies to:	
Management Liability Coverage Form - MP 2001	<input type="checkbox"/>
Educator's Management Liability Coverage Form - MP 3001	<input type="checkbox"/>
Sexual Abuse Or Molestation Liability Coverage Form MP 5006	<input type="checkbox"/>
Fiduciary Liability Coverage Form MP 6001	<input type="checkbox"/>
Miscellaneous Professional Liability Coverage Form MP 7001	<input type="checkbox"/>

This consent form applies to any of the above listed coverage forms written under this policy that provide coverage on a claims-made basis. "Defense expenses" are part of the "loss" and are not payable by us in addition to the Limit of Liability, but are payable within the Limit of Liability shown in the Declarations, thereby reducing the Limit of Liability shown in the Declarations. If the aggregate Limit of Liability is exhausted by the payment of "loss", we will have no further obligations or liability of any kind under the respective coverage form.

By my signature below, I understand and consent to the above coverage parts being issued on a "defense expense" within limits basis.

Named Organization:
Signature:
Print Name:
Title:
Date:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL AR52 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES – SUBROGATION AND TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE PART
SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE PART

The following is added to the **Transfer Of Rights Of Recovery Against Others To Us** Condition:

We will be entitled to recovery only after the insured has been fully compensated for the loss or damage sustained, including expenses incurred in obtaining full compensation for the loss or damage.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
CVL AR53 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS PUNITIVE DAMAGES EXCLUSION

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM (ALL VERSIONS)
SEXUAL ABUSE OR MOLESTATION COVERAGE FORM (ALL VERSIONS)
MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM **MP 7001**

The following exclusion is added to **Section 1 - Coverage - 2. Exclusions** of the Social Service And Healthcare Professional Liability Coverage Form (ALL VERSIONS), **Section 1. - Coverage - 2. Exclusions** of the Sexual Abuse Or Molestation Coverage Form (ALL VERSIONS), and **Section 1 - Coverage - 2. Exclusions** of the Miscellaneous Professional Liability Coverage Form **MP7001**:

This insurance does not apply to:

Punitive damages, exemplary damages, the multiplied portion of multiplied damages, taxes, civil or criminal fines or penalties imposed by law or matters unless provided by law. For the purposes of this exclusion, punitive damages are those damages that may be imposed to punish a wrongdoer and to deter others from similar conduct.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES – CANCELLATION AND NONRENEWAL

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

- A.** Paragraph 5. of the **Cancellation** Common Policy Condition is replaced by the following:
- 5.a.** If this policy is cancelled, we will send the first Named Organization any premium refund due.
 - b.** We will refund the pro rata unearned premium if the policy is:
 - (1)** Cancelled by us or at our request;
 - (2)** Cancelled but rewritten with us or in our company group;
 - (3)** Cancelled because you no longer have an insurable interest in the property or business operation that is the subject of this insurance; or
 - (4)** Cancelled after the first year of a prepaid policy that was written for a term of more than one year.
 - c.** If the policy is cancelled at the request of the first Named Organization, other than a cancellation described in Paragraph **b.(2), (3)** or **(4)** above, we will refund ninety percent (90%) of the pro rata unearned premium. However, the refund will be less than ninety percent (90%) of the pro rata unearned premium if the refund of such amount would reduce the premium retained by us to an amount less than the minimum premium for this policy.
 - d.** The cancellation will be effective even if we have not made or offered a refund.
 - e.** If the first Named Organization cancels the policy, we will retain no less than \$100 of the premium.
- B.** The following is added to the **Cancellation** Common Policy Condition:
- 7. Cancellation Of Policies In Effect More Than 60 Days**
- a.** If this policy has been in effect more than 60 days or is a renewal policy, we may cancel only for one or more of the following reasons:
 - (1)** Nonpayment of premium;
 - (2)** Fraud or material misrepresentation made by you or with your knowledge in obtaining the policy, continuing the policy or in presenting a claim under the policy;
 - (3)** The occurrence of a material change in the risk which substantially increases any hazard insured against after policy issuance;
 - (4)** Nonpayment of membership dues in those cases where our by-laws, agreements or other legal instruments require payment as a condition of the issuance and maintenance of the policy; or
 - (5)** A material violation of a material provision of the policy.
 - b.** If we cancel for:
 - (1)** Nonpayment of premium, we will mail or deliver written notice of cancellation, stating the reason for cancellation, to the first Named Organization and any lienholder or loss payee named in the policy at least 10 days before the effective date of cancellation.

(2) Any other reason, we will mail or deliver notice of cancellation to the first Named Organization and any lienholder or loss payee named in the policy at least 20 days before the effective date of cancellation.

C. The following condition is added and supersedes any other provision to the contrary:

NONRENEWAL

1. If we decide not to renew this policy, we will mail to the first Named Organization shown in the Declarations written notice of nonrenewal at least 60 days before:

a. Its expiration date; or

b. Its anniversary date, if it is a policy written for a term of more than one year and with no fixed expiration date.

However, we are not required to send this notice if nonrenewal is due to your failure to pay any premium required for renewal.

2. We will mail our notice to the first Named Organization's mailing address last known to us. If notice is mailed, proof of mailing will be sufficient proof of notice.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP AR40 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES - EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM MP 4002

- A.** Paragraph **c.** of Condition **2. Extended Reporting Period** under **Section IV – Conditions** is replaced by the following:
- c.** There are no separate or additional Limits of Liability for the extended reporting periods. However:
 - a.** The Limit of Liability available during the basic extended reporting period shall be the remaining amount, if any, of the aggregate Limit of Liability available at the time this policy was cancelled or non-renewed;
 - b.** The Limit of Liability available during a supplemental extended reporting period shall be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate Limit of Liability at policy inception.



American Alternative Insurance Corporation

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES

This endorsement modifies insurance provided under the following:

SOCIAL SERVICE AND HEALTHCARE PROFESSIONAL LIABILITY COVERAGE FORM MP 4002

A. The following is added to **Section IV – Conditions:**

9. Your Right To Loss Information

We will provide the first Named Insured shown in the Declarations the following information relating to this and any other preceding Social Service and Healthcare Professional Liability claims-made Coverage Part we have issued to you during the previous three years:

- a.** A list or other record of each "professional incident" not previously reported to any other insurer, of which we were notified in accordance with Paragraph **1.a.** of the Duties In The Event Of A Professional Incident, Claim Or Suit Condition. We will include the date and brief description of the "professional incident" if that information was in the notice we received. We will also include any estimated reserves on reported "professional incidents".
- b.** A summary by policy year, of payments made and amounts reserved.
- c.** A description of closed "claims" and/or open "claims" including the date and description of the "professional incident" amount of payment, if any, and an estimate of reserves, if any.

Amounts reserved are based on our judgment. They are subject to change and should not be regarded as ultimate settlement values.

If we cancel or elect not to renew this Coverage Part, we will provide loss information within 15 days after notice of cancellation or nonrenewal is issued. In other circumstances, we will provide this information only if we receive a written request from the first Named Insured during the policy period or within 60 days after the end of the policy period. In this case, we will provide this information within 30 days of receipt of the request.

We compile "claim" and "professional incident" information for our own business purposes and exercise reasonable care in doing so. In providing this information to the first Named Insured, we make no representations or warranties to insureds, insurers, or others to whom this information is furnished by or on behalf of any insured. Cancellation or nonrenewal will be effective even if we inadvertently provide inaccurate information.



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP AR50 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES - EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM **MP 5006, MP 5007** and **MP 5008**

- A.** Paragraph **c.** of Condition **2. Extended Reporting Period** under **Section IV – Conditions** is replaced by the following:
- c.** There are no separate or additional Limits of Liability for the extended reporting periods. However:
 - a.** The Limit of Liability available during the basic extended reporting period shall be the remaining amount, if any, of the aggregate Limit of Liability available at the time this policy was cancelled or non-renewed;
 - b.** The Limit of Liability available during a supplemental extended reporting period shall be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate Limit of Liability at policy inception.

POLICY NUMBER:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP AR51 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CONSENT FORM

This endorsement modifies insurance provided under the following:

SEXUAL ABUSE OR MOLESTATION LIABILITY COVERAGE FORM - MP 5001

This consent form applies to any of the above listed coverage forms written under this policy that provide coverage on an occurrence basis. "Defense expenses" are not payable by us in addition to the Limit of Liability, but are payable within the Limit of Liability shown in the Declarations, thereby reducing the Limit of Liability shown in the Declarations. If the aggregate Limit of Liability is exhausted by the payment of damages and/or "defense expenses", we will have no further obligations or liability of any kind under the respective coverage form.

By my signature below, I understand and consent to the above coverage part being issued on a "defense expense" within limits basis.

Named Organization:

Signature:

Print Name:

Title:

Date:



American Alternative Insurance Corporation

MANAGEMENT PORTFOLIO
MP AR70 01 07

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ARKANSAS CHANGES - EXTENDED REPORTING PERIOD

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY COVERAGE FORM **MP 7001**

- A.** Paragraph **3.** of Condition **B. Extended Reporting Condition** under **Section IV – Conditions** is replaced by the following:
- 3.** There is no separate or additional Limit of Liability for the extended reporting periods. However:
- a.** The Limit of Liability available during the basic extended reporting period shall be the remaining amount, if any, of the aggregate Limit of Liability available at the time this policy was cancelled or non-renewed;
 - b.** The Limit of Liability available during a supplemental extended reporting period shall be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate Limit of Liability at policy inception.

SERFF Tracking Number: AMLX-125306591 State: Arkansas
Filing Company: American Alternative Insurance Corporation State Tracking Number: AR-PC-07-026248
Company Tracking Number: ML AR0225701F01
TOI: 05.2 Commercial Multi-Peril - Liability Portion Sub-TOI: 05.2003 Commercial Package
Only
Product Name: Management Portfolio Product
Project Name/Number: Initial Product Filing/ML AR0225701F01

Supporting Document Schedules

Satisfied -Name: Uniform Transmittal Document-
Property & Casualty **Review Status:** Approved 10/18/2007

Comments:

Attachments:

AR - NAIC P&C TRANSMITTAL DOCUMENT.PDF
AR - NAIC FORM FILING SCHEDULE.PDF

Satisfied -Name: AR - CERTIFICATE OF
COMPLIANCE - (AID PC SelfCert
(4/30/03)) **Review Status:** Approved 10/18/2007

Comments:

Attachment:

AR - CERTIFICATE OF COMPLIANCE - (AID PC SelfCert (4_30_03)).PDF

Satisfied -Name: Eligibility Document **Review Status:** Approved 10/18/2007

Comments:

Attachment:

Eligibility Document.PDF

Satisfied -Name: Forms List / EM **Review Status:** Approved 10/18/2007

Comments:

Attachment:

Forms List _ EM.PDF

Property & Casualty Transmittal Document

1. Reserved for Insurance Dept. Use Only	2. Insurance Department Use only a. Date the filing is received: b. Analyst: c. Disposition: d. Date of disposition of the filing: e. Effective date of filing: <table style="width: 100%; border: none;"> <tr> <td style="width: 50%; border: none;">New Business</td> <td style="border: none;"></td> </tr> <tr> <td style="border: none;">Renewal Business</td> <td style="border: none;"></td> </tr> </table> f. State Filing #: g. SERFF Filing #: h. Subject Codes	New Business		Renewal Business	
New Business					
Renewal Business					

3. Group Name	Group NAIC #
Munich Re Group	0361

4. Company Name(s)	Domicile	NAIC #	FEIN #	State #
American Alternative Insurance Corporation	DE	19720	52-2048110	

5. Company Tracking Number	ML AR0225701F01
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Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]

6.	Name and address	Title	Telephone #s	FAX #	e-mail
	Kathryn R. Sine, CWCP 555 College Road East Princeton, NJ 08543-5241	Senior State Filing Analyst	800-305-4954 Ext. 5630	609-275-2147	ksine@munichreamerica.com

7. Signature of authorized filer	
8. Please print name of authorized filer	Kathryn R. Sine, CWCP

Filing Information (see General Instructions for descriptions of these fields)

9. Type of Insurance (TOI)	05.2 Commercial Multi-Peril - Liability Portion Only
10. Sub-Type of Insurance (Sub-TOI)	05.2003 Commercial Package
11. State Specific Product code(s) (if applicable) [See State Specific Requirements]	n/a
12. Company Program Title (Marketing Title)	PNP Management Portfolio Product
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other (give description)
14. Effective Date(s) Requested	New: 10/28/07 Renewal: 10/28/07
15. Reference Filing?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
16. Reference Organization (if applicable)	n/a
17. Reference Organization # & Title	n/a
18. Company's Date of Filing	09/27/07
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input type="checkbox"/> Pending <input checked="" type="checkbox"/> Authorized <input type="checkbox"/> Disapproved

Property & Casualty Transmittal Document

20.	This filing transmittal is part of Company Tracking #	ML AR0225701F01
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21.	Filing Description [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
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American Alternative Insurance Corporation (AAIC) is introducing a new "Management Portfolio" product for your review and approval. This is a newly developed product, designed for the following business segments:

- Religious Institutions
- Educational Institutions
- Social Service Organizations

The Management Portfolio product consists of the following coverage parts:

- Management Liability (Forms Exempt)
- Educator's Management Liability (Forms Exempt)
- Social Service and Healthcare Professional Liability
- Sexual Abuse Liability
- Fiduciary Liability (Forms Exempt)
- Miscellaneous Professional Liability

Details on eligibility and the applicability of each of the coverage parts to the three business segments are outlined in the rate/rule manual which was filed under separate cover. For your convenience, a copy of the eligibility rule has been attached for your information as part of this filing.

Enclosed for you review is the Forms List which includes a brief explanation of each form. Also enclosed is a copy of each of the forms.

This filing has no impact on existing AAIC policyholders, as this is a new market segment for AAIC.

22.	Filing Fees (Filer must provide check # and fee amount if applicable.) [If a state requires you to show how you calculated your filing fees, place that calculation below]								
<table style="width: 100%; border: none;"> <tr> <td style="width: 15%;">Check #:</td> <td>E-Check 17006182</td> </tr> <tr> <td>Amount:</td> <td>\$50.00</td> </tr> <tr> <td colspan="2" style="padding-top: 10px;">\$50.00 per filing</td> </tr> <tr> <td colspan="2">E-Check Date: 09/18/2007</td> </tr> </table> <p style="text-align: center; margin-top: 20px;">Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.</p>		Check #:	E-Check 17006182	Amount:	\$50.00	\$50.00 per filing		E-Check Date: 09/18/2007	
Check #:	E-Check 17006182								
Amount:	\$50.00								
\$50.00 per filing									
E-Check Date: 09/18/2007									

***Refer to each state's checklist for additional state specific requirements (i.e. # of additional copies required, other state specific forms, etc.)

FORM FILING SCHEDULE

(This form must be provided ONLY when making a filing that includes forms)
 (Do not refer to the body of the filing for the forms listing, unless allowed by state.)

1.	This filing transmittal is part of Company Tracking #	ML AR0225701F01
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2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)	ML AR0225701R01
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3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
01	Social Service Institutions Management Portfolio Policy Common Policy Declarations	MP DS10 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Religious Institutions Management Portfolio Policy Common Policy Declarations	MP DS11 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Educational Institutions Management Portfolio Policy Common Policy Declarations	MP DS12 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Religious and Educational Institutions Management Portfolio Policy Common Policy Declarations	MP DS13 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Social Service and Healthcare Professional Liability Coverage Part Declarations	MP DS40 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Sexual Abuse or Molestation Liability Coverage part Declarations	MP DS50 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS51 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS52 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Sexual Abuse or Molestation Liability Coverage Part Declarations	MP DS53 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Miscellaneous Professional Liability Coverage Part Declarations	MP DS70 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11	Policyholder Disclosure Notice of Terrorism Insurance Coverage	TerrNotice09 01/06	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # ML AR0225701F01 Page 2 of 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
12	Exclusion - Nuclear Energy Liability	CVL 0501 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13	Common Policy Conditions	CVL 0502 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
14	Conditional Exclusion of Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	CVL 0510 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15	Conditional Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism (Relating to Disposition of Federal Terrorism Risk Insurance Act)	CVL 0511 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
16	Exclusion of Terrorism	CVL 0512 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
17	Exclusion of Terrorism	CVL 0512 01 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
18	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	CVL 0513 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
19	Exclusion of Terrorism Involving Nuclear, Biological or Chemical Terrorism	CVL 0513 01 08	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20	Policy Changes	CVL 0530 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
21	Social Service And Healthcare Professional Liability Coverage Form (Occurrence Version)	MP 4001 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
22	Social Service And Healthcare Professional Liability Coverage Form (Claims-Made Version)	MP 4002 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # ML AR0225701F01 Page 3 of 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
23	Exclusion - Products	MP 4010 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
24	Exclusion - Specific Litigation Or Other Incident	MP 4011 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
25	Exclusion - Vicarious Liability For Specified Healthcare Practitioners	MP 4012 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
26	Amendment - Clinical Or Experimental Trials Exclusion	MP 4020 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
27	Coverage Extension - Contractual Liability Coverage	MP 4021 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
28	Additional Insured - Practitioners Primary Coverage	MP 4022 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
29	Additional Insured - Practitioners Excess Coverage	MP 4023 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
30	Additional Insured - Social Workers And Counselors Excess Coverage	MP 4025 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
31	Supplemental Extended Reporting Period	MP 4030 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
32	Waiver Of Transfer Of Rights Of Recovery Against Others To Us	MP 4042 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
33	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits	MP 5001 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # ML AR0225701F01 Page 4 of 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
34	Sexual Abuse Or Molestation Liability Coverage Form	MP 5002 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
35	Sexual Abuse Or Molestation Liability Coverage Form (Separate Limits For Defense And Indemnity)	MP 5003 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
36	Sexual Abuse Or Molestation Liability Coverage Form - Defense Expense Within Limits (Claims-Made Version)	MP 5006 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
37	Sexual Abuse Or Molestation Liability Coverage Form (Claims Made Version)	MP 5007 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
38	Sexual Abuse Or Molestation Liability Coverage Form - Separate Limits For Defense And Indemnity (Claims Made Version)	MP 5008 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
39	Sexual And Physical Abuse Application	MP 5009 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
40	Sexual And Physical Abuse Application	MP 5010 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
41	Exclusion - Pending Or Prior Litigation (Newly Acquired Subsidiaries)	MP 5011 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
42	Exclusion - Specific Litigation Or Other Incident	MP 5012 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
43	Additional Insured - Foster Parents	MP 5021 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
44	Additional Insured - Contracted Professionals	MP 5022 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # ML AR0225701F01 Page 5 of 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
45	Coverage Amendment - Physical Abuse	MP 5023 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
46	Supplemental Extended Reporting Period	MP 5030 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
47	Miscellaneous Professional Liability Coverage Form	MP 7001 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
48	Exclusion - Specific Subsidiary	MP 7010 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
49	Exclusion - Specific Litigation Or Other Incident	MP 7011 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
50	Additional Insured - Named Professionals	MP 7020 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
51	Supplemental Extended Reporting Period	MP 7030 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
52	Social Service and Healthcare Professional Liability Application	MP 4004 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
53	Licensed Practitioner of the Healing Arts Supplemental Application	MP 4004a 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
54	Adoption and Foster Care Placement Agency Supplemental Application	MP 4004b 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
55	Supplemental Residential Facility Questionnaire	MP 4004c 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE (cont.)State: Arkansas Company Tracking # ML AR0225701F01 Page 6 of 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
56	Vocational/Sheltered Workshop Supplemental Application	MP 4004d 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
57	Senior Care Supplemental Application	MP 4004e 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
58	Sexual and Physical Abuse Application	MP 5004 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
59	Sexual and Physical Abuse Application	MP 5005 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
60	Miscellaneous Professional Liability Application-Accountants/Financial Advisors or Investment Managers	MP 7004a 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
61	Miscellaneous Professional Liability Application-Lawyers/Attorneys	MP 7004b 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
62	Miscellaneous Professional Liability Application-Architects & Engineers	MP 7004c 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
63	Additional Insured - Designated Person or Organization	MP 4024 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
64	Arkansas - Consumer Information	CVL AR50 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
65	Arkansas Consent Form	CVL AR51 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
66	Arkansas Changes - Subrogation and Transfer of Rights of recovery against others to us	CVL AR52 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

FORM FILING SCHEDULE *(cont.)*

State: Arkansas **Company Tracking #** ML AR0225701F01 **Page** 7 **of** 7

3.	Form Name /Description/Synopsis	Form # Include edition date	Replacement Or Withdrawn?	If replacement, give form # it replaces	Previous state filing number, if required by state
67	Arkansas Punitive Damages Exclusion	CVL AR53 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
68	Arkansas Changes - Cancellation and NonRenewal	CVL AR55 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
69	Arkansas Changes - Extended Reporting Period	MP AR40 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
70	Arkansas Changes	MP AR41 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
71	Arkansas Changes - Extended Reporting Period	MP AR50 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
72	Arkansas Consent Form	MP AR51 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
73	Arkansas Changes - Extended Reporting Period	MP AR70 01 07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

ARKANSAS CERTIFICATE OF COMPLIANCE
(You may print or type the information required by this form)



I, Stephen J. Corbett, Vice President of
 (Name) (Title of Authorized Officer)

American Alternative Insurance Corporation
 (Name of Insurer)

declare that I am authorized to execute and file this certificate of compliance and do hereby certify that I am knowledgeable of the legal requirements under Arkansas law applicable to the insurance forms that are the subject of this filing and further aver:

1. Upon information and belief, I certify that the insurance forms filed herewith are complete and comply with all Arkansas laws, including the:

- a. Arkansas Code Annotated;
- b. Arkansas Rules and Regulations;
- c. Arkansas Insurance Bulletins, Directives and Orders;
- d. Applicable filing requirements including the applicable product standards set forth in the product checklists; and
- e. Rulings and decisions of any court of this state.

2. I understand and acknowledge that the Commissioner will rely upon this certificate and if it is subsequently determined that any form filed herewith is false or misleading, appropriate corrective action shall be taken by the commissioner against the company.

3. Pursuant to Ark. Code Ann. § 23-79-109(a)(1)(C), I understand that by certifying that a form complies with paragraph 1 hereof, it is not to be taken by the undersigned or by my company as meaning that any insurance effected by use of such form may in any fashion be inconsistent with the statutory and common law of Arkansas.

4. Pursuant to Ark. Code Ann. §23-79-118, I understand and acknowledge that any insurance policy, rider, endorsement or other insurance form filed under this certificate, that is subsequently issued to an insured, and contains any condition or provision not in compliance with the requirements of the laws of the State of Arkansas, as set forth in paragraph 1 hereof, shall be construed and applied in accordance with such condition or provision as would have applied if the policy, rider, endorsement or form had been in full compliance with the law.

Does this Certification apply to all the companies in this filing? <i>(Yes or No)</i> •	Yes
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If "NO", to which companies does this Certification apply?

Company Name(s)	NAIC #

Company Tracking Number • ML AR0225701F01	
Signature of Authorized Officer •	
Name of Authorized Officer •	Stephen J. Corbett
Title of Authorized Officer •	Vice President
Email address of Authorized Officer •	scorbett@municreamerica.com
Telephone # of Authorized Officer •	609-243-5620
Date •	09/27/07

This form may be computer generated by the company. So long as the wording and general layout is the same, the format may vary. For more information, contact the Property & Casualty Division of the Arkansas Insurance Department at 1200 W 3rd St., Little Rock, AR 72201, telephone: 501-371-2800, or email: information.pnc@state.ar.us

Eligibility

1. The Management Portfolio Policy may be written for any privately held for-profit corporation or not-for-profit entity as follows:
 - a. Social Service privately held for-profit corporations or not for profit entities can be written with the following coverage parts:
 - (1) Management Liability Coverage Part
 - (2) Social Service and Healthcare Professional Liability Coverage Part - Mandatory coverage part
 - (3) Sexual Abuse or Molestation Liability Coverage Part
 - (4) Fiduciary Liability Coverage Part
 - (5) Miscellaneous Professional Liability Coverage Part.
 - b. Educational privately held for-profit corporations or not for profit entities can be written with the following coverage parts:
 - (1) Educator's Management Liability Coverage Part - Mandatory coverage part
 - (2) Social Service and Healthcare Professional Liability Coverage Part
 - (3) Sexual Abuse or Molestation Liability Coverage Part
 - (4) Fiduciary Liability Coverage Part
 - (5) Miscellaneous Professional Liability Coverage Part.
 - c. Religious privately held for-profit corporations or not for profit entities can be written with the following coverage parts:
 - (1) Management Liability Coverage Part - Mandatory Coverage part
 - (2) Social Service and Healthcare Professional Liability Coverage Part
 - (3) Sexual Abuse or Molestation Liability Coverage Part
 - (4) Fiduciary Liability Coverage Part
 - (5) Miscellaneous Professional Liability Coverage Part.
2. The Management Liability Coverage Part can be written individually for Religious Institutions or in combination with any of the other coverage parts, other than the Educator's Management Liability Coverage Part, specified in Paragraph **1.c**
3. The Educational Management Coverage Part can be written individually for Educational Institutions or Religious and Educational Institutions or in combination with any of the other coverage parts, other than the Management Liability Coverage Part, specified in Paragraph **1.b**.

4. The Social Service and Healthcare Professional Liability Coverage Part can be written individually for Social Service Institutions or in combination with any of the other coverage parts specified in Paragraphs **1.a.**, **1.b.**, or **1.c.**

Note: The Management Liability Coverage Part and the Educator's Management Liability Coverage Part cannot be written together under a single Management Portfolio Policy. However, for Religious Institutions with an educational operation that comprises more than 25% of the total annual revenue of the Religious Institution, a separate Educator's Management Liability policy may be issued to cover the educational operation.

5. The Sexual Abuse or Molestation Coverage Part, Fiduciary Liability Coverage Part and the Miscellaneous Professional Liability Coverage Part cannot be written individually but must be written in conjunction with one of the coverage parts specified in Paragraphs **2.**, **3.**, or **4.**

**PNP MANAGEMENT PORTFOLIO
FORMS LIST**

Form Number	Form Title	Desc.	Premium Impact?	R, B, C	M/O	Comments
Declarations and Schedules						
MP DS10 01 07	Social Service Common Policy Declarations	Management Portfolio Common Coverage Declarations - for Social Service risks	N	C	M	One of the 4 common declarations is mandatory - depends on the class of business
MP DS11 01 07	Religious Institutions Common Policy Declarations	Management Portfolio Common Coverage Declarations for Religious Institutions	N	C	M	One of the 4 common declarations is mandatory - depends on the class of business
MP DS12 01 07	Educational Institutions Common Policy Declarations	Management Portfolio Common Coverage Declarations for Educational Institutions	N	C	M	One of the 4 common declarations is mandatory - depends on the class of business
MP DS13 01 07	Religious and Educational Institutions Common Policy Declarations	Management Portfolio Common Coverage Declarations	N	C	M	One of the 4 common declarations is mandatory - depends on the class of business
MP DS40 01 07	Social Service and Healthcare Professional Liability Declarations	Social Service and Healthcare Professional Liability Coverage Declarations	N	C	M	Coverage declarations for the Social Service and Healthcare Professional Liability Coverage
MP DS50 01 07	Sexual Abuse Liability Declarations - Defense Within Limits	Sexual Abuse Liability Coverage Declarations - DWL	N	C	M	Coverage Declarations for the Sexual Abuse or Molestation Coverage Form. This dec is to be used only with MP 5001.
MP DS51 01 07	Sexual Abuse Liability Declarations	Sexual Abuse Liability Coverage Declarations	N	C	M	Coverage Declarations for the Sexual Abuse or Molestation Coverage Form. This dec is to be used only with forms MP 5002 or MP 5003.
MP DS52 01 07	Sexual Abuse Liability Declarations - Claims Made - Defense Within Limits	Sexual Abuse Liability Coverage Declarations - claims made - DWL	N	C	M	This dec must be used when coverage form MP 5006 is attached to the policy
MP DS53 01 07	Sexual Abuse Liability Declarations - Claims Made -	Sexual Abuse Liability Coverage Declarations - claims made -	N	C	M	This dec must be used when coverage form MP 5007 or MP 5008 is attached to the policy
MP DS70 01 07	Miscellaneous Professional Liability Declarations	Miscellaneous Professional Liability Coverage Declarations	N	C	O	Coverage declarations for the Miscellaneous Professional Coverage form
Interline						
CVL 0501 01 07	Exclusion - Nuclear	Broad form Nuclear Exclusion	N	C	M	Form number should be displayed on common dec
CVL 0502 01 07	Common Conditions	Describes certain conditions that are common to all coverage parts	N	C	M	Form number should be displayed on common dec
CVL 0510 01 07	Conditional Exclusion of Terrorism	This form can be attached to all policies that are issued with forms MP 2001, MP 2002, MP 2003, MP 3001, MP 3002, or MP 3003 in the calendar year 2007.	N	C	O	This form can be attached to all policies that are issued with forms MP 2001, MP 2002, MP 2003, MP 3001, MP 3002, or MP 3003 in the calendar year 2007. This endorsement does not apply to insureds with locations in the following states: AK, FL, GA, NY and WA

CVL 0511 01 07	Conditional Exclusion of Terrorism involving Nuclear, Biological or Chemical Terrorism	This form can be attached to all policies that are issued with forms MP 2001, MP 2002, MP 2003, MP 3001, MP 3002, or MP 3003 in the calendar year 2007.	N	R	O	This form can be attached to all policies that are issued with forms MP 2001, MP 2002, MP 2003, MP 3001, MP 3002, or MP 3003 in the calendar year 2007. This endorsement does not apply to insureds with locations in the following states: FL, GA, NY
CVL 0512 01 07	Exclusion - Terrorism	May be attached to the policy when MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5004, MP 5005, MP 5006, MP 6001, and MP 7001. This form is to be used for all policies effective between 1/1/07 and 12/31/07.	N	R	O	May be attached to the policy when MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5004, MP 5005, MP 5006, MP 6001, and MP 7001. This endorsement is not available for use for risks in AK, FL, GA, NY. This form is to be used for all policies effective between 1/1/07 and 12/31/07.
CVL 0512 01 08	Exclusion - Terrorism	Endorsement excluding terrorism for all coverage parts on policy.	N	R	O	This endorsement is available for policies effective 1/01/08 or later. It is not available for use in the following states: AK, FL, GA, NY or WA
CVL 0513 01 07	Exclusion of Terrorism Involving Nuclear, Biological Or Chemical Terrorism	May be attached to the policy when MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5004, MP 5005, MP 5006, MP 60001, and MP 7001. This form is to be used for all policies effective between 1/1/07 and 12/31/07.	N	R	O	May be attached to the policy when MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5004, MP 5005, MP 5006, MP 60001, and MP 7001. This form is to be used for all policies effective between 1/1/07 and 12/31/07. This form is not available for use in AK, FL, GA, NY and WA
CVL 0513 01 08	Exclusion of Terrorism Involving Nuclear, Biological Or Chemical Terrorism	This endorsement excludes certain acts of terrorism on all coverage parts. Can only be used with policies that have an effective date of 1/1/08 or later.	N	R	O	This endorsement is available for policies effective 1/01/08 or later. It is not available for use in the following states: AK, FL, GA, NY and WA.
CVL 0530 01 07	Policy Changes	Endorsement used to describe changes to coverage	N	C	O	This form is to be used to describe changes for insureds in all states except the following: FL, IL, KY, LA., NY, TX, VA.
TerrNotice 09 (01/06)	Disclosure of Premium Through Year End For Certified Acts of Terrorism Coverage (Pursuant To Terrorism Risk Insurance Act	TRIA Disclosure notice for certified acts of terrorism coverage	N	C	M	This endorsement must be attached to all policies with the one of the following forms attached: MP 2001, MP 2002, MP 2003, MP 3001, MP 3002, or MP 3003 and CVL 0520 is attached to the policy.
Social Service and Healthcare Professional Liability						
MP 4001 01 07	Social Service and Healthcare Professional Liability Coverage Form	SSHCPL Base Coverage form - occurrence based trigger	Y	C	M	One of these two coverage forms is mandatory for Social Service risks

MP 4002 01 07	Social Service and Healthcare Professional Liability Coverage Form - Claims Made Version	SSHCPL Base Coverage form - claims made base trigger based trigger	Y	C	M	One of these two coverage forms is mandatory for Social Service risks. This form is not available in CT
MP 4004 01 07	SSHCPL Application	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4004a 01 07	Licensed Practitioner of the Healing Arts Supplemental Application	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4004b 01 07	Adoption and Foster Care Placement Agency Supplemental Application	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4004c 01 07	Supplemental Residential Facility Questionnaire	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4004d 01 07	Vocational/Sheltered Workshop Supplemental Application	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4004e 01 07	Senior Care Supplemental Application	Application	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 4010 01 07	Exclusion - Products	To exclude certain food and beverage products	N	R	O	Used to exclude certain products not distributed in conjunctions with a professional healthcare service
MP 4011 01 07	Exclusion - Specific Litigation or Other Incident	Used to exclude know lawsuits or incidents that should be covered under another policy	N	C	M	This exposure is not contemplated for in the base premium
MP 4012 1 07	Exclusion - Vicarious Liability for Specified Healthcare Practitioners	Endorsement used to exclude vicarious liability for certain named licensed practitioners	N	R	O	Removes vicarious liability coverage for certain professionals. Not available in KS
MP 4020 01 07	Amendment - Clinical or Experimental Trials Exclusion	Endorsement used to provide coverage for specified Clinical or Experimental Trials. This form is only available for use with form MP 4002.	Y	B	O	Can only be attached to MP 4002 - CM form. This endorsement is not available for use with form MP 4001.
MP 4021 01 07	Coverage Extension - Contractual Liability Coverage	Endorsement used to add contractual coverage to this coverage form	Y	B	O	This endorsement adds contractual coverage.
MP 4022 01 07	Additional Insured - Practitioners Primary Coverage	Endorsement used to extend coverage to employed Healthcare Professionals	Y	B	O	
MP 4023 01 07	Additional Insured - Practitioners Excess Coverage	Endorsement used to extend coverage to non employee Healthcare Professionals	Y	B	O	

MP 4024 01 07	Additional Insured - Designated Person Or Organization	Endorsement used to extend insured status to named individuals or organizations	Y	B	O	
MP 4025 01 07	Additional Insured - Social Workers and Counselors - Excess Coverage	Endorsement used to included non-employee social workers and counselors as insureds	Y	B	O	
MP 4030 01 07	Supplemental Extended Reporting Period	This endorsement is to be used when offering an extended reporting period of 12 - 60 months	Y	B	O	This endorsement provides for an extended reporting period of a specified time frame. This endorsement is only available when MP 4002 is attached to the policy. This endorsement is not available for use in the following states: AK, CT, NY, NC, NH
MP 4040 01 07	Loss Information	Endorsement clarifying the insured's right to loss information	N	C	O	This form must be attached to all policies covering insureds in the following states: AR, CO, IL, NC, PA when MP 4002 is attached to the policy
MP 4042 01 07	Waiver of Transfer Of Rights Of Recovery Against Others To Us	Endorsement used to waive subrogation rights	Y	B	O	
Sexual Abuse Liability Coverage						
MP 5001 01 07	Sexual Abuse and Molestation Coverage Form - Defense Within Limits	Sexual Abuse or Molestation Coverage Form - Occ Basis - DWL	Y	C	O	This form is not available for risks in CT, NJ, PA, VT, WY
MP 5002 01 07	Sexual Abuse and Molestation Coverage Form	Sexual Abuse or Molestation Coverage Form - Occ basis with DOL	Y	C	O	
MP 5003 01 07	Sexual Abuse an Molestation Coverage Form - Separate Limits for Defense and Indemnity	Sexual Abuse or Molestation Coverage Form - Occ basis with separate limit for defense	Y	C	O	This form is not available for use in NJ (pre and post), PA, VT
MP 5004 01 07	Sexual Abuse Liability Application - Defense within limits	Application	N	C	M	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 5005 01 07	Sexual Abuse Liability Application	Application	N	C	M	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 5006 01 07	Sexual Abuse or Molestation Liability Coverage Form (claims-made version) - Defense Within Limits	Sexual Abuse or Molestation Claims Made Coverage form - Defense Within Limits	Y	B	O	This form is not available for risks in CT, NJ, PA, VT, WY

MP 5007 01 07	Sexual Abuse or Molestation Liability Coverage Form (claims-made version)	Sexual Abuse or Molestation Claims Made Coverage form - DOL	Y	B	O	
MP 5008 01 07	Sexual Abuse an Molestation Liability Coverage Form - Separate Limits for Defense and Indemnity (claims-made version)	Sexual Abuse or Molestation Coverage Form - CM - Defense Separate Limit	Y	B	O	This form is not available for use in NJ, PA, VT
MP 5009 01 07	Sexual Abuse or Molestation Liability Application for Coverage - Defense within Limits	Application	N	C	M	In most states this form will become part of the policy and the form number must display on the coverage dec: Exceptions: PA, VA
MP 5010 01 07	Sexual Abuse or Molestation Liability Application for Coverage -	Application	N	C	M	In most states this form will become part of the policy and the form number must display on the coverage dec: Exceptions: VA
MP 5011 01 07	Exclusion - Pending or Prior Litigation (Newly Acquired Subsidiaries)	Excludes certain claims for newly acquired subsidiaries	N	R	O	This form can be used when MP 5006, MP 5007 or MP 5008 is attached to the policy. It clarifies that certain known pending or prior litigation of newly acquired subsidiaries is not covered
MP 5012 01 07	Exclusion - Specific Litigation or Other Incident	Excludes certain claims that are in litigation	N	R	O	This form can be used with MP 5006, MP 5007 and MP 5008.
MP 5021 01 07	Additional Insureds - Foster Parents	Endorsement - adding foster parents as additional insured	Y	B	O	Adds foster parents as insureds
MP 5022 01 07	Additional Insureds - Contracted Professionals	Endorsement - use to add named contracted persons as insured	Y	B	O	
MP 5023 01 07	Coverage Amendment - Physical Abuse	Endorsement - adding coverage for physical abuse	Y	B	O	Adds coverage for physical as well as sexual abuse
MP 5030 01 07	Supplemental Extended Reporting Period	This endorsement is to be used when offering an extended reporting period of 12 - 60 months	Y	B	O	This endorsement is to be used in all states except the following:
	Miscellaneous Professional Liability Coverage					
MP 7001 01 07	Miscellaneous Professional Coverage Form	Miscellaneous Professional Insuring Agreement	Y	C	O	This coverage form is used to provide professional coverage to certain classes of non medical professionals. This form is not available for risks in IL (post), ME (pre and post), MN (pre), NJ (pre and post & no DWL), VA (post judgment int), VT

MP 7004a 01 07	Miscellaneous Professional Coverage Application - Defense within limits	Miscellaneous Professional Application - Accountants and Financial advisors	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 7004b 01 07	Miscellaneous Professional Coverage Application - Defense within limits	Miscellaneous Professional Application - Lawyers	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 7004c 01 07	Miscellaneous Professional Coverage Application - Defense within limits	Miscellaneous Professional Application - Architects and Engineers	N	C	O	To be filed in AR,DE,FL,IL,IA,KY,MT,NC,NV,SD,UT&WI where non warranted apps are required to be filed.
MP 7010 01 07	Exclusion - Specific Subsidiary	Endorsement excluding coverage for specified subsidiaries	N	R	O	
MP 7011 01 07	Exclusion - Specific Litigation or Other Incident	Excludes certain claims that are in litigation	N	R	O	
MP 7020 01 07	Additional Insured - Named Professionals	Endorsement that extends coverage to certain named volunteers	Y	B	O	To be used to provide miscellaneous professional liability coverage to named professionals
MP 7030 01 07	Supplemental Extended Reporting Period	This endorsement is to be used when offering an extended reporting period of 12 - 60 months	Y	B	O	This endorsement is to be used in all states except the following:
Arkansas State Exceptions						
CVL AR50 01 07	Arkansas - Consumer Information	Statutory requirement	N	C	M	Must be attached to all policies with AR locations
CVL AR51 01 07	Arkansas Consent Form	Statutory requirement - This form must be attached when any of the following forms is attached to this policy: MP 2001, MP 3001, MP 5006, MP 6001, or MP 7001 and there are AR locations	N	C	M	This form must be attached when any of the following forms is attached to this policy: MP 2001, MP 3001, MP 6001, or MP 7001
CVL AR52 01 07	Arkansas changes – Subrogation and Transfer of Rights of recovery against others to us	Statutory - must be attached when MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5006, MP 5007 or MP 5008 is attached and there are AR locations	N	C	M	
CVL AR53 01 07	Arkansas Punitive Damages Exclusion	This endorsement is used to exclude punitive damages when forms MP 4001, MP 4002, MP 5001, MP 5002, MP 5003, MP 5006, MP 5007, MP 5008 or MP 7001 are attached to the policy and there are AR locations	N	R	O	
CVL AR55 01 07	Arkansas Changes - Cancellation and NonRenewal	Statutory requirement	N	C	M	Must be attached to all policies when there are AR locations
MP AR40 01 07	Arkansas Changes - Extended Reporting Period	Statutory requirement - Must be attached when MP 4002 is attached	N	B	M	

MP AR41 01 07	Arkansas Changes	Statutory requirement - must be attached when MP 4002 is attached to the policy	N	B	M	Clarifies right to loss information and time frame for the extended reported period
MP AR50 01 07	Arkansas Changes - Extended Reporting Period	Statutory - This endorsement must be attached when MP 5006, MP 5007, or MP 5008 is attached and there are AR locations	N	B	M	
MP AR51 01 07	Arkansas Consent Form	Statutory requirement - defense within limits notification - This form must be attached when MP 5001 is attached to the policy	N	C	M	This form must be attached when form MP 5001 is attached to the policy
MP AR70 01 07	Arkansas Changes - Extended Reporting Period	Statutory - This endorsement must be attached when MP 7001 is attached and there are AR locations	N	B	M	