

SERFF Tracking Number: APCG-125311779 State: Arkansas
Filing Company: AIG Premier Insurance Company State Tracking Number: AR-PC-07-026420
Company Tracking Number: 07-GRPPEL-AR-001F
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0021 Personal Umbrella and Excess
Product Name: AIG Private Client Group Personal Group Excess Liability
Project Name/Number: Personal Group Excess Liability Introductory Filing /07-GRPPEL-AR-001F

Filing at a Glance

Company: AIG Premier Insurance Company
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TOI: 17.0 Other Liability - Claims Made/Occurrence
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Filing Type: Form
SERFF Tr Num: APCG-125311779 State: Arkansas
SERFF Status: Closed State Tr Num: AR-PC-07-026420
Co Tr Num: 07-GRPPEL-AR-001F State Status:
Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding
Author: Darren O'Toole Disposition Date: 10/18/2007
Date Submitted: 10/12/2007 Disposition Status: Approved
Effective Date Requested (New): 11/15/2007 Effective Date (New):
Effective Date Requested (Renewal): 11/15/2007 Effective Date (Renewal):

General Information

Project Name: Personal Group Excess Liability Introductory Filing Status of Filing in Domicile: Authorized
Project Number: 07-GRPPEL-AR-001F Domicile Status Comments:
Reference Organization: Reference Number:
Reference Title: Advisory Org. Circular:
Filing Status Changed: 10/18/2007
State Status Changed: 10/15/2007 Deemer Date:
Corresponding Filing Tracking Number:
Filing Description:
AIG Premier Insurance Company (AIGPI) is submitting, for your Department's approval, an introduction of policy forms for the AIG Private Client Group Personal Group Excess Liability Insurance Program.

Our Group Excess Liability Insurance would enable employers or sponsoring organizations to offer high limits of personal liability coverage to their most valued employees. Coverage comes with higher limits of liability than typically offered on an individual policy at a more affordable price than a typical individual policy. This program is custom tailored specifically for high net worth executives, partners and professionals at corporations, law firms, investment companies,

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family offices, charitable institutions and other organizations that have substantial personal liability exposures.

An Explanatory Memorandum has been included for your review.

The rates and rules associated with this filing are included in corresponding filing number 07-GRPPEL-AR-001R.

Company and Contact

Filing Contact Information

Darren O'Toole, Contract Analyst darren.o'toole@aig.com
 70 Pine Street, 22nd Floor (212) 770-3550 [Phone]
 New York, NY 10270 (212) 770-7261[FAX]

Filing Company Information

AIG Premier Insurance Company CoCode: 20796 State of Domicile: Pennsylvania
 2704 Commerce Drive, Suite B Group Code: 12 Company Type: Property & Casualty
 Harrisburg, PA 17110 Group Name: AIG State ID Number:
 (212) 770-5730 ext. [Phone] FEIN Number: 22-1721971

Filing Fees

Fee Required? Yes
 Fee Amount: \$50.00
 Retaliatory? No
 Fee Explanation: Policy and Endorsment Filings X 1 = \$50.00
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
AIG Premier Insurance Company	\$0.00	10/12/2007	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
32073592	\$50.00	10/05/2007

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Correspondence Summary

Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	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	Explanatory Memo	Approved	Yes
Form	Group Personal Excess Liability Policy	Approved	Yes
Form	Employment Practices Liability Coverage Endorsement	Approved	Yes
Form	Limited Charitable Board Directors and Trustees Liability Coverage Endorsement	Approved	Yes
Form	Revised Minimum Required Underlying Limits	Approved	Yes
Form	Additional Insured Exclusion	Approved	Yes
Form	Additional Insured Person	Approved	Yes
Form	Policy Changes	Approved	Yes
Form	Libel/Slander Exclusion	Approved	Yes
Form	Political Activity Exclusion	Approved	Yes
Form	Supplemental Defense Coverage - Excess Liability	Approved	Yes
Form	Amendatory Endorsment - Arkansas	Approved	Yes

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Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Group Personal Excess Liability Policy	GRPPEL	0407	Policy/Coverage Form		0.00	GRPPEL_0407_Group Excess Policy_Clean Copy_.pdf
Approved	Employment Practices Coverage Endorsement	GRPPEL-	0407	Endorsement/Conditions	New	0.00	EPLI Group Excess_0407_Clean copy.pdf
Approved	Limited Charitable Board Directors and Trustees Liability Coverage Endorsement	GRPPEL-	0407	Endorsement/Conditions	New	0.00	Group Excess D&O Endorsement_0407_Clean Copy.pdf
Approved	Revised Minimum Required Underlying Limits	GRPPEL-	0407	Endorsement/Conditions	New	0.00	GRPPEL RUL 0407 Revised Underlying Limits.pdf
Approved	Additional Insured Exclusion	GRPPEL-	0407	Endorsement/Conditions	New	0.00	GRPPEL-AIEX-0407 - Add Insured Exclusion.pdf
Approved	Additional Insured Person	GRPPEL-	0407	Endorsement/Conditions	New	0.00	GRPPEL-AIPC 0407 - Add Insured Person.pdf
Approved	Policy Changes	GRPPEL-	0407	Endorsement/Conditions	New	0.00	GRPPEL-

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Approval	Description	Code	Category	Value	File Name
	CHGE		nt/Amendm ent/Condi ons		CHGE 0407 Change Endorsemen t.pdf
Approved	Libel/Slander Exclusion	GRPPEL- 0407 LSLX	Endorseme New nt/Amendm ent/Condi ons	0.00	GRPPEL- LSLX-0407 - Libel- Slander Exclusion.pdf
Approved	Political Activity Exclusion	GRPPEL -0407 POL EX	Endorseme New nt/Amendm ent/Condi ons	0.00	GRPPEL- POL EX 1204 - Political Activity Exclusion.pdf
Approved	Supplemental Defense Coverage - Excess Liability	GRPPEL- 0407 SDEC	Endorseme New nt/Amendm ent/Condi ons	0.00	GRPPEL- SDCE-0407 Supp Def.pdf
Approved	Amendatory Endorsment - Arkansas	GRPPEL- 0407 AEAR	Endorseme New nt/Amendm ent/Condi ons	0.00	GRPPEL- AEAR 0407 Amendatory. pdf

GROUP PERSONAL EXCESS LIABILITY

AIG PRIVATE CLIENT GROUP

YOUR GROUP PERSONAL EXCESS LIABILITY POLICY

QUICK REFERENCE

Declarations Page

Your Name and Address

Policy Period

Policy Limit

Premium

Forms

Required Underlying Insurance
And Limits for Covered
Locations, Vehicles and Watercraft
Schedule of Underlying Insurance

COVERAGE IS PROVIDED BY THE AMERICAN INTERNATIONAL GROUP, INC., MEMBER COMPANY NAMED IN THE DECLARATIONS PAGE. EACH IS A STOCK COMPANY.

<u>Policy Provisions</u>	<u>Beginning on Page</u>
Definitions	1
Underlying Insurance Each Additional Insured Is Required To Maintain	3
I. Insuring Agreements	4
II. Defense	4
III. Supplementary Payments	5
IV. Extra Coverages	6
V. Limits of Insurance	7
VI. Exclusions	8
VII. Conditions	13

**AIG PREMIER INSURANCE COMPANY
AIG PRIVATE CLIENT GROUP**

GROUP PERSONAL EXCESS LIABILITY

This is the group personal excess liability policy issued to the sponsor. The sponsor is the **Named Insured**; the individuals referred to in Item 7. of the Policy Declarations are the **Additional Insureds** under this policy.

The insurance company named above will provide the insurance described in this policy. You agree to pay the premium and comply with your responsibilities described in this policy.

Various provisions in this policy restrict or exclude coverage. Read the entire policy carefully to determine your rights and duties, and what is and is not covered. We have no duty to provide coverage unless there has been full compliance with policy PART VII – CONDITIONS.

DEFINITIONS

Words with special meanings are defined here or in the part of the policy where they are used. Throughout the policy, defined terms will be bolded when used.

Additional Insured	means: <ol style="list-style-type: none">1. An individual referred to in Item 7. of the policy Declarations who is eligible for coverage under this Policy;2. Any relative of the Additional Insured described in 1. above; or3. Any person:<ol style="list-style-type: none">a. using an automobile, recreational vehicle or watercraft that the Additional Insured described in 1. or 2. above owns, hires, or borrows provided such automobile, recreational vehicle, or watercraft is not furnished for that person's regular use; orb. having custody of such Additional Insured's animals. Such person must be acting within the scope of such Additional Insured's permission for such use or custody. Such person is covered by this policy only for claims arising out of such use or custody.4. Any person or organization legally liable for the acts or omissions of the Additional Insureds if such acts or omissions are covered by Insuring Agreement A and only if they are covered by one of the policies in the Schedule of Required Underlying Limits of Insurance.
Administration, administering and administer	means: <ol style="list-style-type: none">1. Effecting coverage under this Policy for eligible individuals;2. Complying with the conditions of this Policy; and3. Handling records in connection with this Policy.
Automobile	means any motorized land vehicle which requires motor vehicle registration or operator licensing. This includes self-propelled motor homes, motorcycles and attached trailers or semi-trailers. It does not include a recreational vehicle .
Bodily injury	means physical injury, sickness, disability, disease, or death. Bodily Injury shall include mental injury, mental anguish, humiliation, or shock if directly resulting from physical injury, sickness, disability or disease.
Business Property	means property on which a business is conducted and property, or any part of it, rented to others or held for rental.
Business Pursuits	means any employment, trade, profession, occupation or enterprise in which an Additional Insured has any financial interest.

Claim(s)	means a demand for money.
Damages	means the sum actually paid or payable due to a claim for which the Named Insured or Additional Insured is liable either by a settlement to which we agreed or a final judgment. Such sum shall include proper adjustments for recoveries and salvage.
Named Insured	means: 1. The partnership or joint venture indicated in the Declarations; 2. The organization other than a partnership or joint venture indicated in the Declarations; or 3. Any organization that the Named Insured newly acquires or forms while this insurance is in effect.
Occurrence	means: 1. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results during the Policy Period in bodily injury or property damage neither expected nor intended from the standpoint of the Additional Insured . All such exposure to substantially the same conditions shall be considered as arising out of one occurrence ; 2. An act or a series of acts of a similar nature, which (a) occur during the Policy Period, and (b) result in personal injury .
Personal Injury	means injury arising out of one or more of the following offenses: 1. False arrest, detention or imprisonment; 2. Malicious prosecution; 3. Wrongful entry into, or eviction of a person from a room, dwelling or premises that the premises that the person occupies; 4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services; 5. Oral or written publication of material that violates a person's right of privacy. 6. Shock, emotional distress, mental injury; 7. Invasion of privacy; 8. Assault and battery when committed with the intent of protecting persons.
Private Passenger Automobile	means a private passenger car, station wagon, jeep type automobile , a pickup or van that has a gross vehicle weight of less than 10,000 lbs., or motorcycle.
Property Damage	means: 1. Physical injury to or destruction of tangible property, including loss of use of such property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or 2. Loss of use of tangible property that is not physically injured. All such loss shall be deemed to occur at the time of the occurrence that caused it. Tangible property does not include money, notes, credits, securities or any other similar instrument.
Recreational Vehicle	means: 1. A motorized land vehicle that is designed for recreational use off public roads. 2. Motorized land vehicle in dead storage at your residence; or 3. A motorized land vehicle used solely on and to service a location shown on the Declarations Page. A golf cart is a recreational vehicle , except that for the purposes of underlying insurance , the Required Underlying Limit of Insurance for golf carts is equivalent to the Required Underlying Limit of Insurance for Homeowners Personal Liability in the Policy Declarations.
Relative	means a person related to an Additional Insured by blood, marriage, domestic partnership registered under state law, or adoption who is a resident of the Additional Insured's household including but not limited to: 1. A ward or foster child, or other person who is in the Additional Insured's care; and

	2. The Additional Insured's unmarried children while attending school away from home.
Residence Premises	means a one to four-family house in which the Additional Insured lives, its grounds and other structures on the grounds; or the part of any other building in which the Additional Insured lives, not including grounds and vacant land owned by the Additional Insured unless covered by Required Underlying Limits of Insurance .
Required Underlying Limits of Insurance	means the minimum limits the Named Insured or the Additional Insured are required to maintain in force for the types of insurance and exposures described in the Schedule of Required Underlying Limits of Insurance in the Policy Declarations.
Suit	means a civil proceeding in which damages because of bodily injury, property damage or personal injury to which this insurance applies are alleged. Suit includes an arbitration proceeding alleging such damages to which the Named Insured or Additional Insured must submit or submits with our consent.
Underlying Insurance	refers to the coverage types listed in the Schedule of Required Underlying Limits of Insurance and includes: <ol style="list-style-type: none"> 1. Any renewal or replacement of such policies; and 2. Any other insurance available to the Named Insured or the Additional Insured.
Uninsured/ Underinsured Motor Vehicle	means an automobile : <ol style="list-style-type: none"> 1. For which no liability bond or policy applies at the time of occurrence; 2. That is an underinsured motor vehicle. An underinsured motor vehicle is an automobile for which a bodily injury liability bond or policy applies at the time of an occurrence but the amount paid under that bond or policy to an Additional Insured is not enough to pay the full amount the Additional Insured is legally entitled to recover as damages caused by the occurrence; 3. For which an insuring or bonding company denies coverage or is or becomes insolvent; or 4. That is a hit-and-run vehicle and neither the driver nor owner can be identified.
We, us and our	refer to issuing insurance company listed on the Declarations Page.
Wrongful Act	means any act, error, or omission by the Named Insured in administering or failing to administer this Policy.

UNDERLYING INSURANCE EACH ADDITIONAL INSURED IS REQUIRED TO MAINTAIN

PLEASE REFER TO THE POLICY DECLARATIONS PAGE FOR THE REQUIRED UNDERLYING LIMITS OF INSURANCE

The coverage described herein is excess over any other valid and collectible insurance. For some of the coverages the **Additional Insured** must maintain **underlying insurance** in force in order to be fully covered. These are the **Required Underlying Limits of Insurance**.

For watercraft or automobiles furnished or rented to an **Additional Insured** for a period of 60 days or less, any required underlying limits of insurance will not apply.

If an **Additional Insured** fails to maintain the **Required Underlying Limits of Insurance**, and there is an **occurrence** that would have been covered by such insurance, the **Additional Insured's** coverage under the group personal excess liability policy will be limited as follows:

- A. For coverages that are specifically excluded unless covered by **Required Underlying Limits of Insurance**, no coverage will apply.

- B. For all other coverages described herein, the **Additional Insured** will be responsible for the amount of **damages** up to the applicable **Required Underlying Limits of Insurance**. Subject to the Limits of Insurance of this policy, **we** will pay only amounts in excess of your **Required Underlying Limits of Insurance** and any other valid and collectible insurance.

If an **Additional Insured** resides outside the United States, he/she must maintain underlying insurance coverage equal to or greater than the **Required Underlying (U.S. Dollar) Limits of Insurance** or their equivalent in value of the currency of the country in which he/she resides.

If the **Required Underlying Limits of Insurance** are not available in the country in which the **Additional Insured** resides, the **Additional Insured** must maintain in full effect primary underlying liability insurance limits equal to the maximum limits of liability available in that country for all coverages shown in the coverage summary under the **Required Limits of Insurance**.

Besides protecting each **Additional Insured** against liability **claims** which exceed the **Required Underlying Limits of Insurance**, the group personal excess liability policy also covers some liability exposures which may be excluded by each **Additional Insured's** underlying insurance. These exposures have no required underlying limits of insurance. The Declarations Page of each **Additional Insured's** certificate indicates the limits of insurance for which he/she is insured.

The following paragraphs describe the terms and conditions of the group personal excess liability policy.

I. INSURING AGREEMENTS

- A. **We** shall pay on behalf of the **Additional Insured(s)** the **damages**, in excess of the applicable **Required Underlying Limits of Insurance**, which the **Additional Insured** becomes legally obligated to pay for **bodily injury, property damage or personal injury**, caused by an **occurrence**.
- B. **We** shall pay on behalf of the **Named Insured** the **damages**, in excess of the applicable **Required Underlying Limits of Insurance**, which the **Named Insured** becomes legally obligated to pay arising out of a **wrongful act** of the **Named Insured**. The **wrongful act** shall take place in the **administration** of this Policy during the Policy Period.

II. DEFENSE

- A. **We** shall have the right and duty to defend, investigate, and settle any **claim or suit** seeking **damages** covered by the terms, conditions, and exclusions of this Policy when:
1. The applicable Limits of Insurance of the **underlying insurance** listed in the Schedule of **Required Underlying Limits of Insurance** or the Limits of Insurance of any other **underlying insurance** providing coverage to the **Named Insured** or the **Additional Insured** have been exhausted by payment of **claims**, judgments, or settlements to which this Policy applies; or
 2. **Damages** are sought for a **wrongful act, bodily injury, property damage or personal injury** covered by this Policy but not covered by any **underlying insurance** listed in the Schedule of **Required Underlying Limits of Insurance** or any other **underlying insurance** providing coverage to the **Named Insured** or the **Additional Insured**.

- B. If **we** assume the defense of any **claim** or **suit**, **we** shall defend any **suit** against the **Named Insured** or **Additional Insured** seeking **damages** under this Policy even if such **suit** is groundless, false, or fraudulent, but **we** have the right to investigate, defend, and settle the **claim** as **we** deem expedient.
- C. **We** shall not defend any **suit** or **claim** after **our** applicable Limit(s) of Insurance has been exhausted by payment of **claims**, judgments or settlements.
- D. All expenses **we** incur in the defense of any **suit** or **claim** are in addition to the Limits of Insurance.
- E. In all other instances except A. above, **we** shall not be obligated to assume charge of the investigation, settlement or defense of any **claim** made, **suit** brought or proceeding instituted against the **Named Insured** or **Additional Insureds**. **We** shall, however, have the right and shall be given the opportunity to participate in the defense and trial of any **claims**, **suits**, or proceedings relative to any **occurrence** or **wrongful act**, which in **our** opinion, may create liability for **us** under the terms of this Policy. If **we** exercise such right, **we** shall do so at **our** own expense.
- F. An **Additional Insured** being defended under this policy may choose counsel from a panel of firms selected by **us**. If a panel counsel is not established in your jurisdiction, **we** reserve right to select counsel.

Expanded Defense Coverage

If **we** are defending an **Additional Insured** for any suit seeking covered **damages**, **we** will reimburse the **Additional Insured**, up to \$10,000 or the Limit of Insurance for Supplemental Defense coverage indicated in the Policy Declarations, whichever is greater, for the reasonable expenses for a law firm of their choice to review and consult on the defense covered under this policy. This coverage only applies to expenses incurred after the date our defense has begun.

III. SUPPLEMENTARY PAYMENTS

If **we** assume the defense of any **claim** or **suit**, **we** shall pay the following, to the extent that they are not covered in the **underlying insurance** listed in the Schedule of **Required Underlying Limits of Insurance** or in any other insurance providing coverage to the **Named Insured** or **Additional Insureds**:

- a. Premiums on bonds to release attachments for amounts not exceeding **our** Limits of Insurance, but **we** are not obligated to apply for or furnish any such bond;
- b. Premiums on appeal bonds required by law to appeal any **claim** or **suit we** defend, but **we** are not obligated to apply for or furnish any such bond;
- c. All costs taxed against the **Named Insured** or **Additional Insured** in any **claim** or **suit we** defend;
- d. Pre-judgment interest awarded against the **Named Insured** or **Additional Insured** on that part of the judgment **we** pay. If **we** make an offer to pay the applicable Limit(s) of Insurance, **we** shall not pay any pre-judgment interest based on that period of time after the offer;

- e. All interest that accrues after entry of judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within **our** applicable Limit(s) of Insurance; and
- f. Reasonable expenses incurred by the **Named Insured** or **Additional Insureds** at **our** request, including actual loss of earnings, but not loss of other income, up to a maximum of \$10,000, for assisting **us** in the investigation or defense of a **claim or suit**.

IV. EXTRA COVERAGES

In addition to covering **damages** and defense costs, **we** also provide other related coverages. These coverages are in addition to the amount of coverage for **damages** and defense costs unless stated otherwise.

Identity fraud – **We** will pay for an **Additional Insured's** identity fraud expenses, up to a maximum of \$25,000, for each identity fraud occurrence. A \$500 deductible applies to each identity fraud occurrence.

“Identity Fraud” means the act of knowingly transferring or using, without lawful authority, an **Additional Insured's** means of identity which constitutes a violation of federal law or a crime under any applicable state or local law.

“Identity fraud occurrence” means any act or series of acts of identity fraud by a person or group commencing in the policy period.

“Identity fraud expenses” means:

- the costs for notarizing affidavits or similar documents for law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- the costs for sending certified mail to law enforcement agencies, financial institutions, or similar credit grantors, and credit agencies;
- the loan application fees for re-applying for loan(s) due to the rejection of the original application because the lender received incorrect credit information;
- the telephone expenses for calls to businesses, law enforcement agencies, financial institutions or similar credit grantors, and credit agencies;
- earnings lost by a covered persons a result of time off from work to complete fraud affidavits, meet with law enforcement agencies, credit agencies, merchants, or legal counsel, up to \$250 a day, to a total of \$10,000;
- the reasonable attorney fees incurred with prior notice to **us** for:
- the defense of a covered person against any suit(s) by business or their collection agencies;
- the removal of any criminal or civil judgments wrongly entered against a covered person; and
- any challenge to the information in a covered person's consumer credit report.

However, “identity fraud expenses” does not include expenses incurred due to any fraudulent, dishonest or criminal act by an **Additional Insured** or any person acting with an **Additional insured**, or by any authorized representative of an **Additional Insured**, whether acting alone or in collusion with others.

In addition to the duties described in the Policy Terms, Liability Conditions, duties after a loss, an **Additional Insured** shall notify an applicable law enforcement agency.

Kidnap Expenses – **We** will pay for an **Additional Insured's** kidnap expenses, up to a maximum of \$100,000, for each kidnap and ransom occurrence. **We** also will pay up to \$25,000 to any

person or organization for information leading to the arrest and conviction of any person(s) who kidnaps an **Additional Insured**, or **relative** or a “covered relative”.

“Kidnap and ransom occurrence” means the actual or alleged wrongful taking of:

- an **additional insured** or **relative**; or
- a “covered relative” while visiting or legally traveling with the **Additional Insured** or a **relative**;

that includes a demand for ransom payment which would be paid by an **Additional Insured** or a **relative** in exchange for the release of that kidnapped person. All events:

- related by a common committed, attempted or threatened act; or
- involving the same person;

will be a single “kidnap and ransom occurrence”.

“Kidnap expenses” means the reasonable costs for:

- a professional negotiator;
- a professional security consultant;
- professional security guard services;
- a professional public relations consultant;
- travel, meals, lodging and phone expenses incurred by an **Additional Insured** or a **relative**;
- related medical, cosmetic, psychiatric and dental expenses incurred by the kidnapped person within 12 months from that person’s release;
- attorneys fees;
- a professional forensic analyst;
- earnings lost by an **Additional Insured** or a **relative**, up to \$250 a day, to a total of \$10,000.

However, “kidnap expenses” does not include expenses incurred to any kidnap and ransom occurrence caused by an **Additional Insured**, a **relative**, a “covered relative”, or a civil authority whether acting alone or in collusion with others.

“Covered relative” with respects to “kidnap expenses”, means the following relatives of an **Additional Insured** and a spouse who lives with that person:

- children, their children or other descendants of theirs;
- parents, grandparents or the ancestors of theirs; or
- siblings, their children or other descendents of theirs;

who do not live with the **Additional Insured**, including spouses or domestic partners of all of the above. Parents, grandparents and other ancestors include adoptive parents, stepparents and step-grandparents.

V. LIMITS OF INSURANCE

A. The Limits of Insurance shown in the Declarations and the rules below state the most we shall pay in excess of the **Named Insured’s** or **Additional Insured’s Required Underlying Limits of Insurance** regardless of the number of:

1. **Named Insureds** or **Additional Insureds**;
2. **Claims** made or **suits** brought;
3. Persons or organizations making **claims** or bringing **suits**; or
4. **Automobiles, recreational vehicles** or watercraft involved in the **occurrence**.

- B. The Each **Occurrence** Limit indicated in the Declarations is the most **we** shall pay for all **bodily injury, property damage** and **personal injury** that results from a single **occurrence**.
- C. The Each **Wrongful Act**/Aggregate Limit indicated in the Declarations is the most **we** shall pay for all **damages** that result from all **wrongful acts** combined. This Limit of Insurance shall apply separately to each consecutive annual period within the Policy Period. The Policy Period begins with the effective date shown in the Declarations. If the Policy Period is extended after issuance for an additional period of less than twelve (12) months, the additional period shall be deemed part of the last preceding annual period.
- D. All **claims** arising from a continuous, related, or repeated **occurrence** or **wrongful act** shall be treated as arising out of one **occurrence** or one **wrongful act**
- E. The most we will pay in covered **damages** under the Excess Uninsured/Underinsured Motorist Protection Coverage for any one **occurrence** is the Uninsured/Underinsured Motorist coverage limit shown on the declaration page.

VI. EXCLUSIONS

- A. With respect to Insuring Agreement A and Insuring Agreement B, this insurance shall not apply to:
 - 1. Discrimination
Any **claim** arising out of discrimination on any basis including but not limited to: race, creed, religion, ethnic background, national origin, age, disability, sex, or sexual orientation.
 - 2. Workers Compensation
Any **damages** or benefits a **named insured** or **additional insured** is legally obligated to provide under any worker's compensation, disability benefits, Jones Act or General Maritime Law, unemployment compensation, occupational disease or similar law.
 - 3. Intentional Acts
Bodily Injury, property damage or **personal injury** caused intentionally by any person. This does not apply to any act by an **Additional Insured**:
 - a. While trying to prevent or eliminate danger in the use of **automobiles, recreational vehicles** or watercraft; or
 - b. While using reasonable force in trying to protect persons or property.
 - 4. War
Bodily Injury, property damage or **personal injury** caused directly or indirectly by war, including the following and any consequences of the following:
 - a. Undeclared war, civil war, insurrection, rebellion or revolution;
 - b. Warlike acts by military forces or personnel; or
 - c. The destruction or seizure of property for a military purpose.

Discharge of a nuclear weapon will be deemed a warlike act even if accidental.

5. Care, Custody or Control
Property damage to property in the care, custody and control of an **Additional Insured or the Named Insured** to the extent that the **Additional Insured** or the **Named Insured** is required by contract to provide insurance.

This exclusion does not apply to:

- a. Watercraft 99 feet or under or **automobiles** furnished or rented to an **Additional Insured** for a period of 60 days or less; or
- b. **Property damage** caused by fire, smoke or explosion.

6. U.S. Treasury Department's Office of Foreign Assets Control ("OFAC")
Bodily injury, property damage or **personal injury** for a **claim** under this policy that is in violation of any United States of America economic or trade sanction, including but not limited to, sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

B. With respect to Insuring Agreement A, this insurance shall not apply to:

1. Aircraft
Bodily injury, property damage or **personal injury** arising out of the ownership, maintenance or use of any aircraft or hovercraft, but this exclusion does not apply to aircraft hired by an **Additional Insured** with a crew. Aircraft does not include model airplanes of the hobby type which do not carry people or cargo.

2. Watercraft
Bodily injury, property damage or **personal injury** arising out of any:
 - a. Watercraft over 99 feet in length an **Additional Insured** owns, rents, or uses or in the care, custody or control of an **Additional Insured**.
 - b. Watercraft owned by an **Additional Insured**, or that an **Additional Insured** rents, uses, or is in the care, custody or control of an **Additional Insured** for longer than 60 days. This exclusion does not apply to watercraft if they are covered by **Required Underlying Limits of Insurance**.
 - c. Watercraft used for any business or commercial purpose

We shall not pay for or defend any **claims** that are or should be covered under any statute requiring compensation for maritime employees.

3. Racing
bodily injury, personal injury or **property damage** arising out of the use of any **automobile, recreational vehicle** or watercraft in any race, speed contest, other competition or practice. This exclusion does not apply to sailboats.
4. Director's Errors or Omissions
Bodily injury, personal injury or **property damage** resulting from any act or failure to act by any **Additional Insured** as a director or officer of any organization. This exclusion does not apply to an **Additional Insured's** actions for a non-profit corporation or organization, or a condominium, cooperative or homeowner's association.

5. Professional Services
All **claims** arising out of the providing or failing to provide professional services by:
 - a. the **Additional Insured**; or
 - b. any person for whom an **Additional Insured** is legally responsible.

6. Business Pursuits
Bodily injury, property damage or personal injury resulting from **business pursuits** or any **business property** of an **Additional Insured**. This exclusion shall not apply to **bodily injury, property damage and personal injury** arising from:
 - a. any part of a one to four-family residential dwelling or condominium that the **Additional Insured** rents or holds for rent other than the **residence premises**;
 - b. any **residence premises**:
 - i. rented or held for rent in part, unless intended for use as a residence by more than two roomers or boarders per family;
 - ii. occasionally rented or held for rent for short periods of time for dwelling purposes;
 - iii. rented or held for rental as a private garage; or
 - iv. occupied in part as an office or studio.
 - c. a farm operated by an **Additional Insured** provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in gross annual revenues from the raising or care of animals or agriculture and is covered by **underlying insurance**;
 - d. the use of any **private passenger automobile** for a business purpose provided it is covered by the **Required Underlying Limits of Insurance** and is not used to carry persons or property for a fee;
 - e. volunteer work for an organized charitable, religious or community group;
 - f. a **business pursuit** that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers' compensation or other similar disability laws, and conforms to federal, state and local laws.

7. Nuclear
Bodily injury, property damage or personal injury covered by a nuclear energy liability policy or that would have been covered by any such policy if its limit had not been exceeded.

8. Transmitted Diseases
Bodily injury, property damage or personal injury arising out of the transmission of, or threat of transmission of a communicable sickness or disease by any insured.

9. **Hired Vehicles**
Any liability of the owner or lessor of an **automobile, recreational vehicle**, or watercraft loaned to or hired by an **Additional Insured**.
10. **Uninsured/Underinsured Motorists**
Any **claim** for uninsured motorists, underinsured motorists, or no-fault insurance benefits unless a limit amount is shown for the Excess Uninsured/Underinsured Motorist Limit on the Declarations Page.
11. **Owned Property**
Property damage to property owned by an **additional insured**.
12. **Pollution**
Bodily injury, property damage or personal injury arising out of the discharge, dispersal, seepage, migration, release or escape of **pollutants**, unless coverage is provided by **Required Underlying Limits of Insurance**. The insurance provided by **our** policy will not be broader than the insurance coverage provided by the policy subject to the Schedule of **Required Underlying Limits of Insurance**.
- Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
13. **Personal Injury**
Personal injury arising out of or in any way related to:
- a. violation of a penal statute or ordinance by or with the consent of the **Additional Insured**; or
 - b. oral or written publication of material if done by or at the direction of the **Additional Insured** with knowledge of its falsity; or
 - c. oral or written publication of material whose first publication took place before the beginning of the Policy Period.
14. **Insured Persons**
Bodily injury, property damage or personal injury to an **Additional Insured** when the offending party or defendant is the **Additional Insured** listed on Item 1. of the Certificate of Insurance or a **relative** of the **Additional Insured**.
15. **Sexual Misconduct**
Bodily injury, property damage or personal injury arising out of any actual, alleged or threatened:
- a. sexual misconduct, molestation, or harassment;
 - b. corporal punishment; or
 - c. sexual, physical or mental abuse.
16. **Controlled Substance(s)**
Any **claim** arising out of the use, sale, manufacture, delivery or transfer or possession of a controlled substance(s) as defined by the Federal Food and

Drug Law at 21 U.S.C. Sections 811 and 812. However, this exclusion does not apply to the legitimate use of prescription drugs of a person following the orders of a licensed physician.

17. **Assessments**
Any assessment charged against an **Additional Insured** as a member of an association, corporation, community of property owners, condominium or cooperative association.
18. **Automobile Services**
Any **claim** arising out of the use of an **automobile**, or a temporary substitute for such **automobile**, by any **Additional Insured** while employed or otherwise engaged in the business of:
 - a. Selling;
 - b. Repairing;
 - c. Servicing;
 - d. Storing;
 - e. Parking;
 - f. Testing; or
 - g. Delivering;

automobiles designed for use mainly on public roads.

- C. With respect to Insuring Agreement B, this insurance shall not apply to:
 1. **Employment Practices**
Any liability arising out of the failure to comply with any law or any governmental or administrative order or regulation relating to employment practices by or with the **Named Insured's** consent;
 2. **Contracts**
Any liability the **Named Insured** assumes under any contract or agreement. This exclusion, however, shall not apply to liability that the **Named insured** would have in the absence of the contract or agreement;
 3. **ERISA**
Any liability arising out of the **Named Insured's** failure to fulfill any duty or obligation imposed by the Employment Retirement Income Security Act of 1974, including amendments to that law, or similar federal, state, or local statutory or common law;
 4. **Claimant's Relatives**
Any liability to any claimant's domestic partner, spouse, child, parent, brother, or sister as a result of a **Named Insured's wrongful act**;
 5. **Prior Acts**
Any liability arising out of incidents or circumstances of which the **Named Insured** had knowledge prior to the Policy effective date shown in the Declarations, and which the **Named Insured** could reasonably foresee might result in a **claim** or **suit**; or
 6. **Fraudulent Acts**
Any **claim** arising out of any dishonest, fraudulent, criminal, or malicious act.

VII. CONDITIONS

A. Appeals

If the **Additional Insured** or the **Named Insured** or the **Additional Insured's** or **Named Insured's** underlying insurers do not appeal a judgment in excess of the applicable **Required Underlying Limits of Insurance**, **we** have the right to make such an appeal. If **we** elect to appeal, **our** liability on such an award or judgment shall not exceed **our** Limit of Insurance as stated in the Declarations.

B. Audit

We may audit and examine the **Named Insured's** books and records as they relate to this Policy at any time during the Policy Period and for up to three (3) years after the expiration or termination of this Policy.

C. Bankruptcy or Insolvency

The bankruptcy, insolvency or inability to pay of the **Named Insured** or **Additional Insured**, or the bankruptcy, insolvency or inability to pay of any of the underlying insurers of the **Named Insured** or **Additional Insured** shall not relieve **us** from the payment of any **claim** covered by this Policy.

But under no circumstances shall such bankruptcy, insolvency, or inability to pay require **us** to drop down or in any way replace the retained limit or assume any obligation within the retained limit.

D. Cancellation

1. The **Named Insured** shown in the Declarations may cancel this Policy by mailing or delivering to **us** advance written notice of cancellation.
2. **We** may cancel this Policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - b. Thirty (30) days before the effective date of cancellation if **we** cancel for any other reason.
3. **We** shall mail or deliver **our** notice to the **Named Insured's** address shown in the Declarations.
4. Notice of cancellation shall state the effective date of cancellation. The Policy Period shall end on that date.
5. If this Policy is canceled, **we** shall send the **Named Insured** any premium refund due. If **we** cancel, the refund shall be pro rata. If the **Named Insured** cancels, the refund may be less than pro rata. The cancellation shall be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing shall be sufficient proof of notice.

7. If **we** decide not to renew this Policy, **we** shall mail or deliver to the **Named Insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
8. If notice is mailed, proof of mailing shall be sufficient proof of notice.

E. Changes

The **Named Insured** is authorized to make changes in this Policy with **our** consent. This Policy can only be changed by a written endorsement signed by **us** or **our** authorized representative that **we** issue and make a part of this Policy. Notice to any broker or knowledge possessed by a broker or any other person shall not affect a waiver or change in any part of this Policy.

F. Conformance To Statute

To the extent a term of this Policy conflicts with an applicable state statute this Policy shall be amended to conform to the minimum requirements of the statute.

G. Duties In The Event Of An Occurrence or Wrongful Act

Notice hereunder shall be given in writing.

1. The **Named Insured** or **Additional Insured** must see to it that **we** are notified as soon as practicable of an **occurrence** or **wrongful act** which may result in a **claim** under this Policy. To the extent possible, notice should include:
 - a. How, when, and where the **occurrence** or **wrongful act** took place;
 - b. The names and addresses of any injured persons and witnesses;
 - c. The nature and location of any injury or damage arising out of **occurrence** or **wrongful act**.
2. If a **claim** is made or **suit** is brought against the **Named Insured** or **Additional Insured** that is reasonably likely to involve this Policy, the **Named Insured** or **Additional Insured** must notify **us** in writing as soon as practicable.
3. The **Named Insured** or **Additional Insured** must:
 - a. Immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **claim** or **suit**;
 - b. Authorize **us** to obtain records and other information;
 - c. Cooperate with **us** in the investigation, settlement, or defense of the **claim** or **suit**; and
 - d. Assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to the **Named Insured** or **Additional Insured** because of injury or damage to which this insurance may also apply.
4. No **Named Insured** or **Additional Insured** shall, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without **our** consent.

5. When **we** believe that a **claim** may exceed the retained limit, **we** may join the **Named Insured** or **Additional Insured** and, if applicable, the underlying insurer in the investigation, settlement and defense of all **claims** and **suits** in connection with such **occurrence** or **wrongful act**. In such event, **we** and the **Named Insured** or **Additional Insured** shall cooperate fully with each other.

H. **Legal Action Against Us**

There shall be no right of action against **us** under this insurance unless:

1. The **Named Insured** and **Additional Insureds** have complied with all the terms of this Policy; and
2. The amount that the **Named Insured** or **Additional Insured** owes has been determined with **our** consent or by actual trial and final judgment.

This insurance does not give anyone the right to add **us** as a defendant in an action against the **Named Insured** or **Additional Insured** to determine the liability of the **Named Insured** or **Additional Insured**.

I. **Maintenance Of Underlying Insurance**

During the Policy Period:

1. The **Named Insured** and **Additional Insured** shall keep the policies subject to the **Required Underlying Limits of Insurance** in full force and effect;
2. The Limits of Insurance of the policies subject to the **Required Underlying Limits of Insurance** shall not change except for any reduction or exhaustion of aggregate limits by payment of **claims** for **occurrences** or **wrongful acts** covered by this Policy; and

If the **Named Insured** or **Additional Insured** fails to comply with these requirements, **we** shall only be liable to the same extent that **we** would have had the **Named Insured** or **Additional Insured** fully complied with these requirements.

J. **Other Insurance**

If other valid and collectible insurance applies to a loss that is also covered by this Policy, and subject to the Limits of Insurance Section of this Policy, this Policy shall apply excess of the other insurance, whether this other insurance is primary, excess, contingent, or issued on any other basis. This provision, however, shall not apply if the other insurance is specifically written to be excess of this Policy.

K. **Policy Period**

The Policy Period commences on the effective date shown in the Declarations. The period ends on the earlier of either the expiration date or the effective date of cancellation of this Policy. If the **Named Insured** or **Additional Insured** became an insured under this Policy after the effective date, the Policy Period begins on the date the **Named Insured** or **Additional Insured** became an insured.

L. **Policy Territory**

This Policy applies to **occurrences** or **wrongful acts** anywhere in the world. If **we** are prevented by law or statute from paying on behalf of or defending the **Named Insured** or **Additional Insured**, then **we** will, where permitted by law or statute, indemnify the **Named Insured** or **Additional Insured** for damages and defense costs and expenses in excess of the applicable **Required Underlying Limits of Insurance** and otherwise covered by this Policy, to the extent **we** would have incurred them if **we** were able to conduct the defense and are obligated to do so.

M. **Premiums**

The **Named Insured** shall be responsible for the payment of the Premium, as indicated on the Declarations, prior to the effective date of this Policy. All return premiums shall be sent to the **Named Insured**.

N. **Representations**

By accepting this Policy, the **Named Insured** and **Additional Insured** agree:

1. The statements in the Declarations are accurate and complete;
2. Those statements are based upon representations the **Named Insured** made to **us**; and
3. **We** have issued this Policy in reliance upon the **Named Insured's** representations.

O. **Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the **Named Insured** and **Additional Insured(s)**, this insurance applies:

1. As if each **Named Insured** and **Additional Insured** were the only **Named Insured** and **Additional Insured**; and
2. Separately to each **Named Insured** and **Additional Insured** against whom **claim** is made or **suit** is brought.

P. **Subrogation**

If the **Named Insured** or **Additional Insured** have rights to recover all or part of any payment **we** have made under this Policy, those rights are transferred to **us**. The **Named Insured** or **Additional Insured** must do nothing after loss to impair these rights and the **Named Insured** or **Additional Insured** must help **us** enforce them.

Any recoveries shall be applied as follows:

1. Any interests, including the **Named Insured** or **Additional Insured**, that have been paid in an amount in excess of **our** payment under this Policy shall be reimbursed first;
2. **We** then shall be reimbursed up to the amount **we** have paid; and
3. Lastly, any interests, including the **Named Insured** or **Additional Insured**, over which **our** insurance is excess, are entitled to claim the residue.

Expenses incurred in the exercise of rights of recovery shall be apportioned between the interests, including the **Named Insured** or **Additional Insured**, in the ratio of their respective recoveries as finally settled.

Q. Termination

Should the **Named Insured** or **Additional Insured** for any reason no longer qualify as a **Named Insured** or **Additional Insured**, as defined in the Policy Declarations or other provisions of this Policy, coverage shall cease on the date the **Named Insured** or **Additional Insured** is taken off the policy by endorsement or the policy expiration date or cancellation date, whichever comes first.

R. Transfer Of Rights And Duties

The rights and duties of the **Named Insured** or **Additional Insured** under this Policy may not be transferred without our written consent.

However, if the **Additional Insured** dies, the rights and duties of the **Additional Insured** shall be transferred to:

1. The spouse of the **Additional Insured** if a resident in the same household at the time of death; or
2. The legal representative of the **Additional Insured**.

S. When Loss Is Payable

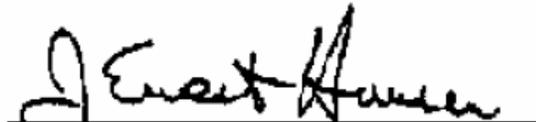
Coverage under this Policy shall not apply unless and until the **Named Insured** or **Additional Insured** or the **Named Insured's** or **Additional Insured's** underlying insurer is obligated to pay the applicable **Required Underlying Limits of Insurance**.

When the amount of loss has finally been determined, we shall promptly pay on behalf of the **Named Insured** or **Additional Insured** the amount of loss falling within the terms of this Policy.

The **Named Insured** or **Additional Insured** shall promptly reimburse us for any amount paid by us on behalf of the **Named Insured** or **Additional Insured** which is within the retained limit.

In witness whereof, we have caused this policy to be executed and attested, and if required by state law this policy shall not be valid unless countersigned by our authorized representative.


Secretary


President

AIG PRIVATE CLIENT GROUP

EMPLOYMENT PRACTICES LIABILITY COVERAGE ENDORSEMENT

WITH RESPECT TO COVERAGE PROVIDED BY THIS ENDORSEMENT, ALL PROVISIONS AND CONDITIONS OF THE GROUP PERSONAL EXCESS LIABILITY POLICY APPLY UNLESS THEY ARE CHANGED BY THIS ENDORSEMENT.

DEFINITIONS

Definition of **Personal Injury** is deleted and replaced with the following:

Personal Injury means injury arising out of one or more of the following offenses:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Wrongful entry into, or eviction of a person from a room, dwelling or premises that the premises that the person occupies;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, or services;
5. Oral or written publication of material that violates a person's right of privacy.
6. **Wrongful Employment Act** which occurs during the policy period.

The following definitions are added:

Discrimination ...means violation of a person's civil rights with respect to such person's race, color, national origin, religion, gender, marital status, age, sexual orientation or preference, physical or mental condition, or any other protected class or characteristic established by any federal, state or local statutes, rules or regulations

Employment crisis... means an allegation of, or discovery by an **Additional Insured** of, a wrongful employment act committed against an **Additional Insured's** private staff that has resulted in or, in the **Additional Insured's** good faith opinion, is reasonably likely to result in a civil action against an **Additional Insured** or a **relative**.

Incidental Business ...means a business activity that does not produce gross revenues in excess of \$10,000 in any year, has no employees subject to workers' compensation or other similar disability laws, and conforms to federal, state and local laws. Incidental business includes the business of farming provided that it does not involve employment of others for more than 1,250 hours of farm work during the Policy Period, and does not produce more than \$25,000 in

gross annual revenues from the raising or care of animals or agriculture. A qualifying organization is not considered an incidental business.

Incidental Worker ...means a person, such as a babysitter, hired for casual employment by an **Additional Insured**, working less than 15 hours per week.

Leased Workers ...means a person employed by a firm under an agreement between an **Additional Insured** and the firm, to perform duties related to the conduct of the **Additional Insured's** domestic, personal or incidental business.

Private Staff ...means individual(s) employed by an **Additional Insured** to perform duties related to that **Additional Insured's** residential affairs, personal affairs or **incidental business**. **Private staff's** labor or service is engaged by and directed by the **Additional Insured** for remuneration. **Private staff** includes **temporary workers**, including full-time or part-time **leased workers**. Independent contractors and **incidental workers** are not considered **private staff**. Full-time means regularly employed by an **Additional Insured** 30 hours or more per week, while part-time means regularly employed by an **Additional Insured** less than 30 hours but more than 15 hours per week.

Sexual Harassment... means unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature when such conduct:

- a. Is linked with a decision affecting an individual's employment;
- b. Interferes with an individual's job performance; or
- c. Creates an intimidating, hostile or offensive working environment for an individual.

Temporary Worker ...means a person who is furnished to an **Additional Insured** to substitute for a permanent **private staff** member on leave or to meet seasonal or short-term workload conditions.

Wrongful Employment Act ... means actual or alleged employment related **wrongful termination, sexual harassment, or discrimination**.

All **wrongful employment acts** arising out of continuous, repeated or related **wrongful employment acts** shall be treated as one **wrongful employment act** and shall be deemed to occur at the time of the first **wrongful employment act**.

Wrongful Termination means:

- a. Violation of an **Additional Insured's** private staff's rights, other than rights based on an express, written, or oral agreement of employment, when terminating an employment relationship; or
- b. Failure to exercise duty and care on the part of an **Additional Insured** or a **relative** when terminating an employment relationship, or
- c. Violation of the rights of others in the employ of a qualifying organization, other than rights based on an express, written, or oral agreement of employment, when terminating an employment relationship

I. INSURING AGREEMENTS

Insuring Agreement C. is added as follows:

- C. We shall pay on behalf of the **Additional Insured(s)** the **damages**, in excess of the Employment Practices Liability Deductible, which the **Additional Insured** becomes legally obligated to pay to compensate **private staff** arising out of the **Additional Insured's wrongful employment act** to which this insurance applies. This coverage applies only if:

1. The number of **private staff** does not exceed five (5) at the inception date of the Policy Period; and
2. The **wrongful employment act** occurs during the Policy Period.

All **wrongful employment acts** arising out of continuous, repeated or related **wrongful employment acts** shall be treated as one **wrongful employment act** and shall be deemed to occur at the time of the first **wrongful employment act**.

Additional Coverage --Employment Crisis Fund™

We cover reasonable fees and necessary expenses incurred by a crisis management firm for services performed to minimize potential loss as a result of an **employment crisis**. A crisis management firm means any public relations firm, media management consultant, investigative firm or law firm. This coverage applies only if:

1. The **employment crisis** arises from a **wrongful employment act** committed during the Policy Period; and
2. The **employment crisis** is reported to **us** as soon as practicable but in no event later than thirty (30) days after the **Additional Insured** first contact a crisis management firm regarding the **employment crisis**.

There is no requirement for the **Additional Insured** to obtain approval before incurring fees and expenses with a crisis management firm following an **employment crisis** provided the **Additional Insured** select a firm from **our** panel of pre-approved crisis management firms. Prior written approval from **us** is required for this coverage to apply to fees and expenses incurred with any crisis management firm that is not listed on **our** pre-approved panel.

The most **we** will pay is the fees and expenses of the crisis management firm until they advise **us** that the **employment crisis** no longer exists or \$25,000, whichever is less. The most we will pay is \$25,000 regardless of the number of **employment crises** occurring during the Policy Period. This limit is in addition to the Limited Employment Practices Liability limit stated on the Declarations Page. This coverage is not subject to a deductible.

II. DEFENSE

Provision II A. 2. is replaced as follows:

2. Damages are sought for a **wrongful act, wrongful employment, bodily injury, property damage** or **personal injury** covered by this Policy but not covered by any **underlying insurance** listed in the Schedule of **Required Underlying Limits of Insurance** or any other **underlying insurance** providing coverage to the **Named Insured** or the **Additional Insured**.

V. LIMITS OF INSURANCE

Provision C is replaced as follows:

- C. The Each **Wrongful Act**/Aggregate Limit indicated in the Declarations is the most **we** shall pay for all **damages** that result from all **wrongful acts** combined.

The Each **Wrongful Employment Act**/Aggregate Limit indicated in the Declarations is the most **we** shall pay for all **damages** that result from all **wrongful employment acts** combined.

This Limit of Insurance shall apply separately to each consecutive annual period within the Policy Period. The Policy Period begins with the effective date shown in the

Declarations. If the Policy Period is extended after issuance for an additional period of less than twelve (12) months, the additional period shall be deemed part of the last preceding annual period.

Provision F. Employment Practices Liability Deductible is added as follows:

F. The Deductible amount shown for Employment Practices Liability shall be subtracted from the **damages** as a result of any **wrongful employment act** or series of related acts, regardless of how many **claims** or people are involved.

The limits will not be reduced by the application of the Deductible amount. Notice of **claim** or **suit** and our right to investigate and negotiate any such **claim** or **suit**, apply irrespective of the application of the Deductible amount.

VI. EXCLUSIONS

Exclusion Section A. of the policy, in its entirety, also applies to Insuring Agreement C.

Exclusion Section B. of the policy, in its entirety, also applies to Insuring Agreement C.

Exclusion Section D. is added as follows:

As respects **Insuring Agreement A, Insuring Agreement B** and **Insuring Agreement C**, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense arising from:

1. Wrongful Termination

Any claim arising out of any **wrongful employment act**, including but not limited to **wrongful termination** of employment.

2. Discrimination

Any **claim** arising out of **discrimination** on any basis including but not limited to: race, creed, religion, ethnic background, national origin, age, disability, sex, or sexual orientation;

3. Sexual Misconduct

Any claim arising out any actual, alleged or threatened:

- a.** Sexual misconduct, molestation or harassment;
- b.** Corporal punishment; or
- c.** Sexual, physical or mental abuse.

Exclusion Section E. is added as follows:

As respects **Insuring Agreement C**, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense arising from:

1. Property Damage or Bodily Injury

2. Punitive Damages, Taxes

For, or arising out of, fines, penalties, taxes, punitive, exemplary or multiplied damages, except where required by law.

3. Uninsurable Losses

For, or arising out of, matters which may be deemed uninsurable according to the law under which the Policy is construed.

4. Breach of an Employment Contract

Arising out of a **wrongful employment act** for which the **Additional Insured** is obligated to pay **damages** by reason of an express, written, or oral agreement of employment.

5. Non-Monetary Relief

For, or arising out of, that part of any **claim** or **suit** seeking non-monetary relief including, but not limited to, injunctive relief, declaratory relief, disgorgement, job reinstatement, or other equitable remedies.

6. Violations of Laws Applicable to Employers

Arising out of a violation of any of the responsibilities, obligations or duties imposed by the Employment Retirement Income Security Act of 1974, Fair Labor Standards Act (except the Equal Pay Act), the Workers' Adjustment and Retraining Notification Act, National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the Immigration Reform & Control Act of 1986, any rules or regulations of the foregoing promulgated there under, and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

7. Social Security Benefits

Arising out of any obligation under the Social Security Act including, but not limited to, any **claim** for lost or diminished Social Security benefits; including any amendments to that law, or similar federal, state, or local statutory or common law.

AIG PRIVATE CLIENT GROUP

LIMITED CHARITABLE BOARD DIRECTORS AND TRUSTEES LIABILITY COVERAGE ENDORSEMENT

WITH RESPECT TO COVERAGE PROVIDED BY THIS ENDORSEMENT, ALL PROVISIONS AND CONDITIONS OF THE GROUP PERSONAL EXCESS LIABILITY POLICY APPLY UNLESS THEY ARE CHANGED BY THIS ENDORSEMENT.

DEFINITIONS

The following definitions are added:

Continuity Date means the first date that **we** provided to an **Additional Insured** Limited Charitable Board Directors and Trustees Liability coverage whether under this policy or under any other policy issued by **us** incepting before the inception date of this policy, and continuously renewed to the inception date of this policy.

Director-Officer means a director, trustee, trustee emeritus or governor of a **qualifying organization** who also holds the position of an unpaid, part-time officer of the **qualifying organization** for the period of time such individual holds both positions.

Director and Trustee Claim means:

- a. A written demand for monetary relief; or
- b. A civil, criminal, regulatory or administrative proceeding for monetary or non-monetary relief which is commenced by:
 - (i) service of a complaint or similar pleading alleging a **wrongful employment act**;
 - (ii) a return of a criminal indictment; or
 - (iii) a receipt or filing of a notice of charges.

Director and Trustee Loss means **damages** and those amounts properly paid under **PART II – DEFENSE, SECTION A. Director and trustee loss** also specifically includes any “Excess Benefits” penalty assessed in the amount of 10% by the Internal Revenue Service (“IRS”) against an **Additional Insured** for his or her involvement in the award of an “Excess Benefit”. The term “Excess Benefit” means an excess benefit as defined in the Taxpayer Bill of Rights Act 2, 26 U.S.C. 4958. A **Director and Trustee Loss** shall not include the cost of complying with any judgment or settlement of a **director and trustee claim** for non-monetary relief.

Financial Insolvency means, for a **qualifying organization**, (1) entering into proceedings in bankruptcy; or (2) becoming a debtor in possession; or (3) the taking of control, the supervision of, or the managing or liquidating the financial affairs of such entity by a receiver, conservator, liquidator, trustee, rehabilitator, or similar official.

Non-Employment Discrimination means any actual or alleged **sexual harassment** or unlawful **discrimination**, or the violation of the civil rights of a person relating to such **sexual harassment** or **discrimination**, when such acts are alleged to be committed against anyone other than a director, trustee, trustee emeritus, governor, employee or volunteer of the **qualifying organization**.

Qualifying Organizations means any not-for-profit organization qualifying for tax exempt status under Section 501(c)(3), (4) or (7) of the Internal Revenue Code of the United States, or any **subsidiary** thereof, including such organizations which are:

- a. A religious, educational, charitable, scientific or literary organization;
- b. A civic League, social welfare organization or local association of employees; or
- c. A social or recreation club.

Provided, however, that **qualifying organizations** shall not mean:

- a. Organizations in operation for less than 1 year or for which IRS certification is pending,
- b. Healthcare Organizations of any type or variety,
- c. Secondary Education Organizations (including Colleges, Universities or any organization providing post-12th grade educational services), except Alumni Organizations, or
- d. Organizations (other than residential cooperatives) with total assets (inclusive of **subsidiaries**) greater than \$50,000,000 as stated in their most recent financial statement at inception of this policy.

Subsidiary means any not-for-profit organization qualifying for tax exempt status under Section 501(c)(3), (4) or (7) of the Internal Revenue Code of the United States at the time of the alleged **wrongful director and trustee act** that the **qualifying organization** owns more than fifty percent (50%) of the voting interest, either directly, or indirectly through one or more of its **subsidiaries**, or has, at the time of the alleged **wrongful director and trustee act**, the right to elect or appoint more than fifty percent (50%) of the voting directors, or trustees, either directly or indirectly through one or more of its **subsidiaries**; and meets the other requirements of a **qualifying organization** as defined in this policy.

Wrongful Director and Trustee Act means any breach of duty, neglect, error, misstatement, or misleading statement, omission or act by an **Additional Insured**, in his or her capacity as a director, officer (in cases of a director-officer) trustee, trustee emeritus or governor of a **qualifying organization**, or any matter claimed against the **Additional Insured** by reason of his or her status as such. **Wrongful Director and Trustee Act** includes:

- a) A **wrongful employment act**;
- b) **Non-employment discrimination**;
- c) Libel, slander, defamation or publication or utterance in violation of an individual's right of privacy;
- d) Wrongful entry or eviction or other invasion of the right of occupancy;
- e) False arrest or wrongful detention;
- f) Violation of the Sherman Antitrust Act or similar federal, state, or local statutes or rules; and
- g) Plagiarism, infringement of copyright or trademark or unauthorized use of title.

Wrongful Employment Act means actual or alleged employment related **wrongful termination, sexual harassment, or discrimination**.

For the purposes of the Limited Charitable Board Directors and Trustees Liability Coverage, **wrongful employment act** also includes actual or alleged retaliation; wrongful failure to employ or promote; wrongful discipline; wrongful deprivation of career opportunity; wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference.

Wrongful Termination means violation of the rights of others in the employ of a **qualifying organization**, other than rights based on an express, written, or oral agreement of employment, when terminating an employment relationship.

I. INSURING AGREEMENTS

Insuring Agreement D. is added as follows:

D. Limited Charitable Board Directors and Trustees Liability Coverage

We will pay a **director and trustee loss** an **Additional Insured** is legally required to pay arising out of a **director and trustee claim** against that **Additional Insured** in his or her capacity as a director, officer (in cases of a director-officer), trustee, trustee emeritus or governor of a **qualifying organization** alleging a **wrongful director and trustee act** to which this insurance applies. This coverage applies only if:

- 1) The number **qualifying organizations** an **Additional Insured** is a director, trustee, trustee emeritus or governor of does not exceed five (5) at the inception of the Policy Period;
- 2) The **director and trustee claim** is made against an **Additional Insured** during the Policy Period and reported to **us** in accordance with the provisions of this policy for this coverage;
- 3) The **director and trustee loss** is neither indemnified by the **qualifying organization** nor the **Named Insured**, or neither the **qualifying organization** nor the **Named Insured** indemnifies the **Additional Insured** due to **financial insolvency**; and
- 4) The **director and trustee loss** is excess of the greater of the **director and trustee loss** covered by any applicable **underlying insurance** or the Deductible indicated on the Declarations for this coverage.

All **wrongful director and trustee acts** arising out of continuous, repeated or related **wrongful director and trustee acts** shall be treated as one **wrongful director and trustee act** and shall be deemed to occur at the time of the first **wrongful director and trustee act**.

II. DEFENSE

The **Defense** Provision is replaced as follows:

A. As respects Limited Charitable Board Directors and Trustees Liability:

We will defend an **Additional Insured** against any suit seeking **damages** covered by Limited Charitable Board Directors and Trustees Liability under this policy and where:

- 1) The **underlying insurance** has been exhausted by payment of claims;
- 2) No **underlying insurance** applies; or
- 3) Any applicable Deductible has been exhausted.

even if the allegations of the suit are groundless, false, or fraudulent.

Defense coverage and claim expenses are subject to the applicable Deductible.

The **Additional Insured** may choose counsel from a panel of firms selected by **us**. If a panel counsel is not established in the **Additional Insured's** jurisdiction, **we** reserve the right to select counsel. **We** may investigate and settle any claim or suit at **our** discretion.

Additionally, **we** will pay:

- a. All court costs and expenses on judgments assessed against any **Additional Insured**;

- b. Reasonable expenses incurred by an **Additional Insured** at **our** request, up to a total of \$10,000 for assisting **us** in the investigation or defense of a **claim** or **suit**;
- c. The cost of bail bonds required of an **Additional Insured** because of a covered loss;
- d. All premiums on bonds required in a **suit we** defend, but not for bond amounts more than the coverage amount (**we** need not apply for or furnish any bond);
- e. All expenses incurred by **us**;
- f. Interest on the entire judgment against an **Additional Insured** which accrues after entry of the judgment and before **we** pay or tender, or deposit in court, that part of the judgment which does not exceed the amount of coverage; and
- g. All prejudgment interest awarded against an **Additional Insured** on that part of the judgment **we** pay or offer to pay. **We** will not pay any prejudgment interest based on that period of time after **we** make an offer to pay the amount of coverage.

In jurisdictions where **we** are prevented from defending an **Additional Insured** for a covered loss because of laws or other reasons, **we** will pay any expenses incurred with our prior consent for the **Additional Insured's** defense.

B. As respects Limited Charitable Board Directors and Trustees Liability, the following also applies:

We will have the right, but not the duty, to defend any **Additional Insured** against any suit seeking **damages** covered by this policy and also covered by required **underlying insurance**.

We will have the right to participate, at our own expense, with the **Additional Insured** or insurer of any **underlying insurance** policy in the investigation, defense or settlement of any **claim** or **suit** which **we** believe may require a loss payment under this policy. **We** will not contribute to the costs and expenses incurred by any insurer of an **underlying insurance** policy, which an insurer of such policy is obligated to provide.

C. When Our Duty To Defend Ends

Our duty to defend any **Additional Insured** against any **director and trustee claim** or **suit** arising out of any one **wrongful director and trustee act** or a series of related **wrongful director and trustee acts** ends when the amount **we** have paid in **director and trustee loss** for that **wrongful director and trustee act** equals the Limited Charitable Board Directors and Trustees Liability limits shown on the Declarations Page

Payments under this provision Defense are part of and not in addition to the Limited Charitable Board Directors and Trustees Liability limits shown on the Declarations Page.

V. LIMITS OF INSURANCE

With respect to **Limited Charitable Board Directors and Trustees Liability Coverage**, **PART V. LIMITS OF INSURANCE** is replaced as follows:

1. Annual Aggregate

The most **we** will pay for the sum of all **director and trustee losses** for all **director and trustee claims** under this coverage during the Policy Period is the limit shown as 'Annual Aggregate' for Limited Charitable Board Directors and Trustees Liability. Each **director and trustee loss** payment we make for such **director and trustee claims** reduces the Annual Aggregate limit by the amount of the payment. This reduced limit will then be the amount available for any further **director and trustee claims** for the remaining portion of the Policy Period. Payment for Defense coverage and claims expenses reduces the Annual Aggregate limit.

2. Each Wrongful Director and Trustee Act

Subject to the Annual Aggregate Limit, the most **we** will pay for all **director and trustee losses** for all **director and trustee claims** because of any **wrongful director and trustee act** or series of related acts is the 'Each Wrongful Director and Trustee Act' limit shown for Limited Charitable Board Directors and Trustees Liability.

This insurance applies separately to each **insured person** against whom a **director and trustee claim** is made or suit is brought but we will not pay more than the Annual Aggregate regardless of how many **director and trustee claims** or people are involved.

VI. EXCLUSIONS

Exclusion Section A. of the policy, in its entirety, also applies to Insuring Agreement D.

Exclusion Section B. of the policy, in its entirety, also applies to Insuring Agreement D.

Exclusion Section D. is added as follows:

As respects **Insuring Agreement A, Insuring Agreement B** and **Insuring Agreement D**, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense arising from:

1. **Wrongful Termination**

Any claim arising out of any **wrongful director and trustee act**, including but not limited to **wrongful termination** of employment.

2. **Discrimination**

Any **claim** arising out of **discrimination** on any basis including but not limited to: race, creed, religion, ethnic background, national origin, age, disability, sex, or sexual orientation;

3. **Sexual Misconduct**

Any claim arising out any actual, alleged or threatened:

- a. Sexual misconduct, molestation or harassment;
- b. Corporal punishment; or
- c. Sexual, physical or mental abuse.

Exclusion Section E. is added as follows:

As respects **Insuring Agreement D.**, the following also applies:

This insurance does not provide coverage for liability, defense costs or any other cost or expense:

1. **Property Damage or Bodily Injury**

Arising out of **property damage** or **bodily injury**.

2. Punitive Damages, Taxes

For, or arising out of, fines, penalties, taxes, punitive, exemplary or multiplied **damages**, except where required by law. This exclusion does not apply to the IRS imposed "Excess Benefits" 10% penalty specified in the definition of **director and trustee loss**.

3. Uninsurable Losses

For, or arising out of, matters which may be deemed uninsurable according to the law under which the Policy is construed.

4. Breach of an Employment Contract

Arising out of a **wrongful employment act** for which the **Additional Insured** is obligated to pay **damages** by reason of an express, written, or oral agreement of employment.

5. Violations of Laws Applicable to Employers

Arising out of a violation of any of the responsibilities, obligations or duties imposed by the Employment Retirement Income Security Act of 1974, Fair Labor Standards Act (except the Equal Pay Act), the Workers' Adjustment and Retraining Notification Act, National Labor Relations Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the Immigration Reform & Control Act of 1986, any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law.

6. Social Security Benefits

Arising out of any obligation under the Social Security Act including, but not limited to, any claim for lost or diminished Social Security benefits, including any amendments to that law, or similar federal, state, or local statutory or common law.

7. Pending or Prior claims

Arising out of:

a. Litigation; or

b. Administrative or regulatory proceeding or investigation of which a **qualifying organization** or the **Additional Insured** had notice, which was prior to or pending as of the **continuity date**; or arising out of essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation.

8. Prior Notice

Arising out of any facts alleged, or to the same or related **wrongful director and trustee act** alleged, in any **director and trustee claim** which has been reported, or in any circumstances of which notice has been given, under any insurance policy of the **Additional Insured** or the **qualifying organization** prior to the inception date of this coverage.

9. Qualifying Organization or Director Claim

Arising out of any **director and trustee claim** brought by, against or on the behalf of the **qualifying organization, Named Insured**, or any affiliate thereof, or brought by a director, partner, trustee, trustee emeritus or governor of the **qualifying organization** or **Named Insured**. No coverage is afforded to the **qualifying organization** or **Named Insured** and this policy does not provide any defense or pay any **director and trustee loss** of the **qualifying organization** or **Named Insured**. This exclusion shall not apply to any derivative claim brought and maintained independently of the **qualifying organization** or the **Additional Insured**.

10. Specific Laws

Arising out any alleged violations of the Alien Tort Claim Act or any other similar law whether statutory, regulatory or common law.

11. Securities

Arising out of any purchase or sale of securities, including annuities, or **director and trustee claim** brought by securities holders.

12. Intellectual Property

Arising out of any allegation of misappropriation of patent, trade secret or any other intellectual property rights.

13. Pollution

Arising out of any alleged or threatened discharge, dispersal, release or escape of pollutants, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants include any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste.

14. Sponsor Developer

Arising out of any **director or trustee claim(s)** brought by, against, or on behalf of the developer of the condominium units, cooperative corporation property or other real or personal property managed by the **qualifying organization(s)** (hereafter the property); which are brought by or on behalf of the sponsor for conversion of the property to cooperative or condominium ownership; or any **director or trustee claim** which alleges or arises out of any alleged conflict of interest between the fiduciary responsibility of any member of the Board of the **qualifying organization** to the **qualifying organization** and their relationship with the sponsor or developer of the **qualifying organization** property.

15. Medical Malpractice

Arising out of any alleged medical or professional malpractice including, but not limited to, the rendering or failure to render of medical or professional service or treatment.

16. Sexual Misconduct

Arising out of, or in any way involving, directly or indirectly, any alleged sexual misconduct, child abuse or neglect, including but not limited to the employment, supervision, reporting to the proper authorities, failure to so report or retention of any person. "Sexual Misconduct" means any licentious, immoral or sexual behavior, sexual abuse, sexual assault, or molestation intended to lead to or culminating in any sexual act against any individual(s).

17. Failure to Maintain Insurance

Arising out of any alleged failure or omission on the part of the **qualifying organization** or an **Additional Insured** to effect or maintain adequate insurance.

18. IRS Assessment

For, or arising out of, the assessment, by the IRS, of a penalty greater than or equal to 25% against a **qualifying organization**, any other director, trustee, trustee emeritus or governor, or an **Additional Insured** deemed to have received an Excess Benefit will void ab initio all Limited Charitable Board Directors and Trustees Liability coverage. **Director and trustee loss** does not include: (1) any penalty in excess of 10% assessed by the IRS; and (2) Defense coverage and claim expenses incurred to defend you if it has been in fact determined that you received an Excess Benefit which resulted in penalties in excess of 10%.

19. Nuclear

Caused directly or indirectly by nuclear reaction, radiation, or radioactive contamination.

VII. CONDITIONS

Condition I. is deleted and replaced with the following:

I. Maintain Underlying Insurance

1. Underlying Insurance

We will pay for that part of covered **director and trustee loss** in excess of all **underlying insurance**, even if the underlying coverage is for more than the Minimum Required Underlying Limits shown on the Declarations.

Underlying Insurance includes all liability insurance, other than this policy or insurance purchased specifically to be excess of this policy that applies to the covered **director and trustee loss**.

2. Required Underlying Insurance

a. With respects to Limited Charitable Board Directors and Trustees Liability Coverage, **required underlying insurance** means any insurance issued to the **qualifying organization** and applicable to **director and trustee claims** against an **Additional Insured** for **director and trustee loss**.

b. The **required underlying insurance** must be maintained by the **qualifying organization** in full effect for the Minimum Required Underlying Limit amounts shown on the Declarations Page, which in all events shall not be less than one million dollars (\$1,000,000) in the aggregate.

c. If, at the time of a **director and trustee loss**, the **underlying insurance** that is applicable to the **director and trustee loss** is not fully collectible because:

- 1)** The **qualifying organization** has failed to maintain required underlying insurance;
- 2)** The limits, terms or conditions of the required underlying insurance are not applicable to the particular **director and trustee claim** against an **Additional Insured**;
- 3)** The insurer of the required underlying insurance is bankrupt, insolvent or in receivership; or
- 4)** The **Additional Insured** have failed to meet his or her contractual responsibilities under the required underlying insurance;

then **we** will pay only as though the required underlying insurance was in effect for the Minimum Required Underlying Limits stated on the Declarations Page.

3. Subject to the preceding, if the limit of liability of **required underlying insurance** is reduced or exhausted by payments made thereunder, **we** will:

- a.** In the event of reduction, pay excess of the remaining limits of **required underlying insurance**; and
- b.** In the event of exhaustion, continue in force as **underlying insurance**.

Condition G. **Duties In the Event Of An Occurrence** is replaced with the following:

In the event of a **wrongful director and trustee act**, or **claim** which is likely to involve this policy, or if the **Additional Insured** under this policy is sued or a claim or **director and trustee claim** is made against an **Additional Insured** in connection with an **occurrence** or **wrongful director and trustee act** which may be covered under this policy:

1. The **Named Insured** must notify **us** or **our** agent of the time, place and other circumstances of the **wrongful director and trustee act** and provide us with the names and addresses of any persons injured and any available witnesses.

- a. Notice hereunder shall be given in writing to

Attn. Segmentation Department
AIG Domestic Claims, Inc.
175 Water Street, 9th Floor
New York, NY 10038

Notice shall include and reference this Policy Number as indicated on the Declarations Page. If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

- b. Notification must occur as soon as practical and no later than the end of the Policy Period of this policy. Notification may also be made within thirty days after the end of the Policy Period as long as this is no later than thirty days after the **director and trustee claim** was made against the **Additional Insured**. Notice of **director and trustee claim** and **our** right to investigate and negotiate any such **director and trustee claim**, apply irrespective of the application of the **required underlying insurance**.
- c. If **we** are notified as above then any **director and trustee claim** which is subsequently made against the **Additional Insured** and reported to **us** alleging the facts alleged, or the same or related **wrongful director and trustee acts** alleged in the earlier **director and trustee claim** for which notice has been given, shall be considered made at the time such earlier notice was given.

2. An **Additional Insured** must:

- a. Provide **us** with any suit papers and any other documents which will help **us** defend that **Additional Insured**; and
- b. Assist and cooperate with **us** in the conduct of the defense by helping **us**:
 - 1) To make settlement;
 - 2) To enforce any right of contribution or indemnity against any person or organization who may be liable to an **Additional Insured**;
 - 3) To attend hearings and trials; and
 - 4) To secure and give evidence and obtain the attendance of witnesses.
- c. In the event the **Additional Insured** do not consent to a settlement proposed by **us** and agreeable to the plaintiff, then **our** liability for all **directors and trustee loss** shall not exceed the amount for which **we** could have settled the **director and trustee claim** against the **Additional Insured** plus defense coverage and claim expenses incurred as of the date such settlement was proposed. **We** may also in **our** discretion tender the defense of the **director and trustee claim** to the **Additional Insured** in which case the **Additional Insured** shall thereafter on the **Additional Insured's** own behalf negotiate and defend the **director and trustee claim** independently of **us**.

The following is added to Condition L. Policy Territory:

With respects to Limited Charitable Board Directors and Trustees Liability Coverage, this policy applies to a **wrongful director and trustee act** which takes place anywhere in the world but, only if the **directors and trustees claim** is made and a **suit** is brought for such **wrongful director and trustee act** in the United States of America, its territories or possessions.

The following Conditions are added:

T. Concealment or Fraud

The Limited Charitable Board Directors and Trustees Liability coverage will be void if, whether before or after a loss, the **Additional Insured** have:

1. Intentionally concealed or misrepresented any material fact or circumstance;
2. Engaged in fraudulent conduct; or
3. Made false statements;

relating to this coverage.

U. Coordination of Limits. With respect to any **director and trustee claim(s)** against an **Additional Insured** under this policy for which coverage is also provided by one or more other policies issued by the Insurer or any other member of the American International Group ("AIG"), (or would be provided but for the exhaustion of the limit of liability or the applicability of the retention amount or deductible or the failure of the Insured(s) to submit a notice of a Claim), the limit of liability provided by virtue of this policy shall be reduced by the Limit of Liability provided by said other AIG policy.

Notwithstanding the above, in the event such other AIG policy contains a provision which is similar in intent to the foregoing paragraph, then the foregoing paragraph will not apply, but instead:

1. The Insurer shall not be liable under this policy for a greater proportion of the **director and trustee loss** than the applicable limit of liability under this policy bears to the total limit of liability of all such policies, and
2. The maximum amount payable under all such policies shall not exceed the limit of liability of the policy which has the highest available limit of liability.

The foregoing will not apply to directors and officers insurance purchased by the **qualifying organization**.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

GROUP PERSONAL EXCESS LIABILITY POLICY

REVISED MINIMUM REQUIRED UNDERLYING LIMITS

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Your Minimum Required Underlying Limits are stated on your Declarations Page unless revised by the Schedule below.

Schedule

Required Underlying Insurance

Minimum Required Underlying Limits

Your Minimum Required Underlying Limits are shown on your Declarations Page unless revised by the Schedule above.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

GROUP PERSONAL EXCESS LIABILITY POLICY

ADDITIONAL INSURED EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

All coverage is excluded from this policy if the following individual(s) is operating any of the **autos, recreational motor vehicles, or watercraft** listed on the Declarations Page at the time of an **occurrence**:

Additional Insured:

Policy Number:

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

GROUP PERSONAL EXCESS LIABILITY POLICY

ADDITIONAL INSURED PERSON

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Under DEFINITIONS, **Additional Insured** is amended to include the following individuals, organizations or entities:

Name

Interest

1.

2.

3.

4.

Endorsement to Policy #:
Policy Period:

Endorsement Effective Date:

POLICY CHANGES

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Name of Insured and Mailing Address

Agency Name, Address, Phone # & Code

Policy Change Number:

Premium for this change:

Coverage Affected:

=====

Changes

Countersigned _____
(Date)

By _____
(Authorized Representative)

Endorsement to Policy #:

GROUP PERSONAL EXCESS LIABILITY POLICY

LIBEL/SLANDER EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Under DEFINITIONS, **Personal Injury** is deleted and replaced by the following:

- Personal Injury** means the following injuries, or resulting death:
- a. Bodily Injury;**
 - b. Wrongful detention, false imprisonment, or false arrest;**
 - c. Shock, emotional distress, mental injury;**
 - d. Invasion of privacy;**
 - e. Malicious prosecution;**
 - f. Wrongful entry or eviction; or**
 - g. Assault and battery if committed for the purpose of protecting persons.**

Endorsement to Policy #:

GROUP PERSONAL EXCESS LIABILITY POLICY

POLITICAL ACTIVITY EXCLUSION

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

Part VI. EXCLUSIONS, with respect to Insuring Agreement A, the following exclusion is added:

Political Activity

Arising out of an **Additional Insured's** political life and political activity including, but not limited to, running for public office, activities related to a public office, fundraising for an **Additional Insured** or other political candidates, or supporting other political candidates or politicians holding office.

Endorsement to Policy #:

Endorsement Effective Date:

Policy Period:

GROUP PERSONAL EXCESS LIABILITY POLICY

SUPPLEMENTAL DEFENSE COVERAGE – EXCESS LIABILITY

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

It is agreed and understood that PART II. DEFENSE, Expanded Defense Coverage, is deleted and replaced with the following:

For an additional premium, **we** will provide supplemental defense coverage in the amount of \$_____ while defending an **Additional Insured** for any **suit** seeking covered **damages**, for the reasonable expenses for a law firm of your choice to review and consult on the defense of any **occurrence** covered by Excess Liability under this policy. This coverage applies only to expenses incurred after the date our defense has begun and any applicable deductible has been applied.

Endorsement to Policy #:

AMENDATORY ENDORSEMENT – ARKANSAS

With respect to coverage provided by this endorsement, all provisions and conditions of the policy apply unless they are changed by this endorsement.

PART VII – CONDITIONS, D. Cancellation is deleted and replaced by the following:

D. Cancellation

1. The **Named Insured** shown in the Declarations may cancel this Policy by mailing or delivering to **us** advance written notice of cancellation.
2. **We** may cancel this Policy by mailing or delivering to the **Named Insured** written notice of cancellation at least:
 - a. Ten (10) days before the effective date of cancellation if **we** cancel for nonpayment of premium; or
 - b. When this policy has been in effect for sixty (60) days or less, and is not a renewal with us we may cancel for any reason by letting you know at least twenty (20) days before the date cancellation takes effect.
 - c. When this policy has been in effect for sixty (60) days or more, or at any time if it is a renewal with us, we may cancel for a reason below:
 - 1) Upon discovery of fraud or material misrepresentation made by or with the knowledge of the named insured in obtaining or continuing the policy, or in presenting a claim under this policy;
 - 2) Upon the occurrence of a material change in the risk which substantially increases any hazard insured against after insurance coverage has been issued;
 - 3) If there is a violation of any local fire, health, safety, building or construction regulation or ordinance with respect to any insured property which substantially increases any hazard insured against;
 - 4) Nonpayment of membership dues required by us as a condition of the issuance and maintenance of the policy; or
 - 5) For the material violation of a material provision of this policy.by letting you know at least forty-five (20) days before the date cancellation takes effect.
3. **We** shall mail or deliver **our** notice to the **Named Insured's** address shown in the Declarations.
4. Notice of cancellation shall state the effective date of cancellation. The Policy Period shall end on that date.
5. If this Policy is canceled, **we** shall send the **Named Insured** any premium refund due. If **we** cancel, the refund shall be pro rata. If the **Named Insured** cancels, the refund may be less than pro rata. The cancellation shall be effective even if **we** have not made or offered a refund.
6. If notice is mailed, proof of mailing shall be sufficient proof of notice.

7. If **we** decide not to renew this Policy, **we** shall mail or deliver to the **Named Insured** shown in the Declarations written notice of the nonrenewal not less than thirty (30) days before the expiration date.
8. If notice is mailed, proof of mailing shall be sufficient proof of notice.

SERFF Tracking Number: *APCG-125311779* *State:* *Arkansas*
Filing Company: *AIG Premier Insurance Company* *State Tracking Number:* *AR-PC-07-026420*
Company Tracking Number: *07-GRPPEL-AR-001F*
TOI: *17.0 Other Liability - Claims Made/Occurrence* *Sub-TOI:* *17.0021 Personal Umbrella and Excess*
Product Name: *AIG Private Client Group Personal Group Excess Liability*
Project Name/Number: *Personal Group Excess Liability Introductory Filing /07-GRPPEL-AR-001F*

Rate Information

Rate data does NOT apply to filing.

SERFF Tracking Number: APCG-125311779 State: Arkansas
Filing Company: AIG Premier Insurance Company State Tracking Number: AR-PC-07-026420
Company Tracking Number: 07-GRPPEL-AR-001F
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0021 Personal Umbrella and Excess
Product Name: AIG Private Client Group Personal Group Excess Liability
Project Name/Number: Personal Group Excess Liability Introductory Filing /07-GRPPEL-AR-001F

Supporting Document Schedules

Satisfied -Name:	Uniform Transmittal Document- Property & Casualty	Review Status: Approved	10/18/2007
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Comments:

Attachments:

P and C Transmittal Document Forms.pdf
Form Schedule .pdf

Satisfied -Name:	Explanatory Memo	Review Status: Approved	10/18/2007
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Comments:

Attachment:

Explanatory Memorandum Group.pdf

Property & Casualty Transmittal Document—

20.	This filing transmittal is part of Company Tracking #	07-GRPPEL-AR-001F
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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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AIG Premier Insurance Company (AIGPI) is submitting, for your Department's approval, an introduction of forms for the AIG Private Client Group Personal Group Excess Liability Insurance Program.

Our Group Excess Liability Insurance would enable employers or sponsoring organizations to offer high limits of personal liability coverage to their most valued employees. Coverage comes with higher limits of liability than typically offered on an individual policy at a more affordable price than a typical individual policy. This program is custom tailored specifically for high net worth executives, partners and professionals at corporations, law firms, investment companies, family offices, charitable institutions and other organizations that have substantial personal liability exposures.

An Explanatory Memorandum has been included for your review. Our proposed effective date is November 15, 2007 for new and renewal business.

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]
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Check Amount = \$50.00
Check Number = 32073695

Refer to each state's checklist for additional state specific requirements or instructions on calculating fees.

*****Refer to the 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 #		07-HO-AR-001F		
2.	This filing corresponds to rate/rule filing number (Company tracking number of rate/rule filing, if applicable)		07-HO-AR-001R		
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	Group Personal Excess Liability Policy	GRPPEL 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
02	Employment Practices Liability Coverage Endorsement	GRPPEL-EPLI 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03	Limited Charitable Board Directors and Trustees Liability Coverage Endorsement	GRPPEL-DO 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Revised Minimum Required Underlying Limits	GRPPEL-RUL 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
05	Additional Insured Exclusion 04/07	GRPPEL-AIEX 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
06	Additional Insured Person	GRPPEL-AIPC 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
07	Policy Changes	GRPPEL-CHGE 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
08	Libel/Slander Exclusion	GRPPEL-LSLX 04/07	<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
09	Political Activity Exclusion	GRPPEL - POL EX 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
10	Supplemental Defense Coverage - Excess Liability	GRPPEL-SDEC 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
11.	Amendatory Endorsement - Arkansas	GRPPEL-AEAR 04/07	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

EXPLANATORY MEMORANDUM AIG PREMIER INSURANCE COMPANY

AIG PRIVATE CLIENT GROUP PERSONAL GROUP EXCESS LIABILITY INSURANCE PROGRAM

Our Group Excess Liability Insurance enables employers or sponsoring organizations to offer high limits of personal liability coverage to their most valued employees. Coverage comes with higher limits of liability than typically offered on an individual policy at a more affordable price than a typical individual policy. This program is custom tailored specifically for high net worth executives, partners and professionals at corporations, law firms, investment companies, family offices, charitable institutions and other organizations that have substantial personal liability exposures.

Coverage highlights include:

- Up to \$2 million in Errors & Omissions coverage for the sponsoring organization (\$1 million in coverage provided higher limits optional);
- Broad, worldwide protection for personal injury (including libel and slander) and property damage coverage that encompasses *unlimited* owned and non-owned vehicles, homes and watercraft and minimizes potential coverage gaps in individual policies;
- Some of the highest limits available in any group excess program; up to \$50 million on one policy;
- Excess under/uninsured motorist coverage of up to \$10 million available;
- Optional Employment Practices Liability Coverage;
- Optional Limited Charitable Board Directors and Trustees Liability Coverage;
- Flexible attachment points focused on group needs; *includes a combined single underlying limit on automobile liability of \$300,000*;
- Flexible defense coverage, enabling individuals facing a claim to choose defense counsel from the AIG Companies®' Panel Counsel comprised of the nation's preeminent litigation defense specialists. In addition, Expanded Defense Coverage reimburses insureds for expenses up to \$100,000 to retain private counsel to follow the defense. (\$10,000 is automatically included in the contract)
- Defense costs paid outside policy limits for excess liability claims; and
- Concierge-level Claims ServiceSM characterized by unprecedented choice, flexibility and responsiveness.