

SERFF Tracking Number: WESA-125550370 State: Arkansas  
Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
Company Tracking Number: PROF-CAP-08-14  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Community Association Program  
Project Name/Number: Community Association Program/PROF-CAP-08-14

## Filing at a Glance

Company: United States Liability Insurance Company

Product Name: Community Association Program SERFF Tr Num: WESA-125550370 State: Arkansas

Program

TOI: 17.0 Other Liability - Claims Made/Occurrence SERFF Status: Closed State Tr Num: #27594 \$50

Sub-TOI: 17.0022 Other Co Tr Num: PROF-CAP-08-14 State Status: Fees verified and received

Filing Type: Form Co Status: Reviewer(s): Betty Montesi, Edith Roberts, Brittany Yielding

Author: Westmont Associates Disposition Date: 04/01/2008

Date Submitted: 03/25/2008 Disposition Status: Approved

Effective Date Requested (New): On Approval Effective Date (New):

Effective Date Requested (Renewal): On Approval Effective Date (Renewal):

State Filing Description:

## General Information

Project Name: Community Association Program

Project Number: PROF-CAP-08-14

Reference Organization: None

Reference Title: n/a

Filing Status Changed: 04/01/2008

State Status Changed: 04/01/2008

Corresponding Filing Tracking Number:

Filing Description:

Submission of the Company's Community Association Program Professional Liability form revision.

Status of Filing in Domicile: Pending

Domicile Status Comments: Pending in Pennsylvania.

Reference Number: None

Advisory Org. Circular: n/a

Deemer Date:

SERFF Tracking Number: WESA-125550370 State: Arkansas  
 Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
 Company Tracking Number: PROF-CAP-08-14  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
 Product Name: Community Association Program  
 Project Name/Number: Community Association Program/PROF-CAP-08-14

## Company and Contact

### Filing Contact Information

(This filing was made by a third party - westmontassociatesinc)

Meghan Slenkamp, Analyst meghans@westmontlaw.com  
 25 Chestnut Street (856) 216-0220 [Phone]  
 Haddonfield, NJ 08033

### Filing Company Information

United States Liability Insurance Company CoCode: 25895 State of Domicile: Pennsylvania  
 25 Chestnut Street Group Code: 51 Company Type: Property and  
 Casualty

Suite 105  
 Haddonfield, NJ 08033 Group Name: State ID Number:  
 (856) 216-0220 ext. [Phone] FEIN Number: 23-1383313  
 -----

## Filing Fees

Fee Required? Yes  
 Fee Amount: \$50.00  
 Retaliatory? No  
 Fee Explanation: \$50.00 filing fee  
 Per Company: No

COMPANY	AMOUNT	DATE PROCESSED	TRANSACTION #
United States Liability Insurance Company	\$0.00	03/25/2008	

CHECK NUMBER	CHECK AMOUNT	CHECK DATE
27594	\$50.00	03/24/2008

SERFF Tracking Number: WESA-125550370 State: Arkansas  
Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
Company Tracking Number: PROF-CAP-08-14  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Community Association Program  
Project Name/Number: Community Association Program/PROF-CAP-08-14

## Correspondence Summary

### Dispositions

Status	Created By	Created On	Date Submitted
Approved	Edith Roberts	04/01/2008	04/01/2008

*SERFF Tracking Number:* WESA-125550370      *State:* Arkansas  
*Filing Company:* United States Liability Insurance Company      *State Tracking Number:* #27594 \$50  
*Company Tracking Number:* PROF-CAP-08-14  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0022 Other  
*Product Name:* Community Association Program  
*Project Name/Number:* Community Association Program/PROF-CAP-08-14

## **Disposition**

Disposition Date: 04/01/2008

Effective Date (New):

Effective Date (Renewal):

Status: Approved

Comment:

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125550370 State: Arkansas  
 Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
 Company Tracking Number: PROF-CAP-08-14  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
 Product Name: Community Association Program  
 Project Name/Number: Community Association Program/PROF-CAP-08-14

Item Type	Item Name	Item Status	Public Access
Supporting Document	Uniform Transmittal Document-Property & Casualty	Approved	Yes
Supporting Document	Letter of Authorization	Approved	Yes
Supporting Document	Cover Letter	Approved	Yes
Supporting Document	Side by Side Comparisons	Approved	Yes
Supporting Document	Forms Listing	Approved	Yes
Form	Community Association Professional Liability Declarations	Approved	Yes
Form	Community Association Professional Liability Policy Renewal Certification	Approved	Yes
Form	Community Association Professional Liability Insurance Policy	Approved	Yes
Form	Personal Injury Exclusion Endorsement	Approved	Yes
Form	Publishers Liability Exclusion Endorsement	Approved	Yes
Form	Retroactive Date Endorsement	Approved	Yes
Form	Affiliated Parties Exclusion Endorsement	Approved	Yes
Form	Deletion of Third Party Liability Coverage Endorsement	Approved	Yes
Form	Amended Definition of Loss Endorsement	Approved	Yes
Form	Continuity of Coverage Endorsement	Approved	Yes
Form	Non-Monetary Damages Exclusion Endorsement	Approved	Yes
Form	Breach of Contract Exclusion Endorsement	Approved	Yes
Form	Failure to Maintain Catastrophic Insurance Endorsement	Approved	Yes
Form	Failure to Maintain Insurance Exclusion	Approved	Yes
Form	Three Year Policy Term Endorsement	Approved	Yes
Form	Arkansas State Amendatory Endorsement	Approved	Yes

SERFF Tracking Number: WESA-125550370 State: Arkansas  
 Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
 Company Tracking Number: PROF-CAP-08-14  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
 Product Name: Community Association Program  
 Project Name/Number: Community Association Program/PROF-CAP-08-14

## Form Schedule

Review Status	Form Name	Form #	Edition Date	Form Type Action	Action Specific Data	Readability	Attachment
Approved	Community Association Professional Liability Declarations	CAPD (2/08)	02 08	Declaration Replaced s/Schedule	Replaced Form #:0.00 USL-DOD 06/03 Previous Filing #:		Policy Declarations (2-08).pdf
Approved	Community Association Professional Liability Policy Renewal Certification	USL-CAP-02 CERT (2/08)	02 08	Certificate New		0.00	CAP Renewal Certificate (2-08).pdf
Approved	Community Association Professional Liability Insurance Policy	CAP (02/08)	02 08	Policy/Coverage Replaced Form	Replaced Form #:0.00 CAP (06/03) Previous Filing #:		CAP form - final _2-08_.pdf
Approved	Personal Injury Exclusion Endorsement	CAP-203 (2-08)	02 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CAP 203 (06/03) Previous Filing #:		CAP - 203 (2-08) personal injury.pdf
Approved	Publishers Liability Exclusion Endorsement	CAP-204 (2-08)	02 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CAP-204 (03/06) Previous Filing #:		CAP - 204 (2-08) publishers.pdf
Approved	Retroactive Date Endorsement	CAP-207 (2-08)	02 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CAP-207 (03/06) Previous Filing #:		CAP - 207 (2-08) retro date.pdf
Approved	Affiliated Parties Exclusion Endorsement	CAP-214 (2-08)	02 08	Endorsement/Amendment/Conditions	Replaced Form #:0.00 CAP-214 (03/06) Previous Filing #:		CAP - 214 (2-08) affiliated.pdf
Approved	Deletion of Third	CAP-218	02 08	Endorsement Replaced	Replaced Form #:0.00		CAP - 218

SERFF Tracking Number: WESA-125550370 State: Arkansas  
 Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
 Company Tracking Number: PROF-CAP-08-14  
 TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
 Product Name: Community Association Program  
 Project Name/Number: Community Association Program/PROF-CAP-08-14

Approval	Description	Policy	Effective	Endorsement	Amount	Attachment
	Party Liability Coverage Endorsement	(2-08)		nt/Amendment/Conditions		CAP-218 (03/06) Previous Filing #: (2-08) third party.pdf
Approved	Amended Definition of Loss Endorsement	CAP-222 (2/08)	02 08	Endorsement/New nt/Amendment/Conditions	0.00	CAP - 222 (2-08) Amended Def of Loss.pdf
Approved	Continuity of Coverage Endorsement	CAP-225 (2-08)	02 08	Endorsement/New nt/Amendment/Conditions	0.00	CAP - 225 (2-08) Continuity of Coverage.pdf
Approved	Non-Monetary Damages Exclusion Endorsement	CAP-227 (2-08)	02 08	Endorsement/New nt/Amendment/Conditions	0.00	CAP - 227 (2-08) non-monetary excl.pdf
Approved	Breach of Contract Exclusion Endorsement	CAP-228 (2-08)	02 08	Endorsement/New nt/Amendment/Conditions	0.00	CAP - 228 (2-08) breach excl.pdf
Approved	Failure to Maintain Catastrophic Insurance Endorsement	CAP-229 (2-08)	02 08	Endorsement/New nt/Amendment/Conditions	0.00	CAP - 229 (2-08) failure to maintain cat insurance.pdf
Approved	Failure to Maintain Insurance Exclusion	CAP-230 (2-08)	02 08	Endorsement/Replaced nt/Amendment/Conditions	Replaced Form #:0.00	CAP - 230 (2-08) failure to maintain insurance.pdf
Approved	Three Year Policy Term Endorsement	CAP-3YR (2-08)	02 08	Endorsement/Replaced nt/Amendment/Conditions	Replaced Form #:0.00	3 YR- ALL OTHER STATES.pdf
Approved	Arkansas State Amendatory	CAP AR (2/08)	02 08	Endorsement/New nt/Amendment		AR.pdf

SERFF Tracking Number: WESA-125550370 State: Arkansas  
Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
Company Tracking Number: PROF-CAP-08-14  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Community Association Program  
Project Name/Number: Community Association Program/PROF-CAP-08-14

Endorsement ent/Condi  
ons



**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY POLICY**  
THIS IS A CLAIMS MADE POLICY. PLEASE READ THIS POLICY CAREFULLY

<b>NEW</b> Renewal of Number  No. <b>POLICY DECLARATIONS</b>	<b>UNITED STATES LIABILITY INSURANCE COMPANY</b> WAYNE, PENNSYLVANIA	HOME OFFICE COPY
ITEM I. PARENT ORGANIZATION AND PRINCIPAL ADDRESS		
Item II. POLICY PERIOD: FROM TO		
12:01 AM STANDARD TIME AT YOUR MAILING ADDRESS SHOWN ABOVE		
<b>IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.</b>		

**Community Association Professional Liability**

ITEM III. LIMITS OF LIABILITY

- |                                  |    |                  |
|----------------------------------|----|------------------|
| a. Community Association D&O/EPL | \$ | EACH CLAIM       |
| b. Community Association D&O/EPL | \$ | IN THE AGGREGATE |
| c. Fiduciary Liability           | \$ | EACH CLAIM.      |
- The Aggregate Fiduciary Liability Limit is included in and capped at the Item III b. IN THE AGGREGATE limit or \$1,000,000, whichever is less.

ITEM IV. RETENTION \$ EACH CLAIM

ITEM V. PREMIUM \$

**NOTICE: DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION**

ITEM VI. Coverage Form(s)/Part(s) and endorsements made a part of this policy at time of issue:
---

Agent:  
Date issued:  
CAP-D (2/08)

by \_\_\_\_\_  
Authorized Representative

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY POLICY  
POLICY RENEWAL CERTIFICATE**

**UNITED STATES LIABILITY  
INSURANCE COMPANY  
WAYNE, PENNSYLVANIA**

**HOME OFFICE COPY**

In consideration of the renewal premium stated below, expiring Policy Number \_\_\_\_\_ is renewed for the Policy Period stated below. The Company will issue a complete copy of this Policy upon receipt of a written request from the Insured.

The New Policy Number is \_\_\_\_\_

The Application (if any) for this renewal, and all previous Applications made to the Company for this insurance, including any material submitted therewith, shall be made a part of this Renewal Policy as if physically attached hereto. PLEASE REFER TO YOUR POLICY FOR THE DEFINITION OF "APPLICATION."

**POLICY DECLARATIONS**

ITEM I. PARENT ORGANIZATION AND PRINCIPAL ADDRESS

ITEM II. POLICY PERIOD: (MM/DD/YYYY)  
FROM \_\_\_\_\_ TO \_\_\_\_\_

12:01 AM STANDARD TIME AT  
YOUR MAILING ADDRESS SHOWN

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

ITEM III. LIMITS OF LIABILITY

- |                                  |    |                  |
|----------------------------------|----|------------------|
| a. Community Association D&O/EPL | \$ | EACH CLAIM       |
| b. Community Association D&O/EPL | \$ | IN THE AGGREGATE |
| c. Fiduciary Liability           | \$ | EACH CLAIM       |

The Aggregate Fiduciary Liability Limit is included in and capped at the Item III b. IN THE AGGREGATE limit or \$1,000,000, whichever is less.

ITEM IV. RETENTION: \_\_\_\_\_ \$ \_\_\_\_\_ EACH CLAIM

ITEM V. PREMIUM \_\_\_\_\_ \$ \_\_\_\_\_

**NOTICE: DEFENSE COSTS SHALL BE APPLIED AGAINST THE RETENTION**

ITEM VI. Coverage Form(s)/Part(s) and Endorsement(s) made a part of this policy at time of issue:

**Endorsements marked with an asterisk(\*) have been added to the policy or have a new edition date and are attached with this certificate.**

Agent: \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

Date Issued:  
**USL-CAPCERT- (02/08)**

# Community Association Professional Liability Coverage Form

NOTICE: This is a Claims-Made Coverage Form. This Coverage Form only covers those **Claims** first made against the **Insured** during the **Policy Period** or Extended Reporting Period, if purchased. **Defense Costs** shall be applied against the Retention.

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** and all attachments and materials submitted therewith, and subject to all the provisions of this Policy, the **Company** agrees as follows:

## I. INSURING AGREEMENT

- A.** The **Company** will pay on behalf of the **Insured**, **Loss** in excess of the Retention not exceeding the Limit of Liability shown in the Policy Declarations for which this coverage applies that the **Insured** shall become legally obligated to pay because of **Claims** first made against the **Insured** during the **Policy Period** or during the Extended Reporting Period, if applicable, for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of an **Insured's** duties on behalf of the **Organization**.
- B.** The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

## II. FULL PRIOR ACTS COVERAGE PROVISION

Coverage shall apply to any **Claim** made against the **Insured** for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of the **Insured's** duties on behalf of the **Organization** committed prior to the expiration date of this Policy, or the effective date of cancellation or non renewal of this Policy provided that the **Claim** is first made during the **Policy Period**, or the Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act**, **Wrongful Employment Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A.** the inception date of this Policy; or
- B.** the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Policy.

## III. DEFINITIONS

### **A. "Application"** means:

- (1) An application and any material submitted for this Policy and
- (2) An application(s), and any material submitted for all previous Policies issued by the **Company** providing continuous coverage until the inception date of this Policy.

The content of (1) and (2) above is incorporated by reference in this Policy as if physically attached hereto.

### **B. "Claim"** means:

- (1) any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**; or
- (2) any written demand for monetary or non-monetary relief received by any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**; or
- (3) any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom.

A **Claim** shall be considered first made when an **Insured** or its legal representative or agent first receives notice of a **Claim**.

C. “**Company**” means the insurer identified in the Policy Declarations.

D. “**Construction Defect(s)**” means any actual or alleged defective, faulty, or delayed construction or any other matter constituting a construction defect under applicable law, regardless of whether it results from:

- (1) defective or incorrect architectural plans or other designs,
- (2) defective or improper soil testing,
- (3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence,
- (4) construction, manufacture or assembly of any tangible property,
- (5) the failure to provide or pay for any construction-related goods or services, or
- (6) the supervision or management of any construction-related activities.

E. “**Defense Costs**” means reasonable and necessary legal fees and expenses incurred by the **Company**, or by any attorney designated by the **Company** to defend any **Insured**, resulting from the investigation, adjustment, defense and appeal of a **Claim**. **Defense Costs** includes other fees, costs, costs of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds), but does not include salaries, wages, overhead or benefits expenses of any **Insured**.

F. “**Discrimination**” means:

- (1) the termination of an employment relationship; or
- (2) a demotion or failure to hire or promote any individual; or
- (3) any other limitation or classification of an **Employee** or applicant for employment which would deprive any individual of employment opportunities or adversely affect any individual’s status as an **Employee**; because of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute ordinance, regulation or order.

G. “**Domestic Partner**” means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

H. “**Employee**” means any natural person whose labor or service is engaged by and directed by the **Organization** while performing duties related to the conduct of the **Organization’s** business and includes leased, part-time, seasonal and temporary workers, volunteers and interns. An **Employee’s** status as an **Insured** will be determined as of the date of the **Wrongful Act** or **Wrongful Employment Act** that results in the **Claim**.

I. “**Harassment**” means:

- (1) sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that are made a condition of employment, are used as a basis for employment decisions, or create a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance; or

(2) other harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance.

**J. “Individual Insureds”** means any persons who were, now are, or shall be directors, trustees, officers, **Employees**, volunteers or committee members of the **Organization**, including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

**K. “Insured(s)”** means the **Organization** and the **Individual Insureds**.

**L. “Loss”** means damages and settlements which an **Insured** is legally obligated to pay as a result of a **Wrongful Act** or **Wrongful Employment Act**, front pay and back pay, pre-judgment and post judgment interest awarded by a court and punitive or exemplary damages to the extent such damages are insurable under applicable law but does not include fines, penalties, taxes, the multiplied portion of any multiple damage award or an express obligation to make payments in the event of the termination of employment.

For the purpose of determining the insurability of punitive damages and exemplary damages, the laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction has a substantial relationship to the relevant **Insured** or to the **Claim** giving rise to the damages.

**M. “Organic Pathogen”** means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

**N. “Organization”** means:

- (1) the **Parent Organization**; and
- (2) any **Subsidiary** of the **Parent Organization**; and
- (3) any entity in its capacity as a debtor in possession of (1) or (2) above under the United States bankruptcy law or equivalent status under the law of any other jurisdiction

**O. “Parent Organization”** means the entity named in Item 1. of the Policy Declarations.

**P. “Policy Period”** means the period from the effective date of this Policy set forth in the Policy Declarations to the expiration date or the effective date of cancellation or non-renewal date, if any.

**Q. “Retaliation”** means any actual or alleged retaliatory treatment against an **Employee** because of:

- (1) the exercise of or attempt to exercise an **Employee’s** rights under law; or
- (2) an **Employee’s** disclosure of or threat to disclose to a governmental agency or superior acts of actual or alleged wrongdoing by any **Insured**; or
- (3) the filing of any claim under any federal, state or local “whistle-blower” law including the Federal False Claims Act; or
- (4) **Employee** strikes or slowdowns.

**R. “Subsidiary”** means, for the purpose of this Policy, any entity, which is more than 50% owned by the **Parent Organization** as of the effective date of this Policy and is disclosed as a subsidiary in an **Application** to the **Company**.

A non profit entity formed or acquired after the effective date of this Policy is, for the purpose of this Policy, a **Subsidiary** if:

- (1) its assets total less than 25% of the total consolidated assets of the **Parent Organization** at the time of formation or acquisition and

(2) the formation or acquisition with full particulars about the new **Subsidiary** has been disclosed to the **Company** by the **Parent Organization** as soon as practicable but no later than the expiration date of this Policy, or effective date of cancellation or non renewal, if any.

Any non profit entity formed or acquired after the effective date of this Policy whose assets total more than 25% of the total consolidated assets of the **Parent Organization** or any for profit entity formed or acquired after the effective date of this Policy is, for the purpose of this Policy, a **Subsidiary** only if:

- (1) the **Parent Organization** provides written notice to the **Company** of such **Subsidiary** as soon as practicable, but within sixty (60) days of the formation or acquisition of the **Subsidiary**; and
- (2) the **Parent Organization** provides the **Company** with such information as the **Company** may deem necessary to determine the insurability of the **Subsidiary**; and
- (3) the **Parent Organization** accepts any special terms, conditions, exclusions, limitations or premium imposed by the **Company**; and
- (4) the **Company**, at its sole discretion, agrees to insure the **Subsidiary**.

A **Subsidiary** which is sold or dissolved:

- (1) after the effective date of this Policy and which was an **Insured** under this Policy; or
- (2) prior to the effective date of this Policy and which was an **Insured** under a prior Policy issued by the **Company**;

shall continue to be an **Insured**, but only with respect to **Claims** first made during this **Policy Period** or Extended Reporting Period, if applicable, arising out of **Wrongful Acts** or **Wrongful Employment Acts** committed or allegedly committed during the time that the entity was a **Subsidiary** of the **Parent Organization**.

**S. "Third Party"** means any person(s) with whom an **Insured** in their capacity as such interacts while the **Insured** is performing duties related to the conduct of the **Organization's** business.

**T. "Third Party Discrimination"** means discrimination by an **Insured** in their capacity as such against a **Third Party** based upon such **Third Party's** race, religion, age, sex, disability, national origin, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute or ordinance while the **Insured** is performing duties related to the conduct of the **Organization's** business.

**U. "Third Party Harassment"** means

- (1) sexual harassment including any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature against a **Third Party**; or
- (2) other harassment which creates an environment that is hostile, intimidating or offensive to a **Third Party**;

← - - - Formatted: Bullets and Numbering

committed or allegedly committed by an **Insured** in their capacity as such while the **Insured** is performing duties related to the conduct of the **Organization's** business.

**V. "Wrongful Act"** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duties:

- (1) by the **Organization**; or
- (2) by the **Individual Insureds** arising solely from duties conducted on behalf of the **Organization** or
- (3) asserted against any **Individual Insured** because of an actual or alleged error, omission, misstatement, misleading statement, neglect or breach of duty by the **Organization**.

**Wrongful Act** shall also include any actual or alleged act of:

- (1) **Third Party Discrimination**; or

(2) **Third Party Harassment.**

It is further agreed that the same **Wrongful Act**, and interrelated series of **Wrongful Acts** or a series of similar or related **Wrongful Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Act** and to have commenced at the time of the earliest **Wrongful Act**.

W. “**Workplace Tort**” means any actual or alleged employment related:

- (1) misrepresentation; or
- (2) negligent supervision, training or evaluation; or
- (3) wrongful discipline; or
- (4) wrongful deprivation of a career opportunity; or
- (5) failure to enforce written policies and procedures relating to a **Wrongful Employment Act**.

X. “**Wrongful Employment Act**” means any actual or alleged act of:

- (1) **Discrimination**; or
- (2) **Harassment**; or
- (3) **Retaliation**; or
- (4) **Wrongful Termination**; or
- (5) **Workplace Tort**; or
- (6) Negligent violation of the Uniformed Services Employment & Reemployment Rights Act; or
- (7) Negligent violation of the Family and Medical Leave Act of 1993; or
- (8) Negligent violation of state law having the same or substantially similar purpose as the acts in (6) or (7) above; or
- (9) acts described in clauses (1) through (8) above arising from the use of the **Organization’s** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization’s** Internet, e-mail, telecommunication or similar systems;

Formatted: Bullets and Numbering

committed or allegedly committed by the **Organization** or by an **Individual Insured** acting solely within his/her capacity as such involving and brought by any **Employee**, former **Employee** or applicant for employment with the **Organization** or asserted by any **Employee**, former **Employee** or applicant for employment with the **Organization** against an **Individual Insured** because of his/her status as such.

It is further agreed that the same **Wrongful Employment Act**, and interrelated series of **Wrongful Employment Acts** or a series of similar or related **Wrongful Employment Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Employment Act** and to have commenced at the time of the earliest **Wrongful Employment Act**.

Y. “**Wrongful Termination**” means the actual or constructive termination of an employment relationship or the demotion of or the failure to promote any **Employee** in a manner which is illegal and wrongful or in breach of an implied agreement to continue employment.

IV. EXCLUSIONS

The **Company** shall not be liable to make payment for **Loss** or **Defense Costs** (except where otherwise noted) in connection with any **Claim** made against the **Insured** arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

- A. any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, assault, battery, disease or death of any person, or theft, conversion, misappropriation, damage to or destruction of any property including any loss of use or slander of title; provided that this exclusion shall not

apply to:

- (1). **Claims** for defamation that result from a **Wrongful Act**. However, coverage afforded for defamation shall only be excess over the **Insured's** primary General Liability Policy. Excess coverage under this Policy shall follow the form of said General Liability Policy. Failure to maintain a General Liability Policy shall not create primary coverage under this Policy; or
- (2). **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from a **Wrongful Employment Act**; or
- B.** conduct of the **Insured** or at the **Insured's** direction that is fraudulent, dishonest, criminal or with the intent to cause damage provided that this exclusion will not apply to **Defense Costs** incurred until such conduct is established to be fraudulent, dishonest or criminal by final and non-appealable judgment or adjudication; or
- C.** any of the **Insureds** gaining any profit, remuneration or advantage to which the **Insured** was not legally entitled provided however this exclusion shall not apply to **Defense Costs** incurred until a final and non-appealable judgment or adjudication is rendered against the **Insured** as to this conduct; or
- D.** the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, noise, waste materials, or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature, or any cost or expense arising out of any request, demand, or order that the **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants; or
- E.** any form of **Organic Pathogen** including the actual, alleged or threatened existence, discharge, dispersal, release or escape of **Organic Pathogens** including water damage that results or is alleged to result in the existence of **Organic Pathogens**, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental, intentional or gradual in nature or whether or not any resulting injury, damage, devaluation of property, cost or expense is expected or intended from the standpoint of the **Insured**. There will be no coverage for the **Insured's** failure or alleged failure to discover or disclose the existence of **Organic Pathogens** from any source whatsoever or water damage that results or is alleged to result in the existence of **Organic Pathogens**. In addition, this insurance does not cover fines and penalties arising out of any governmental direction, or any request of any private party or citizen action that the **Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Organic Pathogens** or any **Claim** for the taking, use, acquisition or interference with rights of others in property or air space; or
- F.** any radioactive, toxic or explosive properties of nuclear material which includes, but is not limited to, source material, "special nuclear material" and "by product material" as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto and any similar provisions by any federal, state or local statutory or common law; or
- G.** any pension, profit sharing, welfare benefit or other employee benefit program established in whole or part for the benefit of any **Individual Insured**, or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (except Section 510 thereof) or any amendments thereof or regulations promulgated thereunder or similar provisions of any federal, state or local statutory law or common law provided that this exclusion will not apply to any **Claim** for actual or alleged **Retaliation** with regards to benefits paid or payable; or
- H.** any **Claim** by, at the behest of, or on behalf of the **Organization** and/or any **Individual Insured**; provided that this Exclusion shall not apply to:

- (1). any derivative action on behalf of, or in the name or right of the **Organization**, if such action is brought and maintained totally independent of, and without the solicitation, assistance, participation or intervention of any of the **Insureds**; or
- (2) a **Claim** that is brought and maintained by or on behalf of any **Individual Insured** for contribution or indemnity which is part of or results directly from a **Claim** which is otherwise covered by the terms of this Policy; or
- (3). a **Claim** brought by any **Individual Insured** for a **Wrongful Employment Act**; or
- (4). a **Claim** that is brought and maintained by or on behalf of any former director, trustee, officer, volunteer or committee member, but only if such **Claim** does not arise out of, directly or indirectly result from, is in consequence of or in any way involves any **Wrongful Act, Wrongful Employment Act**, responsibilities, actions, or failure to act by the **Insured** during such former director, trustee, officer, volunteer or committee member's tenure of service to the **Insured**.

**I.** any **Claim** made by or against any builder, developer, or sponsor in their capacity as such; or

**J.** any actual or alleged liability of any **Insured**, in whole or in part, including but not limited to actions for contribution or indemnity, related to or for any **Construction Defect(s)**; or

**K.** any pending or prior litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which an **Insured** had written notice before the effective date of this Policy; or any fact, circumstance, event, situation, **Wrongful Act** or **Wrongful Employment Act** which before the effective date of this Policy was the subject of any notice under any other similar Policy of insurance to the **Insured**; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Policy is a renewal of a Policy or Policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the effective date of the first such other policy to the effective date of this Policy, the reference in this exclusion to "effective date" will mean the effective date of the first Policy under which the **Company** first provided continuous coverage to an **Insured**; or

**L.** any **Claim** against any **Subsidiary** or its **Individual Insureds** for any **Wrongful Act** or **Wrongful Employment Act** occurring prior to the date that such entity became a **Subsidiary** or any **Wrongful Act** or **Wrongful Employment Act** occurring at any time that such entity is not a **Subsidiary**; or

**M.** any obligation under a worker's compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law or regulation; provided this exclusion will not apply to any **Claim** for actual or alleged **Retaliation** with regards to benefits paid or payable; or

**N.** any lockout, strike, picket line, replacement of worker(s) or other similar actions resulting from labor disputes or labor negotiations; provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** from the foregoing; or

**O.** the National Labor Relations Act, Labor Management Relations Act and amendments thereto, or any similar state, federal, or local law or regulation provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** arising from an **Insured's** alleged violation of such law; or

**P.** actual or alleged violations of the Fair Labor Standards Act, any amendments thereto, or any similar provisions of any federal, state or local law (except the Equal Pay Act); or  
 (I) improper wages or wage disputes due to misclassification of **Employees** as exempt or non-exempt; or

(2) misrepresentation involving any **Employee's** status as exempt or non-exempt; provided that this exclusion shall not apply to any **Claim** for actual or alleged **Retaliation** arising from the foregoing; or

- Q.** any **Insured** actual or alleged liability for damages under any express contract or agreement, however this exclusion shall not apply to **Defense Costs** associated with such **Claim**
- R.** any costs or actual or alleged liability resulting from the modification of any real or personal property in order to make said real or personal property more accessible or accommodating to any disabled person. This exclusion shall not apply to **Defense Costs** associated with such **Claim** however **Defense Costs** shall be a part of and not in addition to the Limit of Liability stated in Item III of the Policy Declarations.

No **Wrongful Act** or **Wrongful Employment Act** of any **Individual Insured** or any fact pertaining to any **Insured** shall be imputed to any other **Individual Insured** for purposes of determining the applicability of Exclusions B. and C.

#### V. LIMITS OF LIABILITY AND RETENTION

Regardless of the number of **Insureds** under this Policy, **Claim(s)** made or brought on account of **Wrongful Act(s)**, **Wrongful Employment Act(s)** or otherwise, the **Company's** liability is limited as follows:

- A.** The Limit of Liability specified in the Policy Declarations as "in the aggregate" shall be the maximum liability for **Loss** from all **Claims**;
- B.** The Limit of Liability specified in the Policy Declarations as the Limit for each **Claim** shall be the maximum liability for **Loss** for each **Claim** ;
- C.** Defense Costs shall be in addition to the Limit of Liability as shown in the Policy Declarations;
- D.** Subject to the Limits of Liability provisions stated in A., B., and C. above, the **Company** shall be liable to pay only **Defense Costs** and **Loss** in excess of the Retention specified in the Policy Declarations hereof as respects each and every **Claim**;
- E.** The **Company** shall have no obligation to pay any part or all of the Retention specified in the Policy Declarations for any **Claim** on behalf of an **Insured**. If the **Company**, at its sole discretion, elects to pay any part or all of the Retention, the **Insureds** agree to repay such amounts to the **Company** upon demand;
- F.** The Retention shall not apply to **Loss** or **Defense Costs** paid on behalf of an **Individual Insured** for a **Wrongful Act** when the **Organization** has not indemnified an **Individual Insured** for such **Loss** or **Defense Costs** subject to the terms and conditions of Section VIII. INDEMNIFICATION/ WAIVER OF RETENTION;
- G.** The Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the limit specified in the Policy Declarations;
- H.** **Claims** based upon or arising out of the same **Wrongful Act(s)** or **Wrongful Employment Act(s)**, interrelated **Wrongful Act(s)** or **Wrongful Employment Act(s)**, or a series of similar or related **Wrongful Act(s)** or **Wrongful Employment Act(s)** shall be considered a single **Claim** and shall be considered first made during the Policy Period or Extended Reporting Period, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** or **Wrongful Employment Act(s)** was first made and all **Loss** for such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**;

- I. The Limit of Liability for this Policy shall apply separately to each consecutive annual period starting with the beginning of the **Policy Period** shown in the Policy Declarations. If this Policy is issued for a period of more than twelve (12) months but less than twenty-four (24) months or if the **Policy Period** is extended after issuance, the Extended Reporting Period will be deemed part of the last Policy Period for the purposes of determining the Limit of Liability.

#### VI. LIFETIME OCCURRENCE REPORTING PROVISION

If the **Parent Organization** shall cancel or non-renew this Policy for a reason other than being sold, acquired or bankrupt, each **Individual Insured** who was not actively serving on behalf of the **Organization** at the time of the cancellation or non-renewal, shall be provided an unlimited extension of time to report any **Claim(s)** for a **Wrongful Act** first made against the **Individual Insured** after the date of such cancellation or non-renewal. If the **Claim** is for a **Wrongful Employment Act**, the unlimited extension of time to report a **Claim** applies to the former Directors and Officers only and not to any other former **Individual Insured**.

This extension of time to report **Claim(s)** shall only be afforded in the event that the **Wrongful Act** or **Wrongful Employment Act** was committed before the date of cancellation or non-renewal, and no Directors and Officers Liability policy, or policy providing essentially the same type of coverage, or extended Reporting period, is in effect at the time the **Claim** is made.

#### VII. EXTENDED REPORTING PERIOD

- A. If the Policy expires, is cancelled or non renewed for any reason other than non payment of premium, the **Parent Organization** shall have the right to purchase an Extended Reporting Period to report any **Claim(s)** or circumstance(s) which could be expected to give rise to a **Claim** being first made against the **Insured** during the twelve (12) months, or twenty-four (24) months or thirty-six (36) months after the effective date of such expiration, cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a **Wrongful Act** or **Wrongful Employment Act** committed before the date of the Policy expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.
- B. The additional premium for the Extended Reporting Period shall be 30% of the annual premium set forth in the Policy Declarations for the twelve (12) month period, 75% of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period, and 120% of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting Period begins on the expiration date or the effective date of cancellation or non renewal of the Policy. The **Parent Organization** must notify the **Company** in writing and must pay the additional premium due no later than thirty (30) days after the effective date of such expiration, cancellation or non-renewal.
- C. All premium paid with respect to an Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.
- D. The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of the cancellation or non renewal of the Policy.
- E. Coverage for **Claim(s)** or circumstances which ultimately lead to **Claim(s)** first received and reported during the Extended Reporting Period shall be in excess over any other valid and collectible insurance providing coverage for such **Claim(s)**.

#### VIII. INDEMNIFICATION / WAIVER OF RETENTION

Regardless of whether **Loss** and **Defense Costs** resulting from any **Claim** against an **Individual Insured** is  
CAP (2/08) Page 9 of 14

actually indemnified by the **Organization**, the Retention set forth in the Policy Declarations shall apply to any **Loss** and **Defense Costs** if indemnification of the **Individual Insured** by the **Organization** is legally permissible. The certificate of incorporation, charter, articles of association or other organizational documents of the **Organization**, including bylaws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Individual Insured** to the fullest extent permitted by law.

However, if an **Individual Insured** is not indemnified for **Loss** and **Defense Costs** solely by reason of the **Organization's** financial insolvency or because indemnification is not legally permissible, the **Individual Insured's** Retention as stated on the Policy Declarations shall be amended to \$0. This change in Retention shall not affect any other terms or conditions of this Policy.

**IX. PROPERTY MANAGEMENT EXTENSION** The property manager/management company is included as an additional insured, but only with respect to **Claims** arising out of **Wrongful Act(s)** or **Wrongful Employment Act(s)** while acting within the scope of his or her duties on behalf of the **Insured**. However, there shall be no coverage afforded for a **Claim** brought by or on behalf of (1) the property manager/management company; (2) any current or former **Employee** thereof, or (3) any applicant for employment with the property manager/management company.

**X. SPOUSAL AND DOMESTIC PARTNER EXTENSION**

If a **Claim** against an **Individual Insured** includes a **Claim** against the lawful spouse or **Domestic Partner** of such **Individual Insured** solely by reason of (1) such spousal or **Domestic Partner** status, or (2) such spouse's or **Domestic Partner's** ownership interest in property or assets that are sought as recovery for **Wrongful Act(s)** or **Wrongful Employment Act(s)**, any **Loss** which such spouse or **Domestic Partner** becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss** which the **Individual Insured** becomes legally obligated to pay as a result of the **Claim**.

All definitions, exclusions, terms and conditions of this Policy, including the Retention, applicable to any **Claim** against or **Loss or Defense Costs** sustained by such **Individual Insured** shall also apply to this coverage extension.

The extension of coverage afforded by this Section X. shall not apply to the extent the **Claim** alleges any wrongful act, error, omission, misstatement, misleading statement or neglect or breach of duties committed by such spouse or **Domestic Partner** as long as they are not also an **Individual Insured**.

**XI. DEFENSE AND SETTLEMENT**

- A. The **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. The **Insured** shall not, except at personal cost, make any offer or payment, admit any liability, settle any **Claim**, assume any obligation or incur any expense without the **Company's** written consent.
- B. If a **Claim** is made against the **Insured** for **Loss** that is both covered and uncovered by this Policy, the **Company** will pay one hundred percent (100%) of **Defense Costs** for the **Claim** until such time that the Limits of Liability of this Policy are exhausted by payment of a covered **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgment. The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of the **Insured**, negotiate the settlement of any **Claim** whether within or above the Retention. If the **Insured** refuses to consent to a settlement recommended by the **Company**, the **Company's** obligation to the **Insured** for **Defense Costs** and **Loss** attributable to such **Claim(s)** shall be limited to:

- (1) the amount of the covered **Loss** in excess of the Retention which the **Company** would have paid in settlement at the time the **Insured** first refused to settle;
- (2) plus covered **Defense Costs** incurred up to the date the **Insured** first refused to settle;
- (3) plus seventy five percent (75%) of covered **Loss** and **Defense Costs** in excess of the first settlement amount recommended by the **Company** to which the **Insured** did not consent.

It is understood that payment of (1), (2) and (3) above is the limit of the **Company's** liability under this Policy on any **Claim** in which the **Insured** fails or refuses to consent to the **Company's** settlement recommendation, subject at all times to the Limits of Liability and Retention provisions of the applicable coverage section. The remaining twenty five percent (25%) of **Loss** and **Defense Costs** in excess of the amount referenced in (1) and (2) above shall be the obligation of the **Insured**.

D. The **Insured** agrees to cooperate with the **Company** on all **Claims**, and provide such assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insured** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions, and trials, and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. The **Insured** further agrees not to take any action which may increase the **Insured's** or the **Company's** exposure for **Loss** or **Defense Costs**.

E. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insured** or the **Company may** have, including the execution of such documents as are necessary to enable the **Company** to bring suit in the **Insured's** name, and shall provide all other assistance and cooperation which the **Company** may reasonably require.

## XII ORDER OF PAYMENTS

In the event payment of **Loss** is due under this Policy but the amount of such **Loss** exceeds the remaining available Limit of Liability specified in the Policy Declarations, the **Company** will to the extent of any remaining amount of the Limit of Liability available:

- (a) first pay such **Loss** on behalf of the **Individual Insured(s)** for which coverage is provided under section I. Insuring Agreement; then
- (b) pay such **Loss** on behalf of the **Organization** for which coverage is provided under Section I. Insuring Agreement.

## XIII. NOTICE/ CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS

Notice hereunder shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

A. As a condition precedent to exercising any right to coverage under this Policy, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable, but:

- (1) if the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than 60 days after the expiration date or the effective date of such cancellation or non-renewal; or
- (2) if an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period.

B. If written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** has been given to the **Company** pursuant to Clause XIII. A. above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** for which notice was given, or alleging any **Wrongful Act** or

**Wrongful Employment Act** which is the same as or related to any **Wrongful Act** or **Wrongful Employment Act** alleged in the **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** for which notice was given, shall be considered made at the time such notice was given to the **Company**.

#### XIV. CANCELLATION OR NON-RENEWAL

- A. This Policy may be cancelled by the **Parent Organization** by either surrender of the Policy thereof to the **Company** at its address stated in the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium.
- B. The **Company** may cancel this Policy only in the event of the failure of the **Insured** to pay the premium when due by mailing to the **Parent Organization** written notice when, not less than ten (10) days thereafter, such cancellation shall be effective.
- C. In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the end of the Policy Period, written notice of non-renewal. Such notice shall be binding on all **Insureds**.
- D. The **Company** shall mail notice of cancellation or nonrenewal by certificate of mailing stating the effective date of cancellation or nonrenewal and the specific reason(s) for cancellation or nonrenewal, which shall become the end of the Policy Period. Mailing of such notice shall be sufficient notice of cancellation or nonrenewal.
- E. If the Policy is canceled by the **Company**, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, or as soon as practicable thereafter.

#### XV. REPRESENTATIONS AND SEVERABILITY

- A. The **Insureds** represent that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and (3) the Policy is issued in reliance upon the truth of such representations.
- B. An **Application** for coverage shall be construed as a separate **Application** for coverage by each **Individual Insured**. With respect to the particulars and statements contained in the **Application**, no fact pertaining to or knowledge possessed by any **Individual Insured** shall be imputed to any other **Individual Insured** for the purpose of determining if coverage is available. However, facts pertaining to and knowledge possessed by the individual(s) signing the **Application(s)** and the President, Chairperson, and Officers shall be imputed to the **Organization** for the purpose of determining if coverage is available.

#### XVI. SUBROGATION

In the event of any payment under this Policy, the **Company** shall be subrogated to the **Insured's** right of recovery therefore against any person or entity and the **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall not do anything to prejudice such rights.

#### XVII. CHANGES

CAP (2/08)

Page 12 of 14

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop the **Company** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed except by an endorsement, issued by the **Company** to form a part of this Policy.

#### XVIII. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Insured** agrees that the **Parent Organization** shall act on behalf of all **Insureds** with respect to the giving and receiving of any return premiums that may become due under the Policy. Notice to the **Parent Organization** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the **Parent Organization** in writing, at the address of the **Parent Organization**. Such notice shall be deemed to be notice to all **Insureds**. The **Parent Organization** shall be the agent of all **Insureds** to effect changes in the Policy or purchase an Extended Reporting Period.

#### XIX. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **Company** unless its consent is endorsed hereon.

#### XX. OTHER INSURANCE

This Policy shall be excess of other existing insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically written to be in excess of this Policy.

#### XXI. TERMS OF POLICY CONFORMED TO STATUTE

Terms of this Policy which are in conflict with the statutes of the state wherein this Policy is issued are hereby amended to conform to such statutes.

#### XXII. CHANGES IN EXPOSURE

A. If after the Inception Date of this Policy:

- (1) the **Parent Organization** merges into or consolidates with another entity such that the **Parent Organization** is not the surviving entity; or
- (2) another entity, person or group of entities and/or persons acting in concert acquires more than fifty percent (50%) of the assets of the **Parent Organization**; or
- (3) another entity, person or group of entities and/or persons acting in concert acquires the right to elect or select a majority of the directors of the **Parent Organization**; or
- (4) the **Parent Organization** sells all or substantially all of its assets,

the above events referred to as a "Transaction,"

this Policy shall continue in full force and effect until the expiration date of the policy, or the effective date of non-renewal if applicable with respect to **Wrongful Acts** or **Wrongful Employment Acts** occurring before the Transaction, but there shall be no coverage under this Policy for actual or alleged **Wrongful Acts** or **Wrongful Employment Acts** occurring on and after the Transaction.

B. The **Parent Organization** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

The entire premium for this Policy shall be deemed fully earned on the transaction date. In the event of a

Transaction, the **Parent Organization** shall have the right to an offer of coverage by the **Company** for an Extended Reporting Period to report **Wrongful Acts** or **Wrongful Employment Acts** occurring prior to the effective date of the transaction.

#### XXIII. ACTION AGAINST THE COMPANY

- A. No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant or the claimant's legal representative and the **Company**.
- B. Any person or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or entity shall have any right under this Policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impeded by the **Insured** or their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

#### XXIV. ACCEPTANCE

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

In Witness Whereof, the **Company** has caused this policy to be executed and attested.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**PERSONAL INJURY EXCLUSION ENDORSEMENT**

It is hereby agreed Section IV, EXCLUSIONS, A., is deleted in its entirety and replaced by the following:

- A. any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, libel, slander, defamation, assault, battery, disease or death of any person, or theft, conversion, misappropriation, malicious prosecution, wrongful entry or eviction, damage to or destruction of any property including any loss of use or slander of title;

provided that this exclusion shall not apply to **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from a **Wrongful Employment Act**

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**PUBLISHERS LIABILITY EXCLUSION ENDORSEMENT**

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, or in any way involving publishing activities, plagiarism, infringement of trademark or copyright, piracy or unfair competition or idea misappropriation.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**RETROACTIVE DATE ENDORSEMENT**

Section II. FULL PRIOR ACTS COVERAGE PROVISION, is deleted in its entirety and replaced with the following:

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving a **Wrongful Act** or **Wrongful Employment Act** committed, or alleged to have been committed prior to \_\_\_\_\_.

Coverage shall also not apply to any **Claim** based upon or arising out of any **Wrongful Act** or **Wrongful Employment Act**, or circumstance likely to give rise to a **Claim** of which any **Insured** had knowledge, or otherwise had basis to reasonably anticipate might result in a **Claim**, prior to the inception of this Policy (including, but not limited to, any prior **Claim** or possible **Claim** or circumstance referenced in the **Application**).

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**AFFILIATED PARTIES EXCLUSION ENDORSEMENT**

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, any **Claim** made against any affiliates, chapters, or branches of the **Insured**.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**DELETION OF THIRD PARTY COVERAGE ENDORSEMENT**

It is hereby agreed that Section III. DEFINITIONS is amended as follows:

(1) Definitions S. **Third Party**, T. **Third Party Discrimination** and U. **Third Party Harassment** are deleted in their entirety.

(2) Definition V. **Wrongful Act** is amended by the deletion of the following:

**Wrongful Act** shall also include any actual or alleged act of:

- (1) **Third Party Discrimination**; or
- (2) **Third Party Harassment**.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**AMENDED DEFINITION OF LOSS ENDORSEMENT**

It is hereby agreed that Section III. DEFINITIONS, Definition L. “**Loss**” is deleted in its entirety and replaced with the following:

- L. “**Loss**” means damages and settlements, which an **Insured** is legally obligated to pay as the result of a **Wrongful Act** or **Wrongful Employment Act** but does not include punitive or exemplary damages, that portion of any multiplied damage award which exceeds the amount multiplied, criminal or civil fines or penalties imposed by law, taxes, and matters deemed uninsurable under the law applicable to this Policy.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**CONTINUITY OF COVERAGE ENDORSEMENT**

It is hereby agreed that:

- I. Section II. FULL PRIOR ACTS COVERAGE PROVISION, Paragraph B. is deleted in its entirety and replaced with the following:
- B. The inception date of the first coverage of this type, which has been issued to the **Parent Organization** provided that continuous coverage of this type has been written for the **Parent Organization** from such date to the inception date of this policy.
- II. Section IV. EXCLUSIONS, Paragraph K. is deleted in its entirety and replaced with the following:
- K. Any prior or pending **Claim** based upon or arising out of any **Wrongful Act** or **Wrongful Employment Act** occurring before the effective date of this Policy or any fact, circumstance, event, situation, **Wrongful Act** or **Wrongful Employment Act** which before the effective date of this Policy was the subject of any notice under any prior Directors and Officers or Employment Practices Liability policy; provided that, if this Policy is a renewal of a policy or policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the effective date of the first such other policy to the effective date of this Policy, the reference in this exclusion to the effective date of this policy will mean the effective date of the first policy under which the **Company** began to provide continuous coverage to the **Insured**.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**NON-MONETARY DAMAGES EXCLUSION ENDORSEMENT**

It is hereby agreed:

1. Section III. DEFINITIONS, Definition B. is deleted in its entirety and replaced with:

B. “**Claim**” means:

- (1) any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**; or
- (2) any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom.

2. Section IV. EXCLUSIONS, is amended to include the following:

Any Claims, demands or actions seeking exclusively non monetary relief or redress of any kind;

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**BREACH OF CONTRACT EXCLUSION ENDORSEMENT**

It is agreed Section IV. EXCLUSIONS is amended to include the following:

Any **Insured's** actual or alleged liability for damages under any express contract or agreement; provided that this exclusion does not apply to liability for a **Wrongful Act** or **Wrongful Employment Act** which an **Insured** would have in the absence of the contract or agreement;

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**FAILURE TO MAINTAIN CATASTROPHIC INSURANCE  
EXCLUSION**

It is agreed item IV. Section IV. EXCLUSIONS is amended to add the following:

The failure to affect or maintain appropriate or adequate insurance covering losses arising from **Earthquake** or **Volcanic Action**;

For purposes of this endorsement, Section III. DEFINITIONS is amended to add the following:

**Earthquake** means earth movement, including but not limited to any earth sinking, rising, displacement, shaking or shifting related to such event whether naturally caused or man-made.

**Volcanic Action** means a volcanic eruption, blast, including airborne shock waves, ash, dust or particulate matter or lava flow related to such event.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**FAILURE TO MAINTAIN INSURANCE EXCLUSION**

It is agreed item IV. Section IV. EXCLUSIONS is amended to add the following:

The failure to affect or maintain appropriate or adequate insurance;

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY POLICY**

**THREE-YEAR POLICY TERM ENDORSEMENT**

This endorsement amends the above referenced policy as set forth herein. In the event of any conflict between the provisions of this endorsement and the provisions of the above referenced policy, the provisions of this endorsement shall control. Otherwise, coverage provided under this endorsement is subject to the terms, conditions, limitations and exclusions of the applicable policy referenced above.

**Policy Term**

The term of the policy to which this endorsement is attached is three (3) years, commencing with the inception date set forth in the Policy Declarations unless modified in accordance with the terms of this endorsement. The Three-Year Policy Term consists of three (3), consecutive Coverage Periods as set forth in the Amendment to Policy Declarations.

For purposes of coverage provided under a Three-year Policy Term, the terms “Policy” and “Policy Period” in the above referenced policy shall have the same meaning as Three-Year Policy Term in this endorsement.

**Premium**

Item V. COVERAGE PERIOD PREMIUM in the Amendment to Policy Declarations is the premium due for each Coverage Period beginning with the inception date of the Three-Year Policy Term as shown in the Policy Declarations.

Item V. PREMIUM is the total amount due for the Three-Year Policy Term as shown on the Policy Declarations.

Section II. FULL PRIOR ACTS COVERAGE PROVISION is deleted in its entirety and replaced with the following:

Coverage shall apply to any **Claim** made against the **Insured** for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of the **Insured’s** duties on behalf of the **Organization** committed prior to the expiration date of this Three-Year Policy Term, or the effective date of cancellation or non renewal of this Three-Year Policy Term, provided that the **Claim** is first made during the Three-Year Policy Term as required below, or the Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act, Wrongful Employment Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the **Application** had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A. the inception date of this Three-Year Policy Term; or
- B. the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization** regardless of the term of coverage of such Policy, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Three-Year Policy Term.

Section III. DEFINITIONS, A. “**Application**”, is deleted in its entirety and replaced with the following:

“**Application**” means:

- (1) An application and any material submitted for this Three-Year Policy term and
- (2) An application(s), and any material submitted, for all previous Policies issued by the **Company** regardless of the term of coverage, providing continuous coverage until the inception date of this Three-Year Policy term.

The content of (1) and (2) above which is incorporated by reference in this Three-Year Policy term as if physically attached hereto.

Section IV. EXCLUSIONS, paragraph K. is deleted in its entirety and replaced by the following:

any pending or prior litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which an **Insured** had written notice before the effective date of this Three-Year Policy Term; or any fact, circumstance, event, situation, **Wrongful Act** or **Wrongful Employment Act** which before the effective date of this Three-Year Policy Term was the subject of any notice under any other similar Policy of insurance to the **Insured**; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Three-Year Policy Term is a renewal of a Policy or Policies previously issued by the **Company**, and if the coverage provided by the **Company** was continuous from the effective date of the first such other policy to the effective date of this Three-Year Policy Term, the reference in this exclusion to “effective date of this Three-Year Policy Term” will mean the effective date of the first Policy under which the **Company** first provided continuous coverage to an **Insured**;

Section V. LIMITS OF LIABILITY AND RETENTION; paragraphs A. and I. are deleted in their entirety and replaced with the following:

- A. The Limit of Liability specified on the Policy Declarations as “in the aggregate” shall be the maximum liability for **Loss** from all **Claims** to which this coverage applies and shall be reinstated for each successive Coverage Period within the Three-Year Policy Term beginning with the effective date shown on the Policy Declarations.
  
- I. The Limit of Liability for this Policy shall apply separately to each consecutive Coverage Period and shall be reinstated for each successive Coverage Period within the Three-Year Policy Term as shown on the Policy Declarations. The Limit of Liability available for a Coverage Period cannot be applied to other Coverage Period(s). If a Three-Year Policy Term is extended for less than 12 months, the additional period will be deemed part of the last preceding Coverage Period for the purposes of determining the Limit of Liability.

Section XIII, NOTICE/CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS, paragraph A is deleted in its entirety and replaced with the following:

- A. As a condition precedent to exercising any right to coverage under this Policy, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable within the applicable Coverage Period but:
  - (1) If a Coverage Period expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than sixty (60) days after the expiration date or the effective date of such cancellation or non-renewal or
  - (2) If an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period.

Section XIV. CANCELLATION OR NON-RENEWAL is deleted in its entirety and replaced with the following:

- A. This three year Policy Term may be cancelled by the **Parent Organization** by either surrender thereof to the **Company** at its address started in the Policy Declarations or by mailing to the **Company** written notice-requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium based on the unexpired Coverage Period(s), in effect at the time of cancellation.
- B. The Three-Year Policy Term may not be cancelled by the **Company** except for non-payment of premium when due in which case **Company** shall provide the **Parent Organization** with not less than 10 days written notice prior to the effective date of cancellation.
- C. The **Company** reserves the right to non-renew or amend the terms, conditions, and premium of a Coverage Period due to **Claims**. The **Company** reserves the right to non-renew coverage or amend the terms, conditions and premium at the end of the Three-Year Policy Term with prior notice to the **Parent Organization** as set forth herein. In the event the **Company** elects to non-renew coverage, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the expiration of a Coverage Period or Three-Year Policy Term, as

- applicable, written notice of non-renewal. Such notice shall be binding on all **Insureds**.
- D. The Company shall mail notice of cancellation or non-renewal by certificate of mailing stating the effective date of cancellation or non-renewal and the specific reason(s) for cancellation or nonrenewal which shall become the end of the Coverage Period or Three-Year Policy Term, as applicable. Delivery of such written notice shall be sufficient notice of cancellation or non-renewal.
  - E. If the **Company** cancels the Policy, earned premium shall be computed pro rata. Premium adjustments may be made at the time cancellation is effected, or as soon as practicable thereafter.

Section XXII CHANGES IN EXPOSURE is amended to read that the entire premium for a Coverage Period shall be deemed earned premium in the event a Transaction occurs after the inception date of that Coverage Period.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**ARKANSAS STATE AMENDATORY ENDORSEMENT**

To be attached to and form a part of all Community Association Professional Liability Insurance Policies written in Arkansas.

It is hereby agreed:

**I.** Section V. LIMITS OF LIABILITY AND RETENTION, G. is amended to state:

**G.** The Limit of Liability for the Extended Reporting Period, if applicable, shall be a part of and not in addition to the Limit specified in the Policy Declarations subject to the following:

The limit of liability in the policy aggregate for the optional Extended Reporting Period shall be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate at policy inception.

**II.** Section VII. EXTENDED REPORTING PERIOD, A. is deleted in its entirety and replaced by the following:

**A.** If the Policy expires, is cancelled or is non renewed for any reason, the **Parent Organization** shall have the right to purchase an Extended Reporting Period to report any **Claim(s)** or circumstance(s) which could be expected to give rise to a **Claim** being first made against an **Insured** during the twelve (12) months, twenty-four (24) months or thirty-six (36) months after the expiration date or effective date of such cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a **Wrongful Act** or **Wrongful Employment Act** committed before the date of the Policy expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.

**III.** Section VII. EXTENDED REPORTING PERIOD, **D.** is deleted in its entirety and replaced by the following:

**D.** The Limits of Liability available during the optional Extended Reporting Period shall be no less than the greater of the amount of coverage remaining in the expiring policy aggregate or fifty percent (50%) of the aggregate at policy inception.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

*SERFF Tracking Number:* WESA-125550370      *State:* Arkansas  
*Filing Company:* United States Liability Insurance Company      *State Tracking Number:* #27594 \$50  
*Company Tracking Number:* PROF-CAP-08-14  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0022 Other  
*Product Name:* Community Association Program  
*Project Name/Number:* Community Association Program/PROF-CAP-08-14

## **Rate Information**

Rate data does NOT apply to filing.

SERFF Tracking Number: WESA-125550370 State: Arkansas  
Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
Company Tracking Number: PROF-CAP-08-14  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Community Association Program  
Project Name/Number: Community Association Program/PROF-CAP-08-14

## Supporting Document Schedules

**Satisfied -Name:** Uniform Transmittal Document-Property & Casualty **Review Status:** Approved 04/01/2008

**Comments:**

Attached is the NAIC Transmittal Form.

**Attachment:**

AR NAIC.pdf

**Satisfied -Name:** Letter of Authorization **Review Status:** Approved 04/01/2008

**Comments:**

Attached is the Letter of Authorization

**Attachment:**

Westmont Authorization Letter.pdf

**Satisfied -Name:** Cover Letter **Review Status:** Approved 04/01/2008

**Comments:**

Attached is the Cover Letter.

**Attachment:**

AR.pdf

**Satisfied -Name:** Side by Side Comparisons **Review Status:** Approved 04/01/2008

**Comments:**

Attached are the Side by Side Comparisons.

**Attachments:**

3 YR-Form Comparison.pdf  
CAP - 204 \_Comparison.pdf  
CAP - 207 \_Comparison.pdf  
CAP - 214 \_Compaison.pdf  
CAP - 218 \_Comparison.pdf  
CAP old v new form 7-07.pdf

*SERFF Tracking Number:* WESA-125550370      *State:* Arkansas  
*Filing Company:* United States Liability Insurance Company      *State Tracking Number:* #27594 \$50  
*Company Tracking Number:* PROF-CAP-08-14  
*TOI:* 17.0 Other Liability - Claims Made/Occurrence      *Sub-TOI:* 17.0022 Other  
*Product Name:* Community Association Program  
*Project Name/Number:* Community Association Program/PROF-CAP-08-14  
203 Comparison.pdf  
230 Comparison.pdf

SERFF Tracking Number: WESA-125550370 State: Arkansas  
Filing Company: United States Liability Insurance Company State Tracking Number: #27594 \$50  
Company Tracking Number: PROF-CAP-08-14  
TOI: 17.0 Other Liability - Claims Made/Occurrence Sub-TOI: 17.0022 Other  
Product Name: Community Association Program  
Project Name/Number: Community Association Program/PROF-CAP-08-14

**Review Status:**

**Satisfied -Name:** Forms Listing

Approved

04/01/2008

**Comments:**

Attached is the Forms Listing.

**Attachment:**

Form Listing - AR.pdf

## Property & Casualty Transmittal Document (Revised 1/1/06)

AR \_\_\_\_\_

**1. Reserved for Insurance Dept. Use Only**

--

**2. Insurance Department Use Only**

a. Date the filing is received:	
b. Analyst:	
c. Disposition:	
d. Date of disposition of the filing:	
e. Effective date of filing:	
New Business	
Renewal Business	
f. State Filing #:	
g. SERFF Filing #:	
h. Subject Codes	

<b>3. Group Name</b>	<b>Group NAIC #</b>
Berkshire Hathaway, Inc.	0031

4. Company Name(s)	Domicile	NAIC #	FEIN #
United States Liability Insurance Company	PA	25895	23-1383313

<b>5. Company Tracking Number</b>	PROF-CAP-08-14
-----------------------------------	----------------

**Contact Info of Filer(s) or Corporate Officer(s) [include toll-free number]**

6. Name and address	Title	Telephone #s	FAX #	e-mail
Meghan Slenkamp Westmont Associates, Inc.	Analyst	(856) 216-0220	(856) 216-0303	meghans@westmontlaw.com
25 Chestnut Street, Suite 105, Haddonfield, NJ 08033				
<b>7. Signature of authorized filer</b>		<b><i>Meghan Slenkamp</i></b>		
<b>8. Please print name of authorized filer</b>		Meghan Slenkamp		

**Filing information (see General Instructions for descriptions of these fields)**

9. Type of Insurance (TOI),	Please select from the drop down list. 17.0000 Other Liability		
10. Sub-Type of Insurance (Sub-TOI)	17.0022 - Other		
11. State Specific Product code(s) (if applicable) [See State Specific Requirements]	n/a		
12. Company Program Title (marketing title)	Community Association Program		
13. Filing Type	<input type="checkbox"/> Rate/Loss Cost <input type="checkbox"/> Rules <input type="checkbox"/> Rates/Rules <input checked="" type="checkbox"/> Forms <input type="checkbox"/> Combination Rates/Rules/Forms <input type="checkbox"/> Withdrawal <input type="checkbox"/> Other: _____		
14. Effective Date(s) Requested	New	Upon Approval	Renewal: Upon Approval
15. Reference Filing?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> (No)	
16. Reference Organization (if applicable)	n/a		
17. Reference Organization # & Title	n/a		
18. Company's Date of Filing	3/18/08		
19. Status of filing in domicile	<input type="checkbox"/> Not Filed <input checked="" type="checkbox"/> Pending <input type="checkbox"/> Authorized <input type="checkbox"/> Disapproved		

## Property & Casualty Transmittal Document ---

20.	<b>This filing transmittal is part of Company Tracking #</b>	PROF-CAP-08-14
-----	--	----------------

21.	<b>Filing Description</b> [This area can be used in lieu of a cover letter or filing memorandum and is free-form text]
-----	--

Submission of the Company's Community Association Program Professional Liability form revision.

22.	<b>Filing Fees</b> (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]
-----	---

**Check #:** 27594

**Amount:** \$50.00

**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.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	PROF-CAP-08-14			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> <small>(Company tracking number of rate/rule filing, if applicable)</small>	n/a			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
01	Community Association Professional Liability Declarations	CAPD (2/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	USL-DOD 06/03	
02	Community Association Professional Liability Policy Renewal Certification	CAP-CERT (2/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
03			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
04	Community Association Professional Liability Insurance Policy	CAP (02/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP (06/03)	
05	Personal Injury Exclusion Endorsement	CAP-203 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP 203 (06/03)	
06	Publishers Liability Exclusion Endorsement	CAP-204 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-204 (03/06)	
07	Retroactive Date Endorsement	CAP-207 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-207 (03/06)	
08	Affiliated Parties Exclusion Endorsement	CAP-214 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-214 (03/06)	
09	Deletion of Third Party Liability Coverage Endorsement	CAP-218 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-218 (03/06)	
10	Amended Definition of Loss Endorsement	CAP-222 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-222 (05/05)	

PC FFS-1

### 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.)**

<b>1.</b>	<b>This filing transmittal is part of Company Tracking #</b>	PROF-CAP-08-14			
<b>2.</b>	<b>This filing corresponds to rate/rule filing number</b> <small>(Company tracking number of rate/rule filing, if applicable)</small>	n/a			
<b>3.</b>	<b>Form Name /Description/Synopsis</b>	<b>Form # Include edition date</b>	<b>Replacement Or withdrawn?</b>	<b>If replacement, give form # it replaces</b>	<b>Previous state filing number, if required by state</b>
11	Continuity of Coverage Endorsement	CAP-225 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-225 (11/06)	
12	Non-Monetary Damages Exclusion Endorsement	CAP-227 (2-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
13	Breach of Contract Exclusion Endorsement	CAP-228 (2-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
14	Failure to Maintain Catastrophic Insurance Endorsement	CAP-229 (2-08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
15	Failure to Maintain Insurance Exclusion	CAP-230 (2-08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-221 (03/05)	
16	Three Year Policy Term Endorsement	CAP-3YR (2/08)	<input type="checkbox"/> New <input checked="" type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn	CAP-3YR (04/07)	
17	Arkansas State Amendatory Endorsement	CAP AR (2/08)	<input checked="" type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
18			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
19			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		
20			<input type="checkbox"/> New <input type="checkbox"/> Replacement <input type="checkbox"/> Withdrawn		

PC FFS-1



# UNITED STATES LIABILITY INSURANCE GROUP

A BERKSHIRE HATHAWAY COMPANY

190 South Warner Road, P.O. Box 6700, Wayne, PA 19087-4391  
610.688.2535 888.523.5545 Fax 610.688.4391

1/7/2008

RE: United States Liability Ins Company: NAIC #0031-25895 FEIN#23-1383313  
Mount Vernon Fire Insurance Company NAIC #0031-26522 FEIN#23-1575334  
U.S. Underwriters Insurance Company NAIC #0031-35416 FEIN#23-2049904

Dear Sir or Madam,

In accordance with the applicable statutes and regulations of your state, Nancy Stepanski and Westmont Associates, Inc. is hereby authorized to file form, rate and rule filings on behalf of the above captioned companies.

Sincerely,

Mark Miller  
State Filings Manager  
United States Liability Insurance Group  
190 South Warner Road  
Wayne, PA 19087-2191

1.888.523.5545 X586  
Fax: 610.688.4391  
mmiller@usli.com



WESTMONT  
ASSOCIATES, INC.

March 18, 2008

The Honorable Julie Benafield-Bowman  
Commissioner of Insurance  
Arkansas Insurance Department  
1200 West 3rd Street  
Little Rock, AR 72201-1904

Attn: Property and Casualty Division

**RE: United States Liability Insurance Company /NAIC#25895**  
Community Association Program  
Form Revision Submission  
Company Filing #: PROF-CAP-08-14  
Effective Date: Upon Earliest Approval

Dear Commissioner Benafield-Bowman:

Enclosed you will find a form revision being filed for the Company's Community Association Program Professional Liability form filing. A letter permitting Westmont Associates, Inc. to submit this filing on the Company's behalf is enclosed.

The Company is filing revised versions of its coverage forms, policy jacket and endorsements for its currently filed and approved Community Association Professional Liability Insurance product. The Company is revising its forms to clarify its intent as well as providing terms and conditions that are more favorable to insureds. Please refer to the attached Index of Forms for a detailed explanation regarding these changes.

Please note that there is no rate impact associated with the revisions made to the attached forms.

Your approval and/or acknowledgement of this submission is respectfully requested, with the earliest permissible effective date. Enclosed please find a self-addressed stamped envelope for your convenience in returning the duplicate copy of this filing, evidencing your approval and/or acknowledgment.

Respectfully Submitted,  
***Meghan Slenkamp***  
Meghan Slenkamp  
Analyst  
[meghans@westmontlaw.com](mailto:meghans@westmontlaw.com)

Enclosures

Cc: M. Miller

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY POLICY**

**THREE-YEAR POLICY TERM ENDORSEMENT**

This endorsement amends the above referenced policy as set forth herein. In the event of any conflict between the provisions of this endorsement and the provisions of the above referenced policy, the provisions of this endorsement shall control. Otherwise, coverage provided under this endorsement is subject to the terms, conditions, limitations and exclusions of the applicable policy referenced above.

**Policy Term**

The term of the policy to which this endorsement is attached is three (3) years, commencing with the inception date set forth in the Policy Declarations unless modified in accordance with the terms of this endorsement. The Three-Year Policy Term consists of three (3), consecutive Coverage Periods as set forth in the Amendment to Policy Declarations.

For purposes of coverage provided under a Three-year Policy Term, the terms "Policy" and "Policy Period" in the above referenced policy shall have the same meaning as Three-Year Policy Term in this endorsement.

**Premium**

Item V. COVERAGE PERIOD PREMIUM in the Amendment to Policy Declarations is the premium due for each Coverage Period beginning with the inception date of the Three-Year Policy Term as shown in the Policy Declarations.

Item V. PREMIUM is the total amount due for the Three-Year Policy Term as shown on the Policy Declarations.

Section II. FULL PRIOR ACTS COVERAGE PROVISION is deleted in its entirety and replaced with the following:

Coverage shall apply to any **Claim** made against the **Insured** for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of the **Insured's** duties on behalf of the **Organization** committed prior to the expiration date of this Three-Year Policy Term, or the effective date of cancellation or ~~non-renewal of this Three-~~ **non renewal of this Three-Year** ~~Year-~~ Policy Term, provided that the **Claim** is first made during the Three-Year Policy Term as required below, or the ~~Extension Period, if applicable, and written notice of said Claim is reported to the Company as soon as practicable.~~

~~There shall be no coverage for any Claim reported to the Company later than sixty (60) days after the end of the Coverage Period in which the Claim was first made or after the expiration of the Extension Period, if applicable.~~

Extended Reporting Period, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act** ~~or Act~~, **Wrongful Employment Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the ~~application~~ **Application** had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

~~A. The~~ **A.** the inception date of this Three-Year Policy Term; or

~~B. The~~ **B.** the inception date of the first ~~policy~~ **Policy** of this type the **Company** has issued to the **Parent Organization** regardless of the term of coverage of such ~~policy~~ **Policy**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Three-Year Policy Term.

Section III. DEFINITIONS, A. “**Application**”, is deleted in its entirety and replaced with the following:

~~A. “~~ **Application**” means:

~~(1) An~~ **(1)** An application and any material submitted for this Three-Year Policy term and

~~(2) An~~ **(2)** An application(s), ~~including~~ and any material submitted, for all previous ~~policies~~ **Policies** issued by the **Company** regardless of the term of coverage, providing continuous coverage until the inception date of this Three-Year Policy term.

The content of (1) and (2) above which is incorporated by reference in this Three-Year Policy term as if physically attached hereto.

Section IV. EXCLUSIONS, paragraph ~~N.K.~~ is deleted in its entirety and replaced by the following:

~~N. Any~~ pending or prior litigation, administrative or regulatory proceeding, ~~claim,~~ **Claim**, demand, arbitration, decree, or judgment of which ~~the~~ **an Insured** had written notice before the effective date of this Three-Year Policy Term; or any fact, circumstance, event, situation, ~~or~~ **Wrongful Act** or **Wrongful Employment Act** which before the effective date of this Three-Year Policy Term was the subject of any notice ~~to~~ **an Insured** under any other similar ~~policy~~ **Policy** of insurance to the **Insured**; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Three-Year Policy Term is a renewal of a ~~policy or policies~~ **Policy or Policies** previously issued by the **Company**, and if the coverage provided by the **Company** was continuous from the effective date of the first such other policy to the

effective date of this Three-Year Policy Term, the **reference in this exclusion to “effective date of this Three-Year Policy Term”** will mean the effective date of the first ~~policy~~Policy under which the **Company** first provided continuous coverage to an **Insured**;

Section V. LIMITS OF LIABILITY AND ~~RETENTION~~RETENTION; paragraphs A. and I. are deleted in their entirety and replaced with the following:

~~A.~~~~The~~A. The Limit of Liability specified on the Policy Declarations as “in the aggregate” shall be the maximum liability for **Loss** from all **Claims** to which this coverage applies and shall be reinstated for each successive Coverage Period within the Three-Year Policy Term beginning with the effective date shown on the Policy Declarations.

~~I.~~~~The~~I. The Limit of Liability for this Policy shall apply separately to each consecutive Coverage Period and shall be reinstated for each successive Coverage Period within the Three-Year Policy Term as shown on the Policy Declarations. The Limit of Liability available for a Coverage Period cannot be applied to other Coverage Period(s). If a Three-Year Policy Term is extended for less than 12 months, the additional period will be deemed part of the last preceding Coverage Period for the purposes of determining the Limit of Liability.

Section ~~XII~~.XIII, NOTICE/CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS, paragraph A. is deleted in its entirety and replaced with the following:

A. As a condition precedent to exercising any right to coverage under this ~~policy~~Policy, the **Insured** shall give to the **Company** written notice of a **Claim** or circumstance which could be expected to give rise to a **Claim** being made against an **Insured** as soon as practicable within the applicable Coverage Period ~~but no later than sixty (60) days after the end of the applicable Coverage Period in which the Claim was first made.~~but:

- (1) If a Coverage Period ~~expires~~, is cancelled or is non-renewed and if no ~~Extension~~Extended Reporting Period is purchased, ~~written notice of a Claim shall be given~~ no later than sixty (60) days after the expiration date or the effective date of such cancellation or non-renewal or
- (2) ~~non-renewal. If an Extension~~If an Extended Reporting Period is purchased, ~~written notice of a Claim shall be given~~ no later than the last day of the ~~Extension~~Extended Reporting Period.

Section ~~XII~~. NOTICE/CLAIM REPORTING PROVISIONS, paragraph C. is deleted in its entirety and replaced with the following:

~~C.~~If during a Coverage Period the **Insured** shall become aware of any circumstances which could give rise to a **Claim** being made against the **Insured**, the **Insured** shall give written notice to the **Company** of the circumstances and the reasons for anticipating such a **Claim** with full particulars as to dates and persons involved.

~~Such notice must be given to the **Company** within the Coverage Period in which the **Insured** first became aware of such circumstances. Any **Claim** which is subsequently made against the **Insured** and reported to the **Company** as required by the Policy alleging, arising out of, based upon or attributable to such circumstances or alleging any **Wrongful Act** or **Wrongful Employment Act** which is the same as or related to any **Wrongful Act** or **Wrongful Employment Act** alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was first given to the **Company**.~~

~~Section XIII. CANCELLATION OR NON-RENEWAL is deleted in its entirety and replaced with the following:~~

~~The **Parent Organization** may cancel the Three-Year Policy Term at any time by either surrender of the policy to the **Company** at its address started in the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium based on the unexpired Coverage Period(s) in effect at the time of cancellation.~~

~~The Three-Year Policy Term may not be cancelled by the **Company** except for non-payment of premium when due in which case **Company** shall provide the **Parent Organization** with not less than ten (10) days written notice prior to the effective date of cancellation. If the **Company** cancels, earned premium shall be computed pro rata. Premium adjustments may be made at the time cancellation is affected, or as soon as practicable thereafter.~~

~~The **Company** reserves the right to non-renew or amend the terms, conditions, and premium of a Coverage Period due to **Claims**. The **Company** reserves the right to non-renew coverage or amend the terms, conditions and premium at the end of the Three-Year Policy Term with prior notice to the **Parent Organization** as set forth herein. In the event the **Company** elects to non-renew coverage, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the expiration of a Coverage Period or Three-Year Policy Term, as applicable, written notice of non-renewal. Such notice shall be conclusive of all **Insureds**.~~

~~The mailing of notice of cancellation or non-renewal shall be sufficient notice~~  
Section XIV. CANCELLATION OR NON-RENEWAL is deleted in its entirety and replaced with the following:

- A. This three year Policy Term may be cancelled by the **Parent Organization** by either surrender thereof to the **Company** at its address started in the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium based on the unexpired Coverage Period(s), in effect at the time of cancellation.
- B. The Three-Year Policy Term may not be cancelled by the **Company** except for non-payment of premium when due in which case **Company** shall provide the **Parent Organization** with not less than 10 days written notice prior to the effective date of cancellation.
- C. The **Company** reserves the right to non-renew or amend the terms, conditions, and premium of a Coverage Period due to **Claims**. The **Company** reserves the right to non-renew coverage or amend the terms, conditions and premium at the end of the Three-Year Policy Term with prior notice to the **Parent Organization**

as set forth herein. In the event the **Company** elects to non-renew coverage, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the expiration of a Coverage Period or Three-Year Policy Term, as applicable, written notice of non-renewal. Such notice shall be binding on all **Insureds**.

The Company shall mail notice of cancellation or non-renewal ~~and~~ by certificate of mailing stating the effective date of cancellation or non-renewal ~~stated in any such notice~~ and the specific reason(s) for cancellation or nonrenewal which shall become the end of the Coverage Period or Three-Year Policy Term, as applicable. Delivery of such ~~notice by the Parent Organization or the Company shall be written equivalent to the mailing.~~

~~Section **XXI. CHANGES IN EXPOSURE** is amended to read that the entire premium for a Coverage Period shall be deemed earned premium in the event a Transaction occurs after the inception date of that Coverage Period.~~

~~All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.~~

- D. notice shall be sufficient notice of cancellation or non-renewal.
- E. If the **Company** cancels the Policy, earned premium shall be computed pro rata. Premium adjustments may be made at the time cancellation is effected, or as soon as practicable thereafter.

Section XXII CHANGES IN EXPOSURE is amended to read that the entire premium for a Coverage Period shall be deemed earned premium in the event a Transaction occurs after the inception date of that Coverage Period.

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your policy and takes effect on the effective date of your policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**PUBLISHERS LIABILITY EXCLUSION ENDORSEMENT**

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, or in any way involving publishing activities, plagiarism, infringement of ~~copyright or title or slogan, trademark or copyright~~, piracy or unfair competition or idea misappropriation ~~under an implied contract~~.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**RETROACTIVE DATE ENDORSEMENT**

~~It is hereby agreed that CAP (06/03),~~ Section II. FULL PRIOR ACTS COVERAGE PROVISION, is deleted in its entirety and replaced with the following:

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving a **Wrongful Act** or **Wrongful Employment Act** committed, or alleged to have been committed prior to \_\_\_\_\_.

Coverage shall also not apply to any **Claim** based upon or arising out of any **Wrongful Act** or **Wrongful Employment Act**, or circumstance likely to give rise to a **Claim** of which any **Insured** had knowledge, or otherwise had basis to reasonably anticipate might result in a **Claim**, prior to the inception of this Policy (including, but not limited to, any prior **Claim** or possible **Claim** or circumstance referenced in the **Application**).

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**AFFILIATED PARTIES EXCLUSION ENDORSEMENT**

It is hereby agreed that the **Company** shall not be liable to make any payment for **Loss**, or **Defense Costs** in connection with any **Claim** made against any **Insured** based upon, arising out of, directly or indirectly resulting ~~from or~~from, in consequence of, any **Claim** made against any affiliates, chapters, ~~or~~ branches ~~or members~~ of the ~~named~~ **Insured**.

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**DELETION OF THIRD PARTY COVERAGE ENDORSEMENT**

It is hereby agreed that ~~CAP (06/03)~~Section III. DEFINITIONS is amended as follows:

~~(1)Section III. DEFINITIONS,(1) Definitions R.S. Third Party, S.T. Third Party Discrimination and T.U. Third Party~~**Sexual Harassment** are deleted in their entirety.

~~(2)Section III. DEFINITIONS,(2) Definition V. Wrongful~~**Employment Act** is amended by the deletion of ~~(12) Third Party Discrimination and (13) Third Party Sexual Harassment.~~—the following:

**Wrongful Act** shall also include any actual or alleged act of:

- (1) **Third Party Discrimination;** or
- (2) **Third Party Harassment.**

All other terms and conditions of this Policy remain unchanged. This endorsement is a part ~~of~~of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

NOTICE: This is a Claims-Made Coverage Form. This Coverage Form only covers those **Claims** first made against the **Insured** during the **Policy Period** or **Extended Reporting Period**, if purchased. **Defense Costs** shall be applied against the Retention.

NOTICE: This is a **CLAIMS-MADE** COVERAGE FORM. This **COVERAGE FORM** only covers those **CLAIMS FIRST MADE** against the **Insured** during the **POLICY PERIOD** or **Extension Period**, if purchased. **DEFENSE COSTS** shall be applied against the Retention.

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** and all attachments and materials submitted therewith, and subject to all the provisions of this Policy, the **Company** agrees as follows:

In consideration of the payment of the premium and reliance upon all statements made and information furnished to the **Company**, including the statements made in the **Application** and all attachments and materials submitted therewith, and subject to all the provisions of this Policy, the **Company** agrees as follows:

**I. INSURING AGREEMENT**

**I. INSURING AGREEMENTS**

A. The **Company** will pay on behalf of the **Insured**, **Loss** in excess of the Retention not exceeding the Limit of Liability **shown in the Policy Declarations** for which this coverage applies that the **Insured** shall become legally obligated to pay because of **Claims** first made against the **Insured** during the **Policy Period** or during the **Extended Reporting Period**, if applicable, for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of an **Insured's** duties on behalf of the **Organization**.

A. The **Company** will pay on behalf of the **Insured** **Loss** in excess of the Retention not exceeding the Limit of Liability for which this coverage applies that the **Insured** shall become legally obligated to pay because of **Claims** first made against the **Insured** during the Policy Period or during the **Extension Period**, if applicable, for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of an **Insured's** duties on behalf of the **Organization**.

B. The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent.

B. The **Company** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent. ~~The **Company** may investigate any **Claim** and settle any **Claim** with the **Insured's** consent as the **Company** deems expedient, but the **Company** is not obligated to pay any **Loss** or defend any **Claim** after the Limit of Liability has been exhausted by payments of **Loss**.~~

**II. FULL PRIOR ACTS COVERAGE PROVISION**

**II. FULL PRIOR ACTS COVERAGE PROVISION**

Coverage shall apply to any **Claim** made against the **Insured** for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of the **Insured's** duties on behalf of the

Coverage shall apply to any **Claim** ~~first~~ made against the **Insured** for **Wrongful Acts** or **Wrongful Employment Acts** arising solely out of an **Insured's** duties on behalf of the

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**Organization** committed prior to the expiration date of this Policy, or the effective date of cancellation or non renewal of this Policy provided that the **Claim** is first made during the **Policy Period**, or the **Extended Reporting Period**, if applicable, ~~and written notice of said **Claim** is reported to the **Company** as soon as practicable. There shall be no coverage for any **Claim** reported to the **Company** later than 60 days after the end of the **Policy Period** or after the expiration of the **Extended Reporting Period**, if applicable.~~

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act, Wrongful Employment Act** or circumstance likely to give rise to a **Claim** of which the person or persons signing the application had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A. the inception date of this Policy; or
- B. the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Policy.

**III. DEFINITIONS**

A. **“Application”** means:

- (1) An application and any material submitted for this Policy and
- (2) An application(s), including and any material submitted, for all previous Policies issued by the **Company** providing continuous coverage until the inception date of this Policy.

The content of (1) and (2) above is incorporated by reference in this Policy as if physically attached hereto.

B. **“Claim”** means:

- (1) any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**; or
- (2) any written demand for monetary or

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

**Organization** committed prior to the expiration date of this Policy, provided that the **Claim** is first made during the **Policy Period**, or the **Extension Period**, if applicable, and written notice of said **Claim** is reported to the **Company** as soon as practicable. There shall be no coverage for any **Claim** reported to the **Company** later than 60 days after the end of the **Policy Period** or after the expiration of the **Extension Period**, if applicable.

However, coverage shall not apply to any **Claim** based upon or arising out of any **Wrongful Act, Wrongful Employment Act** or circumstance likely to give rise to a **Claim** of which ~~any **Insured**~~ had knowledge, or otherwise had a reasonable basis to anticipate might result in a **Claim**, prior to the earlier of:

- A. the inception date of this Policy; or
- B. the inception date of the first Policy of this type the **Company** has issued to the **Parent Organization**, provided that the **Company** has written continuous coverage for the **Parent Organization** from such date to the inception date of this Policy.

**III. DEFINITIONS**

A. **“Application”** means:

- (1) ~~the Application for this Policy, a copy of which is attached hereto; and~~
- (2) ~~the Application(s), including any material herewith, for all previous policies issued by the **Company** providing continuous coverage until the inception date of this Policy together with any material submitted with the Application for this Policy, all of which shall be retained on file and deemed a part of this Policy as if physically attached hereto.~~

B. **“Claim”** means:

- (1) any written notice received by any **Insured** that any person or entity intends to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**; or
- (2) any judicial or administrative proceeding

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

non-monetary relief received by any Insured seeking to hold such Insured responsible for a Wrongful Act or Wrongful Employment Act; or

initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom.

(3) any judicial or administrative proceeding initiated against any **Insured** seeking to hold such **Insured** responsible for a **Wrongful Act** or **Wrongful Employment Act**, including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom.

A **Claim** shall be considered first made when an **Insured** or its legal representative or agent first receives notice of a **Claim**.

A **Claim** shall be considered first made when an **Insured** or its legal representative or agent first receives notice of a **Claim**.

C. **“Company”** means the insurer identified in the Declarations.

C. **“Company”** means the insurer identified in the Policy Declarations.

D. **“Construction Defect(s)”** means any actual or alleged defective, faulty, or delayed construction or any other matter constituting a construction defect under applicable law, regardless of whether it results from:  
(1) defective or incorrect architectural plans or other designs,  
(2) defective or improper soil testing,  
(3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence,  
(4) construction, manufacture or assembly of any tangible property,  
(5) the failure to provide or pay for any construction-related goods or services, or  
(6) the supervision or management of any construction-related activities.

D. **“Construction Defect(s)”** means any actual or alleged defective, faulty, or delayed construction or any other matter constituting a construction defect under applicable law, regardless of whether it results from:  
(1) defective or incorrect architectural plans or other designs,  
(2) defective or improper soil testing,  
(3) defective, inadequate or insufficient protection from subsoil or earth movement or subsidence,  
(4) construction, manufacture or assembly of any tangible property,  
(5) the failure to provide or pay for any construction-related goods or services, or  
(6) the supervision or management of any construction-related activities.

E. **“Defense Costs”** means reasonable and necessary legal fees and expenses incurred by the **Company**, or by any attorney designated by the **Company** to defend the **Insureds**, resulting from the investigation, adjustment, defense and appeal of a **Claim**. **Defense Costs** include other fees, costs, costs of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds), but does not mean salaries, wages,

E. **“Defense Costs”** means reasonable and necessary legal fees and expenses incurred by the **Company**, or by any attorney designated by the **Company** to defend any Insured, resulting from the investigation, adjustment, defense and appeal of a **Claim**. **Defense Costs** includes other fees, costs, costs of attachment or similar bonds (without any obligation on the part of the **Company** to apply for or furnish such bonds), but does not include salaries,

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

wages, overhead or benefits expenses of any **Insured**.

overhead or benefits expenses of **any Insured**.

**F. “Discrimination”** means:

- (1) the termination of an employment relationship; or
- (2) a demotion or failure to hire or promote any individual; or
- (3) any other limitation or classification of an **Employee** or applicant for employment which would deprive any individual of employment opportunities or adversely affect any individual’s status as an **Employee**; because of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute ordinance, regulation or order.

**F. “Discrimination”** means:

- (1) the termination of an employment relationship;
- (2) a demotion or failure to hire or promote any individual; or
- (3) any other limitation or classification of an **Employee** or applicant for employment which would deprive any individual of employment opportunities or adversely affect any individual’s status as an **Employee**; because of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute or ordinance, regulation or order.

G. “Domestic Partner” means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

**H. “Employee”** means any natural person whose labor or service is engaged by and directed by the **Organization** while performing duties related to the conduct of the Organization’s business and includes leased, part-time, seasonal and temporary workers, volunteers and interns. An **Employee’s** status as an **Insured** will be determined as of the date of the **Wrongful Act** or **Wrongful Employment Act** that results in the **Claim**.

**G. “Employee”** means any person whose labor or service is engaged by and directed by the **Organization** and includes leased, part-time, seasonal and temporary workers and volunteers. An **Employee’s** status as an **Insured** will be determined as of the date of the **Wrongful Act** or **Wrongful Employment Act** **which** results in the **claim**.

**I. “Harassment”** means:

- (1) sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that are made a condition of employment, are used as a basis for employment decisions, or create a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance; or
- (2) other harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with

**H. “Harassment”** means:

- (1) sexual harassment including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that are made a condition of employment, are used as a basis for employment decisions, or create a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance; or
- (2) other workplace harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

performance.

**J. “Individual Insureds”** means any persons who were, now are, or shall be directors, trustees, officers, **Employees**, volunteers or committee members of the **Organization**, including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

**K. “Insured(s)”** means the **Organization** and the **Individual Insureds**.

**L. “Loss”** means damages and settlements which an **Insured** is legally obligated to pay as a result of a **Wrongful Act or Wrongful Employment Act**, front pay and back pay, pre-judgment and post judgment interest awarded by a court and punitive or exemplary damages to the extent such damages are insurable under applicable law but does not include fines, penalties, taxes, the multiplied portion of any multiple damage award or an express obligation to make payments in the event of the termination of employment.

For the purpose of determining the insurability of punitive damages and exemplary damages, the laws of the jurisdiction most favorable to the insurability of such damages shall control, provided that such jurisdiction has a substantial relationship to the relevant **Insured** or to the **Claim** giving rise to the damages.

**M. “Organic Pathogen”** means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

**N. “Organization”** means:  
(1) the **Parent Organization**; and  
(2) any **Subsidiary** of the **Parent Organization**; and  
(3) any entity in its capacity as a debtor in possession of (1) or (2) above under the United States bankruptcy law or equivalent status under the law of any other jurisdiction

performance.

**I. “Individual Insureds”** means any persons who were, now are, or shall be directors, trustees, officers, **Employees**, volunteers or committee members of the **Organization**, including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

**J. “Insured(s)”** means the **Organization** and the **Individual Insureds**.

**K. “Loss”** means damages and settlements, but does not include fines, penalties imposed by law, sanctions, taxes and matters deemed uninsurable under the law pursuant to which this Policy shall be construed. This definition does not exclude punitive damages or exemplary damages or the multiplied portion of any multiple damage award unless such damages are uninsurable under applicable law.

**L. “Organic Pathogen”** means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, including but not limited to their byproduct such as mycotoxin, mildew, or biogenic aerosol.

**M. “Organization”** means:  
(1) the **Parent Organization**; and  
(2) any **Subsidiary** of the **Parent Organization**.

**N. “Parent Organization”** means the entity

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

**O. “Parent Organization”** means the entity named in Item 1. of the Policy Declarations.

**P. “Policy Period”** means the period from the effective date of this Policy set forth in the Policy Declarations to the expiration date or the effective date of cancellation or non-renewal date, if any.

**Q. “Retaliation”** means any actual or alleged retaliatory treatment against an **Employee** because of:

- (1) the exercise of or attempt to exercise an **Employee’s** rights under law; or
- (2) an **Employee’s** disclosure of or threat to disclose to a governmental agency or superior acts of actual or alleged wrongdoing by any **Insured**; or
- (3) the filing of any claim under any federal, state or local “whistle-blower” law including the Federal False Claims Act; or
- (4) **Employee strikes or slowdowns.**

**R. “Subsidiary”** means, for the purpose of this Policy, any entity, which is more than 50% owned by the **Parent Organization** as of the effective date of this Policy and is disclosed as a subsidiary in an **Application** to the **Company**.

A non profit entity formed or acquired after the effective date of this Policy is, for the purpose of this Policy, a **Subsidiary** if:

- (1) its assets total less than 25% of the total consolidated assets of the **Parent Organization** at the time of formation or acquisition and
- (2) the formation or acquisition with full particulars about the new **Subsidiary** has been disclosed to the **Company** by the **Parent Organization** as soon as practicable but no later than the expiration date of this Policy, or effective date of cancellation or non renewal, if any.

Any non profit entity formed or acquired after the effective date of this Policy whose assets total more than 25% of the total consolidated assets of the **Parent Organization** or any for

named in Item 1. of the Declarations.

**O. “Policy Period”** means the period from the effective date of this Policy to the Policy expiration date set forth in the Declarations, or its earlier cancellation or termination date, if any.

**P. “Retaliation”** means any actual or alleged retaliatory treatment against an **Employee** because of:

- (1) the exercise of or attempt to exercise an **Employee’s** rights under law;
- (2) an **Employee’s** disclosure of or threat to disclose to a governmental agency or superior acts of actual or alleged wrongdoing by any **Insured**;
- (3) the filing of any claim under any federal, state or local “whistle-blower” law including the Federal False Claims Act;

**Q. “Subsidiary”** means any non-profit entity, ~~association or corporation,~~ of which the **Parent Organization** owns more than 50% of the voting stock, or in cases where no stock has been issued, controls such **Subsidiary** at the time of Policy inception, and shall be limited to any **Subsidiary** identified as such in the **Application**.

After the Inception Date of this Policy, **Subsidiary** shall also include any non-profit entity whose assets total less than 25% of the total consolidated assets of the **Parent Organization** as of the inception date of this Policy, and which becomes a **Subsidiary** during the **Policy Period**. The **Parent Organization** shall provide the **Company** with full particulars of the new **Subsidiary** as soon as practicable, but no later than the expiration of this Policy.

An entity which becomes a **Subsidiary** during the **Policy Period** whose assets total 25% or more of the total consolidated assets of the **Parent Organization** as of the inception date of this Policy shall be covered as a **Subsidiary** only if:

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

profit entity formed or acquired after the effective date of this Policy is, for the purpose of this Policy, a Subsidiary only if:

(1) the **Parent Organization** provides written notice to the **Company** of such **Subsidiary** as soon as practicable, but within sixty (60) days of the formation or acquisition of the **Subsidiary**; and

(2) the **Parent Organization** provides the **Company** with such information as the **Company** may deem necessary to determine the insurability of the Subsidiary; and

(3) the **Parent Organization** accepts any special terms, conditions, exclusions, limitations or premium imposed by the Company; and

(4) the **Company**, at its sole discretion, agrees to insure the Subsidiary.

A **Subsidiary** which is sold or dissolved:

(1) after the effective date of this Policy and which was an **Insured** under this Policy; or

(2) prior to the effective date of this Policy and which was an **Insured** under a prior Policy issued by the **Company**;

shall continue to be an **Insured**, but only with respect to **Claims** first made during this **Policy Period** or Extended Reporting Period, if applicable, arising out of **Wrongful Acts** or **Wrongful Employment Acts** committed or allegedly committed during the time that the entity was a **Subsidiary** of the **Parent Organization**.

S. “**Third Party**” means any person(s) with whom an **Insured** in their capacity as such interacts while the Insured is performing duties related to the conduct of the Organization’s business.

T. “**Third Party Discrimination**” means discrimination by an **Insured** in their capacity as such against a **Third Party** based upon such **Third Party’s** race, religion, age, sex, disability, national origin, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute or ordinance while the Insured is performing duties related to the conduct of the

(1) the **Parent Organization** provides written notice to the **Company** of such **Subsidiary** as soon as practicable, but within 60 days of the entity becoming a Subsidiary;

(2) the **Parent Organization** provides the **Company** with such information as the **Company** may deem necessary;

(3) the **Parent Organization** accepts any special terms, conditions, exclusions or additional premium charge as may be required; and

(4) the **Company**, at its sole discretion, agrees to provide such coverage.

A **Subsidiary** which is sold or dissolved:

(1) after the inception date of this Policy and which was an **Insured** under this Policy; or

(2) prior to the inception date of this Policy and which was an **Insured** under a prior Policy issued by the **Company**;

shall continue to be an **Insured**, but only with respect to **Claims** first made during the **Policy Period** or Extension Period, if applicable, arising out of **Wrongful Acts** or **Wrongful Employment Acts** committed or allegedly committed during the time that the entity was a **Subsidiary** of the **Parent Organization**.

R. “**Third Party**” means any person(s) with whom an **Insured** in their capacity as such interacts.

S. “**Third Party Discrimination**” means discrimination by an **Insured** in their capacity as such against a **Third Party** based upon such **Third Party’s** race, religion, age, sex, disability, national origin, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute or ordinance.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

**Organization’s business.**

**U. “Third Party Harassment”** means

- (1) **Sexual harassment including** any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature against a **Third Party**; or
- (2) **other harassment which creates an environment that is hostile, intimidating or offensive to a Third Party ;**

**committed or allegedly committed by an Insured in their capacity as such while the Insured is performing duties related to the conduct of the Organization’s business.**

**V. “Wrongful Act”** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duties:

- (1) by the **Organization** or
- (2) **by the Individual Insureds arising solely from duties conducted on behalf of the Organization or**
- (3) asserted against **any Individual Insured** because of **an actual or alleged error, omission, misstatement, misleading statement, neglect or breach of duty by the Organization**

**Wrongful Act shall also include any actual or alleged act of:**

- (1) **Third Party Discrimination; or**
- (2) **Third Party Harassment .**

It is further agreed that the same **Wrongful Act**, and interrelated series of **Wrongful Acts** or a series of similar or related **Wrongful Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Act** and to have commenced at the time of the earliest **Wrongful Act**.

**W. “Workplace Tort” means any actual or alleged employment related:**

- (1) **misrepresentation; or**
- (2) **negligent supervision, training or evaluation; or**

**T. “Third Party ~~Sexual Harassment~~”** means any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature ~~that are made by an Insured in their capacity as such~~ against a **Third Party**.

**U. “Wrongful Act”** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duties:

- (1) by the **Organization** or by the **Individual Insureds** arising solely from their capacity with the **Organization**; or
- (2) asserted against the **Individual Insureds** because of ~~their status as such.~~

It is further agreed that the same **Wrongful Act**, and interrelated series of **Wrongful Acts** or a series of similar or related **Wrongful Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Act** and to have commenced at the time of the earliest **Wrongful Act**.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

~~(3) wrongful discipline; or~~  
~~(4) wrongful deprivation of a career opportunity; or~~  
~~(5) failure to enforce written policies and procedures relating to a **Wrongful Employment Act**.~~

**X. “Wrongful Employment Act”** means any actual or alleged act of:

(1) **Discrimination**; or  
(2) **Harassment**; or  
(3) **Retaliation**; or  
(4) **Wrongful Termination**; or  
(5) **Workplace Tort**; or  
(6) **Negligent violation of the Uniformed Services Employment & Reemployment Rights Act**; or  
(7) Negligent violation of the Family and **Medical Leave Act of 1993**; or  
(8) **Negligent violation of state law having the same or substantially similar purpose as the acts in (6) or (7) above or**

(9) acts described in clauses (1) through (8) above arising from the use of the **Organization’s** Internet, e- mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization’s** Internet, e- mail, telecommunication or similar systems;

committed or allegedly committed by the **Organization** or by an **Individual Insured** acting solely within his/her capacity as such involving and brought by any **Employee**, former **Employee** or applicant for employment with the **Organization** or asserted by any **Employee, former Employee or applicant for employment with the Organization** against an **Individual Insured** because of his/her status as such.

~~**Wrongful Employment Act shall also include any actual or alleged act of:**~~  
~~(1) **Third Party Discrimination**; or~~  
~~(2) **Third Party Harassment**.~~

It is further agreed that the same **Wrongful**

**V. “Wrongful Employment Act”** means any actual or alleged act of:

(1) **Discrimination**;  
(2) **Harassment**;  
(3) **Retaliation**;  
(4) **Wrongful Termination**;  
~~(5) employment related misrepresentation;~~  
~~(6) negligent evaluation, training or supervision of **Employees**;~~  
~~(7) failure to enforce adequate policies and procedures relating to any **Wrongful Employment Act**;~~  
~~(8) wrongful discipline;~~  
~~(9) wrongful deprivation of career opportunity;~~  
(10) negligent violation of the Family Leave Act of 1993;  
(11) acts described in clauses (1) through (10) above arising from the use of the **Organization’s** Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to such use of the **Organization’s** Internet, e-mail, telecommunication or similar systems; committed or allegedly committed by the **Organization** or by an **Individual Insured** acting solely within his/her capacity as such against any **Employee**, former **Employee** or applicant for employment with the **Organization**; or asserted against any Insured because of his/her status as such.

**Wrongful Employment Act** shall also include any actual or alleged act of:

(12) **Third Party Discrimination**  
(13) **Third Party ~~Sexual~~ Harassment**

It is further agreed that the same **Wrongful Employment Act**, and interrelated series of **Wrongful Employment Acts** or a series of

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

**Employment Act**, and interrelated series of **Wrongful Employment Acts** or a series of similar or related **Wrongful Employment Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Employment Act** and to have commenced at the time of the earliest **Wrongful Employment Act**.

**Y. “Wrongful Termination”** means the actual or constructive termination of an employment relationship or the demotion of or the failure to promote any **Employee** in a manner which is illegal and wrongful or in breach of an implied agreement to continue employment.

similar or related **Wrongful Employment Acts** by one or more **Insureds** shall be deemed to be one **Wrongful Employment Act** and to have commenced at the time of the earliest **Wrongful Employment Act**.

**W. “Wrongful Termination”** means the actual or constructive termination of an employment relationship or the demotion of or the failure to promote any **Employee** in a manner which is illegal and wrongful or in breach of an implied agreement to continue employment. **Wrongful Termination** shall not include a termination which is or is alleged to be in breach or violation of an express contract of employment or an express obligation to make payments in the event of the termination of employment.

**IV. EXCLUSIONS**

The **Company** shall not be liable to make payment for **Loss** or **Defense Costs** (except where otherwise noted) in connection with any **Claim** made against the Insured arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

**A.** any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, assault, battery, disease or death of any person, or theft,

**IV. EXCLUSIONS**

The **Company** shall not be liable to make payment for **Loss** or **Defense Costs** in connection with any **Claim** made against **any Insured** arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:

**A.** any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, assault, battery, disease or death of any person, or theft,

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

conversion, misappropriation, damage to or destruction of any property including any loss of use or slander of title; provided that this exclusion shall not apply to:

(1) **Claims** for defamation that result from a **Wrongful Act**. However, coverage afforded for defamation shall only be excess over the **Insured's** primary General Liability Policy. Excess coverage under this Policy shall follow the form of said General Liability Policy. Failure to maintain a General Liability Policy shall not create primary coverage under this Policy; or

(2) **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from a **Wrongful Employment Act**; or

**B. conduct of the Insured or at the Insured's direction that is fraudulent, dishonest, criminal or with the intent to cause damage provided that this exclusion will not apply to Defense Costs incurred until such conduct is established to be fraudulent, dishonest or criminal by final and non-appealable judgment or adjudication;**  
or

**C.** any of the **Insureds** gaining any profit, remuneration or advantage to which the **Insured** was not legally entitled provided however this exclusion shall not apply to Defense Costs incurred until a final and non-appealable judgment or adjudication is rendered against the Insured as to this conduct;  
or

**D.** the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, noise, waste materials, or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental or gradual in nature or any cost or expense arising out of any request, demand, or order that the Insured or others test for,

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

conversion, misappropriation, damage to or destruction of any property including any loss of use or slander of title; provided that this exclusion shall not apply:

(1) to **Claims** for **libel, slander** or defamation that result from a **Wrongful Act**. However, coverage afforded for **libel, slander** or defamation shall only be excess over the **Insured's** primary General Liability Policy. Excess coverage under this Policy shall follow the form of said General Liability Policy. Failure to maintain a General Liability Policy shall not create primary coverage under this Policy;

(2) to **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from a **Wrongful Employment Act**;

**B.** any **Claims** brought about or contributed to by any dishonest, fraudulent or criminal **Wrongful Act** or **Wrongful Employment Act** or by any **Wrongful Act** or **Wrongful Employment Act** committed with intent to cause damage;

**C.** any of the **Insureds** gaining ~~in fact~~ any profit, remuneration or advantage to which such **Insured** was not legally entitled;

**D.** the actual, alleged or threatened discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, noise, waste materials, or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, whether or not such actual, alleged or threatened discharge, dispersal, release or escape is sudden, accidental ~~or~~ gradual in nature, or any cost or expense arising out of any request, demand, or order that **any Insured** or others test for,

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants; or

monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants;

**E. any form of Organic Pathogen including the actual, alleged or threatened existence, discharge, dispersal, release or escape of Organic Pathogens including water damage that results or is alleged to result in the existence of Organic Pathogens, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental, intentional or gradual in nature or whether or not any resulting injury, damage, devaluation of property, cost or expense is expected or intended from the standpoint of the Insured. There will be no coverage for the Insured's failure or alleged failure to discover or disclose the existence of Organic Pathogens from any source whatsoever or water damage that results or is alleged to result in the existence of Organic Pathogens. In addition, this insurance does not cover fines and penalties arising out of any governmental direction, or any request of any private party or citizen action that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Organic Pathogens or any Claim for the taking, use, acquisition or interference with rights of others in property or air space; or**

**E.** any radioactive, toxic or explosive properties of nuclear material which includes, but is not limited to, source material, "special nuclear material" and "by product material" as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto and any similar provisions by any federal, state or local statutory or common law;

**F.** any sequence out of actual, alleged or threatened existence, discharge, dispersal, release or escape of **Organic Pathogens**, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is sudden, accidental or gradual in nature; In addition, this insurance does not apply to any loss, cost or expense arising out of or related to any form of **Organic Pathogen**, whether or not such actual, alleged or threatened existence, discharge, dispersal, release or escape is intentionally caused, or whether or not such injury, damage, devaluation, cost or expense is expected or intended from the standpoint of the **Insured**.

~~**G.** any Claims, demands or actions seeking exclusively non-monetary relief or redress of any kind or any fees or expenses, including but not limited to attorney fees, relating thereto~~  
~~**Claims, demands or actions for nonmonetary relief or redress of any kind;**~~

**F.** any radioactive, toxic or explosive properties of nuclear material which includes,

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

but is not limited to, source material, “special nuclear material” and “by product material” as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto and any similar provisions by any federal, state or local statutory or common law; or

**G.** any pension, profit sharing, welfare benefit or other employee benefit program established in whole or part for the benefit of any **Individual Insured**, or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (except Section 510 thereof) or any amendments thereof or regulations promulgated thereunder or similar provisions of any federal, state or local statutory law or common law provided that this exclusion will not apply to any Claim for actual or alleged Retaliation with regards to benefits paid or payable; or

**H.** any **Claim** by, at the behest of, or on behalf of the **Organization** and/or any **Individual Insured**; provided that this Exclusion shall not apply to:  
(1) any derivative action on behalf of, or in the name or right of the **Organization**, if such action is brought and maintained totally independent of, and without the solicitation, assistance, participation or intervention of any of the **Insureds**; or  
(2) a **Claim** that is brought and maintained by or on behalf of any **Individual Insured** for contribution or indemnity which is part of or results directly from a **Claim** which is otherwise covered by the terms of this Policy; or

**H.** any pension, profit sharing, welfare benefit or other employee benefit program established in whole or part for the benefit of any **Individual Insured**, or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (or any amendments thereof or regulations promulgated thereunder) or similar provisions of any federal, state or local statutory law or common law;

**I.** any **Claim** by, at the behest of, or on behalf of the **Organization** and/or any **Individual Insured**; provided that this Exclusion shall not apply to:  
(1) any derivative action on behalf of, or in the name or right of the **Organization**, if such action is brought and maintained totally independent of, and without the solicitation, assistance, participation or intervention of any of the **Insureds**; or  
(2) a **Claim** that is brought and maintained by or on behalf of any **Individual Insured** for contribution or indemnity which is part of or results directly from a **Claim** which is otherwise covered by the terms of this Policy;

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

(3) a **Claim** brought by any **Individual Insured** for a **Wrongful Employment Act**; or

(4) a **Claim** that is brought and maintained by or on behalf of any former director, trustee, officer, volunteer or committee member, but only if such **Claim** does not arise out of, directly or indirectly result from, is in consequence of or in any way involves any **Wrongful Act, Wrongful Employment Act**, responsibilities, actions, or failure to act by the **Insured** during such former director, trustee, officer, volunteer or committee member's tenure of service to the **Insured**.

**I.** any **Claim** made by or against any builder, developer, or sponsor in their capacity as such;  
or

**J.** any actual or alleged liability of any **Insured**, in whole or in part, including but not limited to actions for contribution or indemnity, related to or for any **Construction Defect(s)**;  
or

**K.** any pending or prior litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which an **Insured** had written notice before the effective date of this Policy;

**J.** any **Claim** made by or against any builder, developer, or sponsor;

~~**K.** the failure to effect or maintain appropriate or adequate insurance;~~

**L.** any actual or alleged liability of any **Insured**, in whole or in part, including but not limited to actions for contribution or indemnity, related to or for any **Construction Defect(s)**;

~~**M.** any **Insured's** actual or alleged liability for damages under any express contract or agreement; **provided that this exclusion does not apply to liability for a **Wrongful Act** or **Wrongful Employment Act** which an **Insured** would have in the absence of the contract or agreement;**~~

**N.** any pending or prior litigation, administrative or regulatory proceeding, **Claim**, demand, arbitration, decree, or judgment of which an **Insured** had written notice before the inception date of this Policy;

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

or any fact, circumstance, event, situation, **Wrongful Act** or **Wrongful Employment Act** which before the effective date of this Policy was the subject of any notice to an insurer under any other similar policy of insurance to the Insured; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Policy is a renewal of a policy or policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the effective date of the first such other policy to the effective date of this Policy, the reference in this exclusion to “effective date” will mean the effective date of the first Policy under which the **Company** first provided continuous coverage to an Insured; or

**L.** any **Claim** against any **Subsidiary** or its Individual Insureds for any **Wrongful Act** or **Wrongful Employment Act** occurring prior to the date that such entity became a **Subsidiary** or any **Wrongful Act** or **Wrongful Employment Act** occurring at any time that such entity is not a **Subsidiary**; or

**M.** any obligation under a worker’s compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law or regulation; provided this exclusion will not apply to any **Claim** for actual or alleged **Retaliation** with regards to benefits paid or payable; or

**N.** any lockout, strike, picket line, replacement of worker(s) or other similar actions resulting from labor disputes or labor negotiations;

or any fact, circumstance, event, situation, **Wrongful Act** or **Wrongful Employment Act** which before the inception date of this Policy was the subject of any notice under any other similar policy of insurance; or any future **Claims** or litigation based upon the pending or prior litigation or derived from the same or essentially the same facts, actual or alleged;

provided that, if this Policy is a renewal of a policy or policies previously issued by the **Company** and if the coverage provided by the **Company** was continuous from the inception date of the first such other policy to the inception date of this Policy, the reference in this exclusion will mean the inception date of the first Policy under which the **Company** began to provide continuous coverage to the Insured;

**O.** any **Claim** against any **Subsidiary** or its Insured Persons for any **Wrongful Act** or **Wrongful Employment Act** occurring prior to the date that such entity became a **Subsidiary** or any **Wrongful Act** or **Wrongful Employment Act** occurring at any time that such entity is not a **Subsidiary**;

**P.** any obligation under a worker’s compensation, disability benefits, insurance benefits or unemployment compensation law, or any similar law; provided this exclusion will not apply to any **Claim** for actual or alleged **Retaliation**;

**Q.** any liability or costs incurred by any Insured to modify any buildings or property in order to make said building or property more accessible or accommodating to any disabled person;

**R.** any lockout, strike, picket line, replacement of worker(s) or other similar actions resulting

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** from the foregoing; or

**O.** the National Labor Relations Act, Labor Management Relations Act and amendments thereto, or any similar state, federal, or local law or regulation provided that this exclusion will not apply to a **Claim** for actual or alleged **Retaliation** arising from an Insured's alleged violation of such law; or

**P.** actual or alleged violations of the Fair Labor Standards Act, any amendments thereto, or any similar provisions of any federal, state or local law (except the Equal Pay Act); or

**(1).** improper wages or wage disputes due to misclassification of **Employees** as exempt or non-exempt; or

**(2)** misrepresentation involving any **Employee's** status as exempt or non-exempt; provided that this exclusion shall not apply to any **Claim** for actual or alleged **Retaliation** arising from the foregoing; or

**Q.** any **Insured** actual or alleged liability for damages under any express contract or agreement, however this exclusion shall not apply to **Defense Costs** associated with such **Claim**; or

**R.** any costs or actual or alleged liability resulting from the modification of any real or personal property in order to make said real or personal property more accessible or accommodating to any disabled person.

This exclusion shall not apply to **Defense Costs** associated with such **Claim** however **Defense Costs** shall be a part of and not in addition to the **Limit of Liability** stated in **Item III of the Policy Declarations**.

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

from labor disputes or labor negotiations;

**S.** the National Labor Relations Act, Labor Management Relations Act and amendments thereto, or any similar state, federal, or local law;

**T.** actual or alleged violations of the Fair Labor Standards Act (except the Equal Pay Act), any amendments thereto, or any similar provisions of any federal, state or local law; or

**(1)** improper wages or wage disputes due to misclassification of **Employees** as exempt or non-exempt; or

**(2)** misrepresentation involving any **Employee's** status as exempt or non-exempt;

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

No **Wrongful Act** or **Wrongful Employment Act** of any **Individual Insured** or any fact pertaining to any **Insured** shall be imputed to any other **Individual Insured** for purposes of determining the applicability of Exclusions B. and C.

**V. LIMITS OF LIABILITY AND RETENTION**

Regardless of the number of **Insureds** under this Policy, **Claim(s)** made or brought on account of **Wrongful Act(s), Wrongful Employment Act(s)** or otherwise, the **Company's** liability is limited as follows:

A. The Limit of Liability specified in the **Policy** Declarations as "**in the aggregate**" shall be the maximum liability for **Loss** from all **Claims**;

B. The Limit of Liability specified in the **Policy** Declarations as the Limit for each **Claim** shall be the maximum liability for **Loss** for each **Claim**;

C. Defense Costs shall be in addition to the Limit of Liability as shown in the **Policy** Declarations;

D. Subject to the Limits of Liability provisions stated in **A., B., and C.** above, the **Company** shall be liable to pay only **Defense Costs and Loss** in excess of the Retention specified in the **Policy** Declarations hereof as respects each and every **Claim**;

E. The **Company** shall have no obligation to pay any part or all of the Retention specified in the **Policy** Declarations for any **Claim** on behalf of **an Insured**. If the **Company**, at its sole discretion, elects to pay any part or all of the Retention, the **Insureds** agree to repay such amounts to the **Company** upon demand;

F. The Retention shall not apply to **Loss or Defense Costs** paid ~~to or~~ on behalf of an

No **Wrongful Act** or **Wrongful Employment Act** of any **Individual Insured** or any fact pertaining to any **Insured** shall be imputed to any other **Individual Insured** for purposes of determining the applicability of Exclusions B. and C.

**V. LIMITS OF LIABILITY AND RETENTION**

Regardless of the number of **Insureds** under this Policy, **Claim(s)** made or brought on account of **Wrongful Act(s), Wrongful Employment Act(s)** or otherwise, the **Company's** liability is limited as follows:

A. the Limit of Liability specified in the Declarations as **annual aggregate** shall be the maximum liability for **Loss** from all **Claims** ~~to which this Coverage Part applies;~~

B. the Limit of Liability specified in the Declarations as the Limit for each **Claim** shall be the maximum liability for **Loss** for each **Claim** ~~to which this Coverage Part applies;~~

C. **Defense Costs** shall be in addition to the Limit of Liability as shown in the Declarations, except for when Item G. below applies;

D. subject to the Limits of Liability provisions stated above, the **Company** shall be liable to pay only **Loss** in excess of the Retention specified in the Declarations hereof as respects each and every **Claim** ~~to which the Coverage Part applies;~~

E. the **Company** shall have no obligation to pay any part or all of the Retention specified in the Declarations for any **Claim** on behalf of **any Insured**. If the **Company**, at its sole discretion, elects to pay any part or all of the Retention, the **Insureds** agree to repay such amounts to the **Company** upon demand;

F. the Retention shall not apply to **Loss** paid to or on behalf of an **Individual Insured** when

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

**Individual Insured** for a **Wrongful Act** when the **Organization** has not indemnified an **Individual Insured** for such **Loss** or **Defense Costs** subject to the terms and conditions of **Section VIII. INDEMNIFICATION/ WAIVER OF RETENTION;**

the **Organization** has not **paid Loss** to or on behalf of an **Individual Insured** as indemnification subject to the terms and conditions of Section VIII. **PRESUMPTION OF INDEMNIFICATION/ DELETION OF RETENTION;**

G. The Limit of Liability for the **Extended Reporting Period**, if applicable, shall be a part of and not in addition to the limit specified in the **Policy** Declarations;

G. the Limit of Liability for the **Extension Period**, if applicable, shall be a part of and not in addition to the limit specified in the Declarations;

H. **Claims** based upon or arising out of the same **Wrongful Act(s)** or **Wrongful Employment Act(s)**, interrelated **Wrongful Act(s)** or **Wrongful Employment Act(s)**, or a series of similar or related **Wrongful Act(s)** or **Wrongful Employment Act(s)** shall be considered a single **Claim** and shall be considered first made during the Policy Period or **Extended Reporting Period**, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** or **Wrongful Employment Act(s)** was first made and all **Loss** for such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**;

H. **Claims** based upon or arising out of the same **Wrongful Act(s)** or **Wrongful Employment Act(s)**, interrelated **Wrongful Act(s)** or **Wrongful Employment Act(s)**, or a series of similar or related **Wrongful Act(s)** or **Wrongful Employment Act(s)** shall be considered a single **Claim** and shall be considered first made during the **Policy Period** or **Extension Period**, if applicable, in which the earliest **Claim** arising out of such **Wrongful Act(s)** or **Wrongful Employment Act(s)** was first made and all ~~Defense Costs and~~ **Loss** for such **Claims** shall be subject to the one Limit of Liability that applies to such earliest **Claim**;

I. The Limit of Liability for this Policy shall apply separately to each consecutive annual period starting with the beginning of the **Policy Period** shown in the **Policy** Declarations. If this Policy is issued for a period of more than twelve (12) months but less than twenty-four (24) months or if the **Policy Period** is extended after issuance, the **Extended Reporting Period** will be deemed part of the last **Policy Period** for the purposes of determining the Limit of Liability.

I. the Limit of Liability for this Policy shall apply separately to each consecutive annual period starting with the beginning of the **Policy Period** shown in the Declarations. If this Policy is issued for a period of more than twelve (12) months but less than twenty-four (24) months or if the **Policy Period** is extended after issuance, the **additional period** will be deemed part of the last **preceding annual period** for the purposes of determining the Limit of Liability.

VI. **LIFETIME OCCURRENCE REPORTING PROVISION**

If the **Parent Organization** shall cancel or non-renew this Policy for a reason other than being sold, acquired or bankrupt, each **Individual Insured** who was not actively servng on behalf of the **Organization** at the time of the cancellation or non-renewal, shall be provided an unlimited extension of time to

**VI. UNLIMITED REPORTING PERIOD FOR FORMER DIRECTORS AND OFFICERS**

If the **Parent Organization** shall cancel or non-renew this Policy for a reason other than being sold, acquired or bankrupt, each **Director or Officer** who was an **Insured**, but who did not serve as a **Director or Officer** at the time of the cancellation or non-renewal, shall be provided an unlimited extension of coverage

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

report any Claim(s) for a Wrongful Act first made against the **Individual Insured** after the date of such cancellation or non-renewal. If the Claim is for a Wrongful Employment Act, the unlimited extension of time to report a Claim applies to the former Directors and Officers only and not to any other former Individual Insured.

This extension of time to report Claim(s) shall only be afforded in the event that the **Wrongful Act** or **Wrongful Employment Act** was committed before the date of cancellation or non-renewal, and no Directors and Officers Liability policy, or policy providing essentially the same type of coverage, or extended Reporting period, is in effect at the time the **Claim** is made.

**VII. EXTENDED REPORTING PERIOD**

**A. If the Policy expires, is cancelled or non renewed for any reason other than non payment of premium, the Parent Organization shall have the right to purchase an Extended Reporting Period to report any Claim(s) or circumstance(s) which could be expected to give rise to a Claim being first made against the Insured during the twelve (12) months, or twenty-four (24) months or thirty-six (36) months after the effective date of such expiration, cancellation or non-renewal (depending upon the Extended Reporting Period purchased). An Extended Reporting Period shall only apply to a Wrongful Act or Wrongful Employment Act committed before the date of the Policy expiration, cancellation or non-renewal. For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.**

**B.** The additional premium for the Extended Reporting Period shall be 30% of the annual premium set forth in the Policy Declarations for the twelve (12) month period, 75% of the annual premium set forth in the Policy Declarations for the twenty-four (24) month period, and 120% of the annual premium set forth in the Policy Declarations for the thirty-six (36) month period. The Extended Reporting

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

granted by this Policy to report any **Claim(s)** first made against the Director or Officer after the date of such cancellation or non-renewal.

~~However,~~ this extension of coverage shall only be afforded in the event that the **Wrongful Act** or **Wrongful Employment Act** was committed before the date of cancellation or non-renewal, and no Directors and Officers Liability policy, or policy providing essentially the same type of coverage, or extension period, is in effect at the time the **Claim** is made.

**VII. EXTENSION PERIOD**

**A. If the Company or the Parent Organization declines to renew or nonrenews this Policy or if the Parent Organization cancels this Policy for reason other than nonpayment of premium, the Parent Organization shall have the right to purchase an extension of coverage granted by this Policy to report any Claim(s) first made against the Insured during the twelve (12) months, or twenty-four (24) months or thirty-six (36) months after the date of such cancellation or non-renewal (depending upon the Extension Period purchased), but only in respect of any Wrongful Act or Wrongful Employment Act committed before the date of such cancellation or non-renewal.**

The additional premium for the Extension Period shall be 30% of the annual premium set forth in the Declarations for the twelve (12) month period, 75% of the annual premium set forth in the Declarations for the twenty-four (24) month period, and 120% of the annual premium set forth in the Declarations for the thirty-six (36) month period. The Extension Period begins on the termination date of the Policy.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

Period begins on the expiration date or the effective date of cancellation or non renewal of the Policy. The **Parent Organization** must notify the **Company** in writing and must pay the additional premium due no later than thirty (30) days after the effective date of such expiration, cancellation or non-renewal.

C. All premium paid with respect to an Extended Reporting Period shall be deemed fully earned as of the first day of the Extended Reporting Period.

D. The Limits of Liability available during the Extended Reporting Period shall not exceed the balance of the Limits of Liability available on the expiration date or effective date of the cancellation or non renewal of the Policy.

E. Coverage for **Claim(s)** or circumstances which ultimately lead to Claim(s) first received and reported during the Extended Reporting Period shall be in excess over any other valid and collectible insurance providing coverage for such Claim(s).

VIII. INDEMNIFICATION / WAIVER OF RETENTION

Regardless of whether **Loss and Defense Costs** resulting from any **Claim** against an **Individual Insured** is actually indemnified by the Organization, the Retention set forth in the Policy Declarations shall apply to any **Loss and Defense Costs** if indemnification of the Individual Insured by the **Organization** is legally permissible. The certificate of incorporation, charter, articles of association or other organizational documents of the **Organization**, including bylaws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Individual Insured** to the fullest extent permitted by law.

However, if an **Individual Insured** is not indemnified for **Loss and Defense Costs** solely by reason of the **Organization's**

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

The **Parent Organization** must notify the **Company** in writing and must pay the additional premium set forth above no later than thirty (30) days after the effective date of such cancellation or non-renewal.

**B.** All premium paid with respect to an Extension Period shall be deemed fully earned as of the first day of the Extension Period. ~~For the purpose of this clause, any change in premium terms or terms on renewal shall not constitute a refusal to renew.~~

**C.** The Limits of Liability available during the Extension Period shall not exceed the balance of the Limits of Liability in effect at the time the Policy is terminated.

**D.** Coverage for **Claim(s)** first received and reported during the Extension Period shall be in excess over any other valid and collectible insurance providing substantially the same coverage as this Policy.

**VIII. PRESUMPTION OF INDEMNIFICATION / DELETION OF RETENTION**

Regardless of whether **Loss** resulting from any **Claim** against an **Individual Insured** is actually indemnified, the Retention set forth in the Declarations shall apply to any **Loss** if indemnification by the **Organization** is legally permissible. The certificate of incorporation, charter, articles of association or other organizational documents of the **Organization**, including bylaws and resolutions, will be deemed to have been adopted or amended to provide indemnification to the **Individual Insured** to the fullest extent permitted by law.

However, if an **Individual Insured** is not indemnified for **Loss** solely by reason of the **Organization's** financial insolvency or because indemnification is not legally

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

financial insolvency or because indemnification is not legally permissible, the Individual Insured's Retention as stated on the Policy Declarations shall be amended to \$0. This change in Retention shall not affect any other terms or conditions of this Policy.

**IX. PROPERTY MANAGEMENT EXTENSION**

The property manager/management company is included as an additional insured, but only with respect to **Claims** arising out of **Wrongful Act(s)** or **Wrongful Employment Act(s)** while acting within the scope of his or her duties on behalf of the **Insured**. However, there shall be no coverage afforded for a **Claim** brought by or on behalf of (1) the property manager/management company; (2) any current or former **Employee** thereof, or (3) any applicant for employment with the property manager/management company.

**X. SPOUSAL AND DOMESTIC PARTNER EXTENSION**

If a **Claim** against an **Individual Insured** includes a **Claim** against the lawful spouse or Domestic Partner of such **Individual Insured** solely by reason of (1) such spousal or Domestic Partner status, or (2) such spouse's or Domestic Partner's ownership interest in property or assets that are sought as recovery for **Wrongful Act(s)** or **Wrongful Employment Act(s)**, any **Loss** which such spouse or Domestic Partner becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss** which the **Individual Insured** becomes legally obligated to pay as a result of the **Claim**.

All definitions, exclusions, terms and conditions of this Policy, including the Retention, applicable to any **Claim** against or **Loss or Defense Costs** sustained by such **Individual Insured** shall also apply to this coverage extension.

The extension of coverage afforded by this Section X. shall not apply to the extent the **Claim** alleges any wrongful act, error,

permissible, **an Individual Insured's** Retention as stated on the Declarations shall be amended to \$0. This change in Retention shall not affect any other terms or conditions of this Policy.

**IX. PROPERTY MANAGEMENT EXTENSION**

The property manager/management company is included as an additional **Insured**, but only with respect to **Claims** arising out of **Wrongful Act(s)** or **Wrongful Employment Act(s)** while acting within the scope of his or her duties on behalf of the **Insured**. However, there shall be no coverage afforded for a **Claim** brought by or on behalf of (1) the property manager/management company; (2) any current or former **Employee** thereof, or (3) any applicant for employment with the property manager/management company.

**X. SPOUSAL EXTENSION**

If a **Claim** against an **Individual Insured** includes a **Claim** against the lawful spouse of such **Individual Insured** solely by reason of (1) such spousal status, or (2) such spouse's ownership interest in property or assets that are sought as recovery for **Wrongful Act(s)** or **Wrongful Employment Act(s)**, any **Loss** which such spouse becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss** which the **Individual Insured** becomes legally obligated to pay as a result of the **Claim**.

All definitions, exclusions, terms and conditions of this Policy, including the Retention, applicable to any **Claim** against or **Loss** sustained by such **Individual Insured** shall also apply to such spousal Claim or Loss.

The extension of coverage afforded by this Section X. shall not apply to the extent the **Claim** alleges any wrongful act, error, omission, misstatement, misleading statement

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

omission, misstatement, misleading statement or neglect or breach of duties committed by such spouse or Domestic Partner as long as they are not also an Individual Insured.

or neglect or breach of duties by such spouse.

**XI. DEFENSE AND SETTLEMENT**

**XI. DEFENSE AND SETTLEMENT**

A. The **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. The **Insured** shall not, except at personal cost, make any offer or payment, admit any liability, settle any **Claim**, assume any obligation or incur any expense without the **Company's** written consent.

The **Insureds** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. The **Insureds** shall not, except at personal cost, make any payment, admit any liability, settle any **Claims**, assume any obligation, or incur any expense without the **Company's** written consent.

B. If a **Claim** is made against the **Insured** for **Loss** that is both covered and uncovered by this Policy, the **Company** will pay one hundred percent (100%) of **Defense Costs** for the **Claim** until such time that the Limits of Liability of this Policy are exhausted by payment of a covered **Loss** or the **Claim** for the covered **Loss** is resolved by settlement, verdict or summary judgement.

The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of the **Insured**, negotiate the settlement of any **Claim** whether within or above the Retention. If the **Insureds** refuse to consent to a settlement recommended by the **Company**, ~~the **Insureds** shall thereafter be obligated to negotiate and defend such **Claim** independently of the **Company**. Subject to the Limit of Liability, the liability of the **Company** for such **Claim** is limited to the amount in excess of the Retention which the **Company** would have contributed to the settlement had the **Insureds** consented to settlement plus **Defense Costs** covered by the Policy incurred up to the date of such refusal to settle.~~

The **Company**, as it deems expedient, has the right to investigate, adjust, defend, appeal and, with the consent of the **Insured**, negotiate the settlement of any **Claim** whether within or above the Retention. If the **Insured** refuses to consent to a settlement recommended by the **Company**, the **Company's** obligation to the **Insured** for **Defense Costs** and **Loss** attributable to such **Claim(s)** shall be limited to:

- (1) the amount of the covered **Loss** in excess of the Retention which the **Company** would have paid in settlement at the time the **Insured** first refused to settle;
- (2) plus covered **Defense Costs** incurred up to the date the **Insured** first refused to settle;
- (3) plus seventy five percent (75%) of covered **Loss** and **Defense Costs** in excess of the first settlement amount recommended by the **Company** to which the **Insured** did not consent.

It is understood that payment of (1), (2) and (3) above is the limit of the **Company's** liability under this Policy on any **Claim** in which the **Insured** fails or refuses to consent to the

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

Company's settlement recommendation, subject at all times to the Limits of Liability and Retention provisions of the applicable coverage section. The remaining twenty five percent (25%) of Loss and Defense Costs in excess of the amount referenced in (1) and (2) above shall be the obligation of the Insured.

D. The **Insured** agrees to cooperate with the **Company** on all **Claims**, and provide such assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insured** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions, and trials, and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. The **Insured** further agrees not to take any action which may increase the **Insured's** or the **Company's** exposure for **Loss** or **Defense Costs**.

E. The **Insured** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insured** or the **Company** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in the **Insured's** name, and shall provide all other assistance and cooperation which the **Company** may reasonably require.

**XII ORDER OF PAYMENTS**

In the event payment of **Loss** is due under this Policy but the amount of such **Loss** exceeds the remaining available Limit of Liability specified in the Policy Declarations, the **Company** will to the extent of any remaining amount of the Limit of Liability available:

(a) first pay such **Loss** on behalf of the **Individual Insured(s)** for which coverage is

The **Insureds** agree to cooperate with the **Company** on all **Claims**, and provide such assistance and information as the **Company** may reasonably request. Upon the **Company's** request, the **Insureds** shall submit to examination and interrogation by a representative of the **Company**, under oath if required, and shall attend hearings, depositions, and trials, and shall assist in the conduct of suits, including but not limited to effecting settlement, securing and giving evidence, obtaining the attendance of witnesses, giving written statements to the **Company's** representatives and meeting with such representatives for the purpose of investigation and/or defense, all of the above without charge to the **Company**. The **Insureds** further agree not to take any action which may increase the **Insured's** exposure for **Loss** or **Defense Costs**.

The **Insureds** shall execute all papers required and shall do everything that may be necessary to secure and preserve any rights of indemnity, contribution or apportionment which the **Insureds** may have, including the execution of such documents as are necessary to enable the **Company** to bring suit in their name, and shall provide all other assistance and cooperation which the **Company** may reasonably require.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

provided under section I. Insuring Agreement; then

(b) pay such Loss on behalf of the Organization for which coverage is provided under Section I. Insuring Agreement.

**XIII. NOTICE/ CLAIM AND CIRCUMSTANCE REPORTING PROVISIONS**

Notice hereunder shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

A. As a condition precedent to exercising any right to coverage under this Policy, the Insured shall give to the Company written notice of a Claim or circumstance which could be expected to give rise to a Claim being made against an Insured as soon as practicable, but: (1) if the Policy expires, is cancelled or is non-renewed and if no Extended Reporting Period is purchased, no later than 60 days after the expiration date or the effective date of such cancellation or non-renewal; or (2) if an Extended Reporting Period is purchased, no later than the last day of the Extended Reporting Period."

**B.** If written notice of a **Claim or circumstance which could be expected to give rise to a Claim being made against an Insured** has been given to the **Company** pursuant to **Clause XIII. A.** above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim or circumstance which could be expected to give rise to a Claim being made against an Insured** for which notice was given, or alleging any **Wrongful Act or Wrongful Employment Act** which is the same as or related to any **Wrongful Act or Wrongful Employment Act** alleged in the **Claim or circumstance which could be expected to give rise to a Claim being made against an Insured** for which notice was given, shall be considered made at the time such notice was given **to the Company**.

**XII. NOTICE/ CLAIM REPORTING PROVISIONS**

Notice hereunder shall be given in writing to the **Company**. If mailed, the date of mailing of such notice shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

**A.** The **Insured** shall, as a condition precedent to the obligations of the **Company** under this Policy, give written notice to the **Company** of any **Claim** made against the **Insured** as soon as practicable during the **Policy Period**. There shall be no coverage for any **Claim** reported to the **Company** later than sixty (60) days after the expiration of this Policy or after the expiration of any applicable Extension Period.

**B.** If written notice of a **Claim** has been given to the **Company** pursuant to **Section XII A.** above, then any **Claim** which is subsequently made against the **Insured** and reported to the **Company** alleging, arising out of, based upon or attributable to the facts alleged in the **Claim of which such notice has been given, or alleging any Wrongful Act or Wrongful Employment Act** which is the same as or related to any **Wrongful Act or Wrongful Employment Act** alleged in the **Claim of which notice has been given, shall be considered made at the time such notice was given.**

~~**C.** If during the Policy Period the Insured shall become aware of any circumstances which may reasonably be expected to give rise to a Claim being made against an Insured, the Insured shall give written notice to the Company of the circumstances and the reasons for anticipating such a Claim with full~~

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

XIV. CANCELLATION OR NON-RENEWAL

A. This Policy may be cancelled by the **Parent Organization** by either surrender of the Policy thereof to the **Company** at its address stated in the Policy Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium.

A. The Company may cancel this Policy only in the event of the failure of the Insured to pay the premium when due by mailing to the Parent Organization written notice when, not less than ten (10) days thereafter, such cancellation shall be effective.

B. In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Parent Organization**, not less than sixty (60)

~~particulars as to dates and persons involved. Any Claim which is subsequently made against an Insured and reported to the Company alleging, arising out of, based upon or attributable to such circumstances or alleging any Wrongful Act or Wrongful Employment Act which is the same as or related to any Wrongful Act or Wrongful Employment Act alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given, provided the Claim is in fact first made and reported to the Company during a Policy the Company has issued to the Parent Organization or during any Extension Period or within two years of the date of termination or non-renewal of the Parent Organization's coverage.~~

XIII. CANCELLATION OR NON-RENEWAL

This Policy may be cancelled by the **Parent Organization** by either surrender thereof to the **Company** at its address stated in the Declarations or by mailing to the **Company** written notice requesting cancellation and in either case stating when thereafter such cancellation shall be effective. If cancelled by the **Parent Organization**, the **Company** shall retain the customary short rate proportion of the premium.

The Policy may be cancelled by the **Company** by mailing to the **Insured**, at the **Insured's** address shown in the Declarations, written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective, except for non-payment of premium. In the event of the failure of the **Insured** to pay the premium when due, this Policy may be cancelled by the **Company** by mailing to the **Parent Organization** written notice when, not less than ten (10) days thereafter, such cancellation shall be effective.

In the event the **Company** refuses to renew this Policy, the **Company** shall mail to the **Parent Organization**, not less than sixty (60) days prior to the expiration of the Policy, written

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

days prior to the end of the **Policy** Period, written notice of non-renewal. Such notice shall be binding on all **Insureds**.

C. The mailing of notice of cancellation or non-renewal shall be sufficient notice and the effective date of cancellation or non-renewal stated in any such notice shall become the end of the Policy Period. Delivery of such written notice by the **Parent Organization** or the **Company** shall be equivalent to the mailing.

D. The **Company** shall mail notice of Cancellation or Nonrenewal by certificate of mailing stating the effective date of Cancellation or Nonrenewal and the specific reason(s) for Cancellation or Nonrenewal, which shall become the end of the Policy Period. Mailing of such notice shall be sufficient notice of Cancellation or Nonrenewal

**XV. REPRESENTATIONS AND SEVERABILITY**

A. The **Insureds** represent that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and (3) the Policy is issued in reliance upon the truth of such representations.

B. An **Application** for coverage shall be construed as a separate **Application** for coverage by each **Individual Insured**. With respect to the particulars and statements contained in the **Application**, no fact pertaining to or knowledge possessed by any **Individual Insured** shall be imputed to any other **Individual Insured** for the purpose of determining if coverage is available. However, facts pertaining to and knowledge possessed by the individual(s) signing the **Application(s)** and the President, Chairperson, and Officers shall be imputed to the **Organization** for the purpose of determining if coverage is

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

notice of non-renewal. Such notice shall be conclusive of all **Insureds**.

The mailing of notice of cancellation or non-renewal shall be sufficient notice and the effective date of cancellation or non-renewal stated in any such notice shall become the end of the **Policy Period**. Delivery of such written notice by the **Parent Organization** or the **Company** shall be equivalent to the mailing.

If the Policy is canceled by the **Company**, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected, or as soon as practicable thereafter.

**XIV. REPRESENTATIONS AND SEVERABILITY**

A. The **Insureds** represent that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of the Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Company**; and (3) the Policy is issued in reliance upon the truth of such representations.

B. Except for material facts or circumstances known to the person or persons signing the **Application**, no statement in the **Application** or knowledge or information possessed by an **Insured** shall be imputed to any other **Insured** for the purpose of determining the availability of coverage.

**NEW FORM**  
COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**  
COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

[available.](#)

**XVI. SUBROGATION**

In the event of any payment under this Policy, the **Company** shall be subrogated to the **Insured's** right of recovery therefore against any person or entity and the **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall [not do anything](#) to prejudice such rights.

**XVII. CHANGES**

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop the **Company** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed except by an endorsement, issued by the **Company** to form a part of this Policy.

**XVIII. AUTHORIZATION CLAUSE AND NOTICES**

By acceptance of this Policy, the **Insured** agrees that the **Parent Organization** shall act on behalf of all **Insureds** with respect to the giving and receiving of any return premiums that may become due under the Policy. Notice to the **Parent Organization** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the **Parent Organization** in writing, at the address of the **Parent Organization**. Such notice shall be deemed to be notice to all **Insureds**. The **Parent Organization** shall be the agent of all **Insureds** to effect changes in the Policy or purchase an Extended Reporting Period.

**XIX. ASSIGNMENT**

Assignment of interest under this Policy shall not bind the **Company** unless its consent is endorsed hereon.

**XX. OTHER INSURANCE**

This Policy shall be excess of other existing insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is

**XV. SUBROGATION**

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

**XVI. CHANGES**

Notice to any agent or knowledge by any agent shall not effect a waiver or change in any part of this Policy or stop the **Company** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed except by an endorsement, issued by the **Company** to form a part of this Policy.

**XVII. AUTHORIZATION CLAUSE AND NOTICES**

By acceptance of this Policy, [all Insureds](#) agree that the **Parent Organization** shall act on behalf of all **Insureds** with respect to the giving and receiving of any return premiums that may become due under the Policy. Notice to the **Parent Organization** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the **Parent Organization** in writing, at the address of the **Parent Organization**. Such notice shall be deemed to be notice to all **Insureds**. The **Parent Organization** shall be the agent of all **Insureds** to effect changes in the Policy or purchase Extension Periods.

**XVIII. ASSIGNMENT**

Assignment of interest under this Policy shall not bind the **Company** unless its consent is endorsed hereon.

**XIX. OTHER INSURANCE**

This Policy shall be excess of ~~and not contribute with~~ other existing insurance, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is specifically written to

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

specifically written to be in excess of this Policy.

be in excess of this Policy.

**XXI. TERMS OF POLICY CONFORMED TO STATUTE**

**XX. TERMS OF POLICY CONFORMED TO STATUTE**

Terms of this Policy which are in conflict with the statutes of the state wherein this Policy is issued are hereby amended to conform to such statutes.

Terms of this Policy which are in conflict with the statutes of the State wherein this Policy is issued are hereby amended to conform to such statutes.

**XXII. CHANGES IN EXPOSURE**

**XXI. CHANGES IN EXPOSURE**

If after the Inception Date of this Policy:

If after the Inception Date of this Policy:

- (1) the **Parent Organization** merges into or consolidates with another entity such that the **Parent Organization is not** the surviving **entity**; or
- (2) another **entity**, person or group of **entities** and/or persons acting in concert acquires **more than fifty percent (50%)** of the assets of the **Parent Organization**; or
- (3) another **entity**, person or group of **entities** and/or persons acting in concert **acquires the right to elect or select a majority of the directors of the Parent Organization**; or
- (4) **the Parent Organization sells all or substantially all of its assets,**

- (1) the **Parent Organization** merges into or consolidates with another organization such that the **other organization is** the surviving **organization**; or
- (2) another **organization** or person or group of **organizations** and/or persons acting in concert acquires **all or substantially all** of the assets of the **Parent Organization**;
- (3) another organization or person or group of organizations and/or persons acting in concert acquires **securities or voting rights which result in ownership or voting control by such organization or person or group of organizations or persons of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the Parent Organization**;

the above events referred to as a “Transaction,”

the above events referred to as the “Transaction,”

this Policy shall continue in full force and effect **until the expiration date of the policy, or the effective date of non-renewal if applicable with respect** to **Wrongful Acts or Wrongful Employment Acts** occurring before the Transaction, **but there shall be no coverage under this Policy for** actual or alleged **Wrongful Acts or Wrongful Employment Acts** occurring **on and** after the Transaction.

this Policy shall continue in full force and effect to **Wrongful Acts or Wrongful Employment Acts** occurring before the Transaction, but **coverage will cease as respects** actual or alleged **Wrongful Acts or Wrongful Employment Acts** occurring after the Transaction. The entire premium for this Policy shall be deemed earned. The **Parent Organization** shall have the right to an offer by the **Company** of an Extension Period. The **Parent Organization** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

The **Parent Organization** shall give the **Company** written notice of the Transaction as soon as practicable, but not later than thirty (30) days after the effective date of the Transaction.

**NEW FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (02/08)

**CURRENT FORM**

COMMUNITY ASSOCIATION  
PROFESSIONAL LIABILITY  
COVERAGE FORM (06/03)

The entire premium for this Policy shall be deemed fully earned on the transaction date. In the event of a Transaction, the Parent Organization shall have the right to an offer of coverage by the Company for an Extended Reporting Period to report Wrongful Acts or Wrongful Employment Acts occurring prior to the effective date of the transaction.

**XXIII. ACTION AGAINST THE COMPANY**

A. No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant or the claimant's legal representative and the **Company**.

B. Any person or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or entity shall have any right under this Policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impeded by the **Insured** or their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

**XXIV. ACCEPTANCE**

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

**XXII. ACTION AGAINST THE COMPANY**

A. No action shall lie against the **Company** unless as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, and until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant or the claimant's legal representative and the **Company**.

B. Any person or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or entity shall have any right under this Policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impeded by the **Insured** or their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

**XXIII. ACCEPTANCE**

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

# Page by Page Comparison

## Documents Compared

CAP 203 \_6-03\_.pdf

CAP - 203 (2-08) personal injury.pdf

## Summary

1 page(s) differ

To see where the changes are, please scroll down.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**PERSONAL INJURY EXCLUSION ENDORSEMENT**

It is hereby agreed CAP (06/03), Section IV. EXCLUSIONS, Exclusion A is amended by the addition of the following:

(3) to **Claims** for invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault, battery, mental anguish and loss of consortium from a **Wrongful Act**;

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**PERSONAL INJURY EXCLUSION ENDORSEMENT**

It is hereby agreed Section IV, EXCLUSIONS, A., is deleted in its entirety and replaced by the following:

- A. any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, invasion of privacy, libel, slander, defamation, assault, battery, disease or death of any person, or theft, conversion, misappropriation, malicious prosecution, wrongful entry or eviction, damage to or destruction of any property including any loss of use or slander of title;

provided that this exclusion shall not apply to **Claims** for mental anguish, emotional distress, invasion of privacy, or humiliation, libel, slander or defamation that result from a **Wrongful Employment Act**

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

# Page by Page Comparison

## Documents Compared

CAP 221 \_3-05\_.pdf

CAP - 230 (2-08) failure to maintain insurance.pdf

## Summary

1 page(s) differ

To see where the changes are, please scroll down.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This Endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**DELETION OF FAILURE TO EFFECT OR MAINTAIN ADEQUATE  
INSURANCE ENDORSEMENT**

It is hereby agreed that Section IV. EXCLUSIONS is amended as follows:

Exclusion K. is deleted in its entirety

All other terms and conditions of this Policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**UNITED STATES LIABILITY INSURANCE GROUP  
WAYNE, PENNSYLVANIA**

This endorsement modifies insurance provided under the following:

**COMMUNITY ASSOCIATION PROFESSIONAL LIABILITY**

**FAILURE TO MAINTAIN INSURANCE EXCLUSION**

It is agreed item IV. Section IV. EXCLUSIONS is amended to add the following:

The failure to affect or maintain appropriate or adequate insurance;

All other terms and conditions of this policy remain unchanged. This endorsement is a part of your Policy and takes effect on the effective date of your Policy unless another effective date is shown.

**United States Liability Insurance Group  
Community Association Product  
Index of Forms**

**EXHIBIT I.**

Declaration Pages

		New (N) or Revised (R) Form
CAPD (2/08)	Community Association Professional Liability Declarations	R
USL-CAP-CERT (2/08)	Community Association Professional Liability Policy Renewal Certification	N

**EXHIBIT II.**

Mandatory Form

		New (N) or Revised (R) Form
CAP (02/08)	Community Association Professional Liability Insurance Policy	R
CAP AR (2/08)	Arkansas State Amendatory Endorsement	N

**EXHIBIT III.**

Optional Forms

		New (N) or Revised (R) form	Restrict/Enhance/Clarify
CAP-203 (2-08)	Personal Injury Exclusion Endorsement	R	Restrict
CAP-204 (2-08)	Publishers Liability Exclusion Endorsement	R	Restrict
CAP-207 (2-08)	Retroactive Date Endorsement	R	Restrict
CAP-214 (2-08)	Affiliated Parties Exclusion Endorsement	R	Clarify
CAP-218 (2-08)	Deletion of Third Party Liability Coverage Endorsement	R	Restrict
CAP-222 (2-08)	Amended Definition of Loss Endorsement	N	Restrict
CAP-225 (2-08)	Continuity of Coverage Endorsement	N	Enhance
CAP-227 (2-08)	Non-Monetary Damages Exclusion Endorsement	N	Restrict
CAP-228 (2-08)	Breach of Contract Exclusion Endorsement	N	Restrict
CAP-229 (2-08)	Failure to Maintain Catastrophic Insurance Endorsement	N	Restrict
CAP-230 (2-08)	Failure to Maintain Insurance Exclusion	Replaces 221	Restrict
CAP-3YR (2/08)	Three Year Policy Term Endorsement	R	Clarify

**EXHIBIT IV.**

Underwriting Guidelines for Endorsement Usage

CAP-203 (2-08)	Personal Injury Exclusion Endorsement – Applied to risks with above average personal injury exposure when no personal injury coverage is to be provided.
CAP-204 (2-08)	Publisher’s Liability Exclusion Endorsement - Applied to risks that have a high level of Publishing activity such as a magazine, newsletter or journals.
CAP-207 (2-08)	Retroactive Date Endorsement - Applied to accounts with unacceptable exposures prior to a certain date.
CAP-214 (2-08)	Affiliated Parties Exclusion Endorsement - Applied to risks to exclude coverage for an affiliated party or subsidiary for which coverage is not intended.
CAP-218 (2-08)	Deletion of Third Party Liability Coverage Endorsement - Removes third party coverage for discrimination and harassment. Applied to all cooperatives.
CAP-222 (2-08)	Amended Definition of Loss Endorsement - Applied to accounts to exclude all coverage for punitive damages.
CAP-225 (2-08)	Continuity of Coverage Endorsement - Applied to accounts which have maintained continuous Community Association Professional Liability and Employment Practices Liability coverage to match the risk’s prior and pending litigation date
CAP-227 (2-08)	Non-Monetary Damages Exclusion Endorsement - Removes coverage for non-monetary

	damages defense for risks with an above-average non-monetary exposure.
CAP-228 (2-08)	Breach of Contract Exclusion Endorsement – Removes coverage for defense of breach of contract claims for risks with an above-average breach of contract exposure.
CAP-229 (2-08)	Failure to Maintain Catastrophic Insurance Endorsement - Applied to accounts in geographic locations with above-average earthquake or volcanic action liability exposure.
CAP-230 (2-08)	Failure to Maintain Insurance Exclusion - Applied to accounts that do not maintain adequate levels of insurance coverage.
CAP-3YR (2/08)	Three Year Policy Term Endorsement – Applied to all accounts that select the optional three year policy term

**EXHIBIT V.**

**Application & Fraud Statement**

CAP APP (11/06)	Community Association Product Application
CLAIM SUPP (10/06)	Claim Supplemental Application