

POLICYHOLDER NOTICE

Thank you for purchasing insurance from a member company of American International Group, Inc. (AIG). The AIG member companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by AIG member companies to brokers and independent agents in the United States by visiting our website at www.aig.com/producer-compensation or by calling 1-800-706-3102.

July 7, 2017

Congratulations on purchasing your employment practices liability insurance from AIG, one of the premier writers of commercial insurance. Your policy offers many outstanding features, including coverage for claims arising from violations of Title VII of the Civil Rights Act of 1964; the Americans with Disabilities Act (ADA); the Age Discrimination in Employment Act (ADEA); the Equal Pay Act of 1963 (EPA); and the Rehabilitation Act of 1973 (REHAB ACT).

As an AIG policyholder, you have the confidence of knowing that your claims will be handled by experienced claims professionals. In addition, our panel counsel is comprised of leaders in employment practices law throughout the country. The services of these law firms are available to you at preferred AIG rates.

Additionally, our package includes loss-control services included automatically for all eligible insureds through EPL Pak® Premier. This insurance offering features access to our online EPL Risk Manager located at www.EPLriskmanager.com, designed exclusively for AIG EPL insureds by the attorneys at Littler Mendelson, the nation's largest labor and employment law firm. This web link is exclusive to AIG EPL insurance policyholders and is available at no additional cost. To register, you can log into the site with your policy number. The site offers tools and resources including:

- Human Resources Form Library
- Sample Employee Handbooks
- Employment Law Email Alerts
- Employment Law Policies
- Hire & Fire Manual
- Employment Law Reference Manuals (5000+ pages)
- 50 State Analysis of Key Employment Laws
- Preventing Unlawful Harassment Guide
- Preventing Employment Class Actions Manual
- Discounts on Employment Law Training

All forms and materials may be downloaded and customized. To view a short video tour of the risk management products and services available, please visit: http://eplriskmanager.com/take_tour.php. As an AIG policyholder, you also receive ten free seats to Littler Mendelson's monthly webinar series on preventing harassment in the workplace and discounts on over 40 employment law training courses. For additional information on these services you may contact Brian McMillan at Littler Mendelson at bmcmillan@littler.com or visit www.littler.com.

To complement these offerings, we continue to offer our risk management solutions provided by Jackson Lewis, LLP, a premier employment law firm with offices throughout the United States, including:

- Unlimited Access to the Jackson Lewis Toll Free Risk Management Hotline: (866) 614-0744
- One hour legal consultation with a Jackson Lewis attorney on any topic
- Seminars on topical issues of employment law, recent litigation development, and training
- Email subscription to The Jackson Lewis Newsletter, which highlights employment practices developments and trends
- Email updates regarding significant legislative actions, judicial decisions, and other changes which may impact your business
- Access to a self-audit checklist and a pre-termination checklist, which will assist companies in identifying potential vulnerability to employment claims
- Attendance at CAAB 1825 sexual harassment training in California

To learn more, please contact Paul Siegel at siegelp@jacksonlewis.com, Wendy Melik at mellkw@jacksonlewis.com or view a free demonstration of training at www.jacksonlewis.com, or under the online training section or at www.workplaceanswers.com.

Your decision to purchase coverage through AIG has provided your organization with powerful advantages in managing your business. We thank you for choosing AIG and look forward to a continuing successful relationship. If you have any questions or would like additional information, please contact your broker, an AIG representative or email us at FinancialLines@aig.com.

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EPL Pak® Premier

Employment Practices Training, Loss Prevention and Risk Management

Controlling employment practices liability exposures while keeping pace with employment litigation trends and regulatory changes is a major challenge for all employers. AIG gives its employment practices liability (EPL) policyholders a unique advantage with EPL Pak® Premier, industry-leading loss prevention offerings. The suite is a combination of training, loss control and risk management tools designed to help our clients manage employment practices risks. EPL Pak Premier's resources are exclusive to AIG, and provide our EPL policyholders with access to expertise and materials from two of the nation's foremost employment and labor law firms, Littler Mendelson, P.C. and Jackson Lewis LLP.

Putting Experts By Your Side

EPL Pak Premier now includes instant access to www.eplriskmanager.com, which provides first-in-class risk management tools and resources from Littler Mendelson, a leading employment and labor law firm. Materials available include essentials to manage your workforce and reduce exposure to employment related liability including:

- **Handbooks and Policies:** Sample employee handbook and policies to help implement best employment practices, including supplemental information for all 50 states
- **Forms Library:** A library of commonly used human resource forms, which can be customized, to ease your administrative burden
- **Workforce Guides:** A hiring and firing guide to help employers mitigate the risks of these critical phases of the employment relationship and step-by-step guides to prevent harassment, including information to help address and resolve incidents and lessen potential liability
- **Legal Reference Materials:** Over 3,000 pages of employment law reference manuals providing insights on timely topics ranging from layoffs, downsizing, and furloughs, to workplace violence, discrimination, and employment class actions. Includes a state-by-state assessment of employment laws and regulations

EPL Pak Premier gives you access to expertise and resources from two of the nation's foremost employment and labor law firms, Littler Mendelson, P.C. and Jackson Lewis LLP.



Financial Lines

EPL Pak® Premier

State of the Art Enhancements

These state-of-the-art enhancements complement EPL Pak Premier's original package of risk management solutions from Jackson Lewis, LLP, which include:

- **Legal Consultation:** A one-hour legal consultation on human resources and employment law issues, such as how specific laws impact personnel decisions and potential exposure to liability
- **Liability Updates:** Access to the Jackson Lewis e-Newsletter and e-updates spotlighting important workplace law news and trends. Alerts on significant legislative actions, judicial decisions and other changes with potential impact on our insured's business
- **Checklists:** Self-audit and pre-termination checklists to help insureds identify vulnerabilities and safely navigate risky terrain
- **Special California State Training:** CA AB 1825 training, enabling companies with 50 or more employees in California to fulfill their mandate of providing sexual harassment training for supervisors every two years

EPL Pak Premier also includes Alternative Employment Dispute Resolution Programs from EDR Systems at preferred rates. EDR Systems will assist to resolve employee disputes internally and prevent time and money in litigation. The professionals at EDR Systems have more than 50 years of combined experience in human resource management, strategic planning, change management, and employee relations. They support a wide variety of businesses of all sizes, from national, multi-unit retail operations, to single-facility manufacturers, to professional firms.

To learn more about EPL Pak Premier services:

E-mail:
FinancialLines@aig.com

Visit:
www.aig.com

Contact:
Your insurance broker



Bring on tomorrow

American International Group, Inc. (AIG) is a leading international financial services organization with more than 100 countries. AIG companies serve corporations, institutions, and individual customers through one of the most extensive worldwide networks of agents and brokers. In addition, AIG companies are leading providers of life insurance and retirement services in the United States. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com, YouTube: www.youtube.com/aig, Twitter: @AIG_Lawrence, LinkedIn: www.linkedin.com/company/aig

AIG is the corporate name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or operated by subsidiaries of all lines of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Insurance products and services may be provided by licensed third parties. Certain property-casualty coverages may be provided by a surplus lines broker. Surplus lines brokers do not operate under the same regulatory body, and the rules are therefore not governed by such body.



Illinois National Insurance Company

(the "Insurer")

A capital stock company

Non-Profit Directors & Officers Liability for PortfolioSelec

POLICY NUMBER: **01-602-33-77**

REPLACEMENT OF POLICY NUMBER: **01-615-64-02**

NOTICE

CERTAIN COVERAGE SECTIONS OF THIS POLICY ARE LIMITED TO LIABILITY FOR CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER AS REQUIRED BY THE TERMS OF THE POLICY. COVERED DEFENSE COSTS SHALL REDUCE THE APPLICABLE LIMITS OF LIABILITY AND SUBLIMITS OF LIABILITY AND ARE SUBJECT TO APPLICABLE RETENTIONS. THE INSURER DOES NOT ASSUME ANY DUTY TO DEFEND UNLESS SUCH COVERAGE IS EXPRESSLY PROVIDED WITHIN A COVERAGE SECTION.

PLEASE READ THIS POLICY CAREFULLY AND REVIEW IT WITH YOUR INSURANCE AGENT OR BROKER.

DECLARATIONS

ITEMS			
1.	NAMED ENTITY:	Named Entity:	<i>SUMMIT ACADEMY MANAGEMENT</i>
		Named Entity Address:	<i>2791 Mogadore Road AKRON, OH 44312</i>
		State of Formation:	<i>Ohio</i>
2.	POLICY PERIOD:	Inception Date: <i>June 30, 2017</i>	Expiration Date: <i>June 30, 2018</i>
		12:01 A.M. at the Named Entity Address	
3.	PREMIUM:	<i>\$15,564</i>	
4.	INSURER:		
	(a) Insurer Address:	<i>175 Water Street New York, NY 10038-4969</i>	
	(b) Claims Address:	<i>AIG Property Casualty Financial Lines Claims P.O. Box 25947 Shawnee Mission, KS 66225</i>	
	(c) By E-Mail:	<i>c-claim@aig.com</i>	
<i>Reference the Policy Number and any applicable Coverage Section.</i>			
5.	POLICY AGGREGATE:	<i>\$1,000,000</i>	

1618057

6. COVERAGE SUMMARY

Non-Profit Directors & Officers Liability

Limit of Liability:	Separate Limit of Liability	Not Applicable	Shared Limit of Liability:	\$1,000,000
	Shared Limit of Liability, if any, is shared with: EPLI			
	Excess Limit for Executives:			\$500,000
Retention:				\$50,000
Continuity Date:	Outside Entity Executive Coverage: Date on which the Executive first served as an Outside Entity Executive for such Outside Entity.			
	All other Non-Profit D&O Coverage:			June 1, 2005
Coverage Section Premium:				\$6,111

Employment Edge® Employment Practices Liability

Limit of Liability:	Separate Limit of Liability:	<i>Not Applicable</i>	Shared Limit of Liability:	<i>\$1,000,000</i>
	Shared Limit of Liability, if any, is shared with: <i>Non-Profit D&O</i>			
Retention:	(i) Class Action Retention:			<i>\$50,000</i>
	(ii) Third Party Retention:			<i>\$50,000</i>
	(iii) All other Loss to which a Retention applies:			<i>\$50,000</i>
Continuity Date:	Outside Entity Executive Coverage: Date on which the Executive first served as an Outside Entity Executive for such Outside Entity.			
	All other EPL Coverage:			<i>June 1, 2005</i>
Coverage Section Premium:				<i>\$9,453</i>

CrisisFund®

Limit of Liability:	Separate Limit of Liability:	<i>\$50,000</i>	Shared Limit of Liability:	<i>Not Applicable</i>
	Shared Limit of Liability, if any, is shared with: <i>Not Applicable</i>			
Coverage Section Premium:				<i>Included</i>

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7. **PASSPORT:** This policy does not serve as a master Passport policy.

Each of the following **Coverage Sections** shall serve as a master Passport policy solely with respect to the coverage provided thereunder:
Not Applicable

8. **TRIA PREMIUM, TAXES AND SURCHARGES**

(a) TRIA Premium

\$155

'TRIA Premium' means the premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance Act, as amended. Amount indicated above is included in Premium. A copy of the TRIA disclosure sent with the original quote is attached hereto.

PRODUCER: *HUNTINGTON INSURANCE INC*
ADDRESS: *440 POLARIS PARKWAY # 400*
WESTERVILLE, OH 43082

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative. This Policy shall not be valid unless signed below at the time of issuance by an authorized representative of the insurer.



PRESIDENT



SECRETARY



AUTHORIZED REPRESENTATIVE

1618057

**POLICYHOLDER DISCLOSURE
NOTICE OF TERRORISM INSURANCE COVERAGE
(RIGHT TO PURCHASE COVERAGE)**

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, that you have a right to purchase insurance coverage for losses resulting from acts of terrorism. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury-in consultation with the Secretary of Homeland Security, and the Attorney General of the United States-to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 85% THROUGH 2015; 84% BEGINNING ON JANUARY 1, 2016; 83% BEGINNING ON JANUARY 1, 2017; 82% BEGINNING JANUARY 1, 2018; 81% BEGINNING JANUARY 1, 2019 and 80% BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

COPY OF DISCLOSURE SENT WITH ORIGINAL QUOTE

Insured Name: *SUMMIT ACADEMY MANAGEMENT*

Policy Number: *01-602-33-77*

Policy Period Effective Date From: *June 30, 2017*

To: *June 30, 2018*



Illinois National Insurance Company
A capital stock company
Non-Profit Directors & Officers Liability for PortfolioSelec

GENERAL TERMS AND CONDITIONS
("General Terms and Conditions")

In consideration of the payment of the premium, and each of their respective rights and obligations in this policy, the **Insureds** and the **Insurer** agree as follows:

1. TERMS AND CONDITIONS

These **General Terms and Conditions** shall apply to all **Coverage Sections**, unless any **Coverage Section** states specifically that all or part of these **General Terms and Conditions** shall not apply to such **Coverage Section**. The definitions, terms, conditions and limitations set forth in each **Coverage Section** shall apply only to that particular **Coverage Section**.

2. RETENTION

The **Insurer** shall be liable only for the amount of **Loss** arising from each **Claim** or group of **Related Claims** that exceeds the Retention amount stated in Item 6 of the Declarations as applicable to the **Coverage Section** affording coverage to such **Claim** or group of **Related Claims**. Amounts within such Retention shall remain uninsured.

A single Retention amount shall apply to each **Claim** or group of **Related Claims**. If a **Claim** or a group of **Related Claims** triggers more than one **Coverage Section** all of which are subject to a **Shared Limit of Liability**, the highest applicable Retention amount shall apply to such **Claim** or group of **Related Claims**.

If a **Claim** or a group of **Related Claims** triggers more than one **Coverage Section** at least one of which is subject to a **Separate Limit of Liability**, the Retention applicable to **Loss** in connection with such **Claim** or group of **Related Claims** under any such **Coverage Section** subject to a **Separate Limit of Liability** shall apply separately to such **Loss**, and the applicable Retention for such **Coverage Section** shall not be satisfied by payments of **Loss** made towards the Retention required under any other **Coverage Section**.

3. LIMITS OF LIABILITY

The **Policy Aggregate** is the **Insurer's** maximum liability for all **Loss** under all **Coverage Sections** combined. Under no circumstances shall the **Insurer** be responsible to pay any **Loss** in excess of the **Policy Aggregate**. The term "**Limits of Liability**" refers to the several types of limits provided under this policy, including the **Policy Aggregate**, any **Separate Limits of Liability**, any **Shared Limits of Liability**, and any sublimits of liability set forth in any applicable **Coverage Sections**.

If **Separate Limits of Liability** are stated in Item 6 of the Declarations, then each such **Separate Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss** arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to the applicable **Coverage Section** as stated on the Declarations. Each **Separate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate** for all **Loss** under this policy and shall in no way serve to increase the **Policy Aggregate** as therein stated.

If **Shared Limits of Liability** are stated in Item 6 of the Declarations, then each such **Shared Limit of Liability** shall be the maximum limit of the **Insurer's** liability for all **Loss**

arising out of all **Claims** first made against the **Insureds** during the **Policy Period** or the **Discovery Period** (if applicable) with respect to all **Coverage Sections** for which such **Shared Limit of Liability** is applicable, as indicated on the Declarations. In the event that the amount stated as a **Shared Limit of Liability** in Item 6 of the Declarations for a **Coverage Section** is less than the amount(s) stated for the other **Coverage Section(s)** with which it shares such **Shared Limit of Liability**, such lesser amount stated in Item 6 shall serve as the limit of liability for all **Loss** in the aggregate under such **Coverage Section**, subject to reduction through any prior payments of **Loss** under such **Shared Limit of Liability**. Each **Shared Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate** for all **Loss** under this policy and shall in no way serve to increase the **Policy Aggregate** as therein stated.

Each sublimit of liability set forth in any **Coverage Section** is the maximum limit of the **Insurer's** liability for all **Loss** in the aggregate under this policy that is subject to that sublimit of liability. All sublimits of liability shall be part of, and not in addition to, the **Policy Aggregate** and any applicable **Separate Limit of Liability** or **Shared Limit of Liability**.

All **Related Claims** that pursuant to the applicable *Notice and Reporting Clause* are considered made or received during the **Policy Period** or **Discovery Period** (if applicable), shall also be subject to the applicable **Limits of Liability** set forth in this policy. Each of the **Limits of Liability** for the **Discovery Period** (if applicable) shall be part of, and not in addition to, each of the corresponding **Limits of Liability** for the **Policy Period**.

Defense Costs are not payable by the **Insurer** in addition to the **Limits of Liability**. **Defense Costs** are part of **Loss** and as such are subject to the **Limits of Liability** for **Loss**.

4. DISCOVERY

Except as indicated below, if the **Named Entity** shall cancel or the **Named Entity** or the **Insurer** shall refuse to renew this policy, the **Named Entity** shall have the right to a period of up to six (6) years following the effective date of such cancellation or nonrenewal ("**Discovery Period**"), upon payment of an **Additional Premium Amount** described in each **Coverage Section**, in which to give written notice to the **Insurer** of: (i) **Claims** first made against an **Insured**; (ii) if provided by a purchased **Coverage Section**, **Pre-Claim Inquiries** first received by an **Insured Person**; and (iii) circumstances of which an **Organization** or an **Insured** shall become aware, in any such case, during the **Discovery Period** and solely with respect to any covered acts, errors, omissions, failures or violations (including but not limited to **Wrongful Acts**, **Privacy Events** and **Security Failures**) occurring prior to the end of the **Policy Period** and otherwise covered by this policy.

In the event of a **Transaction**, the **Named Entity** shall have the right to request an offer from the **Insurer** of a **Discovery Period** with respect to covered acts, errors, omissions, failures or violations (including but not limited to **Wrongful Acts**, **Privacy Events** and **Security Failures**) occurring prior to the effective time of the **Transaction** and otherwise covered by this policy. The **Insurer** shall offer such **Discovery Period** pursuant to such terms, conditions, exclusions and additional premium as the **Insurer** may reasonably decide. In the event of a **Transaction**, the right to a **Discovery Period** shall not otherwise exist except as indicated in this paragraph.

If the **Named Entity** exercises its right to purchase a **Discovery Period**, that period incept at the end of the **Policy Period** or, if purchased in the event of a **Transaction**, as of the effective time of such **Transaction**.

The right to purchase a **Discovery Period** shall terminate unless written notice of election, together with any additional premium due, is received by the **Insurer** no later than thirty (30) days after the effective date of the cancellation, nonrenewal or **Transaction**.

Any **Discovery Period** is not cancelable and the additional premium charged is non-refundable in whole or in part. This *Discovery Clause* shall not apply to any cancellation resulting from non-payment of premium.

5. TRANSACTIONS

In the event of a **Transaction**, this policy shall continue in full force and effect only as to those covered acts, errors, omissions, failures or violations (including but not limited to **Wrongful Acts**, **Privacy Events** and **Security Failures**) occurring prior to the effective time of the **Transaction** and otherwise covered by this policy, and no portion of the premium paid for this policy shall be refundable. The **Named Entity** shall also have the right to an offer by the **Insurer** of a **Discovery Period** described in Clause 4 above.

This policy may not be canceled after the effective time of the **Transaction**.

Notwithstanding the foregoing, this policy may continue in full force and effect as to those covered acts, errors, omissions, failures or violations (including but not limited to **Wrongful Acts**, **Privacy Events** and **Security Failures**) occurring subsequent to the effective time of the **Transaction** and otherwise covered by this policy, if:

- (a) within thirty (30) days subsequent to the effective time of such **Transaction** the **Insurer** has been provided with full particulars of the **Transaction**, the related entity(ies) and any other information requested by the **Insurer**; and
- (b) the **Insurer** waives the restrictions set forth above with respect to such **Transaction** by written endorsement to this policy and the **Named Entity** or its successor has paid any additional premium and accepted any amendments to this policy required by the **Insurer**.

6. EXTENSIONS

(a) *Worldwide Territory*

The coverage afforded by this policy shall apply anywhere in the world.

(b) *Passport*

If a **Coverage Section** is listed in Item 7 of the Declarations, then such **Coverage Section** and the applicable provisions of these **General Terms and Conditions** shall act as a master policy solely with respect to the coverage provided by such **Coverage Section**. The coverage afforded by such **Coverage Section** shall be provided in conjunction with the Passport foreign underlyer policy issued in each jurisdiction selected by the **Named Entity**. The specific structure of the coverage provided by such **Coverage Section** in conjunction with each Passport foreign underlyer policy is set forth in the Passport Structure Appendix for such **Coverage Section** that is attached to this policy.

(c) *Spousal, Domestic Partner and Legal Representative Extension*

If a **Claim** against an **Insured Person** includes a **Claim** against: (1) the lawful spouse or legally recognized domestic partner of such **Insured Person**; or (2) a property interest of such spouse or domestic partner; and in either such case, such **Claim** arises from any actual or alleged **Wrongful Acts** of such **Insured Person**, this policy shall pay covered **Loss** arising from the **Claim** made against such spouse or domestic partner or the property of such spouse or domestic partner to the extent that such **Loss** does not arise from a **Claim** for any actual or alleged act, error or omission of such spouse or domestic partner. This policy shall pay covered **Loss** arising from a **Claim** made against the estates, heirs, or legal representatives of any deceased **Insured Person**, and the legal representatives of any **Insured Person** in the event of incompetence, insolvency or bankruptcy, who was an **Insured Person** at the time the **Wrongful Acts** upon which such **Claim** is based were alleged to have been committed.

7. CANCELLATION

- (a) **By Named Entity:** This policy may be canceled by the **Named Entity** at any time only by mailing written prior notice to the **Insurer** or by surrender of this policy to the **Insurer's** authorized agent or to the **Insurer**.
- (b) **By the Insurer:** This policy may be canceled by the **Insurer** only in the event of non-payment of premium by delivering to the **Named Entity** by registered, certified or other first class mail, at the **Named Entity Address**, written notice stating when, not less than fifteen (15) days, the cancellation shall be effective. Proof of mailing or delivery of such notice as aforesaid shall be sufficient proof of notice and this policy shall be deemed canceled as to all **Insureds** at the date and hour specified in such notice.
- (c) **Return of Premium:** If this policy shall be canceled, the **Insurer** shall retain the pro rata proportion of the premium hereon.

8. RECOVERY OF LIMITS

In the event the **Insurer** recovers amounts it paid under this policy, the **Insurer** shall reinstate the **Limits of Liability** of this policy to the extent of such recovery, less its costs incurred in administering and obtaining such recovery. The **Insurer** assumes no duty to seek a recovery of any amounts paid under this policy.

9. NOTICE AND AUTHORITY

Except for the giving of a notice of **Claim**, which shall be governed by the **Notice and Reporting Clause** of the applicable **Coverage Section**, all notices required under this policy to be given by an **Insured** to the **Insurer** shall be given in writing to the **Insurer** at the **Insurer Address**. It is agreed that the **Named Entity** shall act on behalf of all **Insureds** with respect to the giving of notice of a **Claim**, **Pre-Claim Inquiry**, **Crisis** or circumstances, the giving and receiving of notice of conditional renewal, premium increase, nonrenewal and cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy, the receipt and acceptance of any endorsements issued to form a part of this policy, the exercising or declining of the right to tender the defense of a **Claim**, **Crisis** or circumstance to the **Insurer**, and the exercising or declining to exercise any right to a **Discovery Period**.

10. ASSIGNMENT

This policy and any and all rights hereunder are not assignable without the prior written consent of the **Insurer**.

11. ACTION AGAINST INSURER

Except as provided in any *Alternative Dispute Resolution Clause* of a **Coverage Section**, no action shall lie against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this policy, nor until the amount of an **Insured's** obligation to pay shall have been finally determined either by judgment against such **Insured** after actual trial or by written agreement of such **Insured**, the claimant and the **Insurer**.

Any **Insured** or the legal representative thereof who has secured such judgment or written agreement shall be entitled thereafter to recover under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this policy to join the **Insurer** as a party to any action against an **Insured** or the **Named Entity** to determine an **Insured's** liability, nor shall the **Insurer** be impleaded by any **Insured** or by any spouse, domestic partner or legal representative thereof.

12. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** or of their estates shall not relieve the **Insurer** of any of its obligations under this policy.

In such event, the **Insurer** and each **Insured** agree to cooperate in any efforts by the **Insurer** or any **Insured** to obtain relief for the benefit of the **Insured Persons** from any stay or injunction applicable to the distribution of the policy proceeds.

13. CONFORMANCE TO LAW

In the event that there is an inconsistency between: (i) any period of limitation in this policy relating to the giving of notice of cancellation or discovery/extended reporting election, and (ii) the minimum or maximum period required by applicable law, where such law allows, the **Insurer** will resolve the inconsistency by applying the notice period that is more favorable to the **Insureds**. Otherwise, the notice period is hereby amended to the extent necessary to conform to applicable law.

Coverage under this policy shall not be provided to the extent prohibited by any law.

14. CURRENCY

All premiums, limits, retentions, **Loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or other elements of **Loss** are stated or incurred in a currency other than United States of America dollars, payment of covered **Loss** due under this policy (subject to the terms, conditions and limitations of this policy) will be made either in such other currency (at the option of the **Insurer** and if agreeable to the **Named Entity**) or, in United States of America dollars, at the rate of exchange published in The Wall Street Journal on the date the **Insurer's** obligation to pay such **Loss** is established (or if not published on such date the next publication date of The Wall Street Journal).

15. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

16. DEFINITIONS

(a) *Terms Appearing in **Bold** in Each Coverage Section*

Terms appearing in **bold** in a **Coverage Section** shall have the meaning and/or value ascribed to them in the *Definitions Clause* of that **Coverage Section**. If a term appearing in **bold** in a **Coverage Section** is not defined in the *Definitions Clause* of that **Coverage Section**, then the meaning and/or value ascribed to such term in the Declarations or below in Clause 16(c) *Definitions of General Applicability* shall apply for purposes of coverage provided under that particular **Coverage Section**.

Certain terms, including without limitation the following, appear in **bold** and are defined in more than one **Coverage Section**: (1) **Claim**; (2) **Crisis**; (3) **Defense Costs**; (4) **Insured**; (5) **Insured Person**; (6) **Loss**; (7) **Pre-Claim Inquiry**; (8) **Privacy Event**; (9) **Related Claim**; (10) **Security Failure**; (11) **Wrongful Act**. Each of these terms shall have the meaning ascribed to the term in a **Coverage Section** in which the term appears, but that meaning shall apply solely for purposes of coverage provided under that particular **Coverage Section**.

(b) *Terms Appearing in Bold in These General Terms and Conditions*

Terms appearing in **bold** in these **General Terms and Conditions** and not defined below in Clause 16(c) *Definitions of General Applicability* shall have the meaning and/or value ascribed to them in the Declarations or in a particular **Coverage Section** for purposes of coverage provided under that particular **Coverage Section**.

(c) *Definitions of General Applicability*

Continuity Date	means the date set forth in Item 6 of the Declarations with respect to each Coverage Section .
Coverage Section	means each Coverage Section that is purchased by the Named Entity as reflected in Item 6 of the Declarations.
E-Consultant Firm	means a pre-approved e-discovery consulting firm. A list of pre-approved E-Consultant Firms is accessible through the online directory at http://www.aig.com/us/panelcounseldirectory under the "e-Consultant Panel Members" link.
E-Discovery	means the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information.
E-Discovery Consultant Services	means solely the following services performed by an E-Consultant Firm : <ul style="list-style-type: none"> (1) assisting the Insured with managing and minimizing the internal and external costs associated with E-Discovery; (2) assisting the Insured in developing or formulating an E-Discovery strategy which shall include interviewing qualified and cost effective E-Discovery vendors; (3) serving as project manager, advisor and/or consultant to the Insured, defense counsel and the Insurer in executing and monitoring the E-Discovery strategy; and (4) such other services provided by the E-Discovery Consultant Firm that the Insured, Insurer and E-Discovery Consultant Firm agree are reasonable and necessary given the circumstances of the Claim.

Enforcement Body	means: (1) any federal, state, local or foreign law enforcement authority or other governmental investigative authority (including, but not limited to, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general), or (2) the enforcement unit of any securities or commodities exchange or other self-regulatory organization.
Foreign Jurisdiction	means any jurisdiction, other than the United States of America or any of its territories or possessions.
Organization	means: <ul style="list-style-type: none"> (1) the Named Entity; (2) each Subsidiary; and (3) in the event a bankruptcy proceeding shall be instituted by or against any of the foregoing entities, the resulting debtor-in-possession (or equivalent status outside the United States of America), if any.
Policy Period	means the period of time from the Inception Date to the earlier of the Expiration Date or the effective date of cancellation of this policy. The Policy Period incepts and expires as of 12:01 A.M. on such dates at the Named Entity Address .
Retroactive Date	means the date set forth in Item 6 of the Declarations as such for each Coverage Section .
Separate Limit of Liability	means the applicable Separate Limit of Liability , if any, stated in Item 6 of the Declarations.
Shared Limit of Liability	means the applicable Shared Limit of Liability , if any, stated in Item 6 of the Declarations, which limit of liability shall be shared between all of the Coverage Sections which are listed as being subject to such Shared Limit of Liability in the Declarations.
Transaction	means: <ul style="list-style-type: none"> (1) the Named Entity consolidating with or merging into another entity such that the Named Entity is not the surviving entity, or selling all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; (2) any person or entity or group of persons or entities acting in concert acquiring Management Control of the Named Entity; or (3) any additional meaning ascribed to the term Transaction in any Coverage Section, but such additional meaning shall apply solely to the coverage provided by such Coverage Section.

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Illinois National Insurance Company
A capital stock company
EMPLOYMENT EDGE[®] EMPLOYMENT PRACTICES LIABILITY
("EPL Coverage Section")

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of, and are expressly applicable to this **EPL Coverage Section**, unless otherwise explicitly stated to the contrary in this **EPL Coverage Section**.

In consideration of the payment of the premium, and each of their respective rights and obligations in this policy, the **Insureds** and the **Insurer** agree as follows:

1. INSURING AGREEMENTS

All coverage granted for **Loss** under this **Coverage Section** is provided solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or any applicable **Discovery Period** and reported to the **Insurer** as required by this **Coverage Section**, except to the extent coverage is extended pursuant to the *Claims Savings Clause* of this **Coverage Section** to a **Claim** first made prior to the **Policy Period**. Subject to the foregoing and the other terms, conditions and limitations of this policy, this **Coverage Section** affords the following coverage:

A. Employment Practices Liability Coverage

This policy shall pay the **Loss** of each and every **Insured** arising from a **Claim** made against such **Insured** for any **Employment Practices Violation**.

B. Third Party Violation Coverage

This policy shall pay the **Loss** of each and every **Insured** arising from a **Claim** made against such **Insured** for any **Third Party Violation**.

C. Wrongful Internet Activity Coverage

This policy shall pay the **Loss** of an **Organization** arising from any **Claim** made against such **Organization** for its actual or alleged liability for any **Wrongful Internet Activity** of an **Employee**.

2. EXTENSIONS

A. First Dollar E-Discovery Consultant Services

For any **Class Action Claim**, no Retention shall apply to the first \$25,000 in **Defense Costs** incurred as **E-Discovery Consultant Services**.

B. Global Liberalization

For **Loss** from that portion of any **Claim** maintained in a Foreign Jurisdiction or to which the law of a Foreign Jurisdiction is applied, the **Insurer** shall apply the terms and conditions of this **Coverage Section** as amended to include those of the Foreign Policy in the Foreign Jurisdiction that are more favorable to **Insureds** in the Foreign Jurisdiction. This *Global Liberalization Clause* shall not apply to any provision of any policy that has worldwide effect, including but not limited to any provision addressing limits of liability (primary, excess or sublimits), retentions, other insurance, non-renewal, duty to defend, defense within or outside limits, taxes, conformance to law or excess liability coverage, any claims made provisions, and any endorsement to this policy that excludes or limits coverage for specific events or litigation or that specifically states that it will have worldwide effect.

3. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

- (1) Conduct** arising out of, based upon or attributable to any deliberate criminal or deliberate fraudulent act by the **Insured** if established by any final, non-appealable adjudication in any action or proceeding other than an action or proceeding initiated by the **Insurer** to determine coverage under the policy; provided, however, the **Wrongful Act** of an **Insured** shall not be imputed to any other **Insured** for the purpose of determining the applicability of this exclusion;
- (2) Pending & Prior Litigation** alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior: (a) litigation; or (b) **EEOC** proceeding or investigation of which any **Insured** had notice; or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or proceeding or investigation;
- (3) Prior Notice** alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Act** alleged or contained in any claim which has been reported, or in any circumstances of which notice has been given, under any policy providing coverage in whole or in part for **Wrongful Acts** which was in force prior to the **Inception Date** of this policy;
- (4) Bodily Injury & Property Damage** for bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;
- (5) ERISA** for any violation of responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar provisions of any state, local or foreign statutory or common law;
- (6) Compensation & Labour Liability**

 - (a) for any violation of responsibilities, obligations or duties imposed by the Fair Labor Standards Act (except the Equal Pay Act) (FLSA), the National Labor Relations Act (NLRA), the Worker Adjustment and Retraining Notification (WARN) Act, the Consolidated Omnibus Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign law or amendment to a law; or
 - (b) alleging, arising out of, based upon or attributable to any of the circumstances described in any of the following:

- (i) the refusal, failure or inability of any **Insured** to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);
- (ii) improper deductions from pay taken by any **Insured** from any **Employee** or purported **Employee**; or
- (iii) failure to provide or enforce legally required meal or rest break periods;

provided, however, the foregoing Exclusions 6(a) and 6(b) shall not apply to the extent that a **Claim** is for **Retaliation**;

(7) Benefits

for any obligation pursuant to any worker's compensation, disability benefits, unemployment compensation, unemployment insurance, retirement benefits, social security benefits or similar law; provided, however, this exclusion shall not apply to the extent that a **Claim** is for **Retaliation**;

(8) Contract

alleging, arising out of, based upon or attributable to any actual or alleged contractual liability of an **Insured** under any express contract or agreement; provided, however, that this exclusion shall not apply to:

- (i) liability which would have attached in the absence of such express contract or agreement; or
- (ii) **Loss** constituting **Defense Costs**; or

(9) Securities Claim

alleging, arising out of, based upon or attributable to any **Claim** brought by any holder of securities representing the debt or equity of the **Organization** or an **Outside Entity**, in their capacity as such, whether directly, derivatively on behalf of the **Organization** or **Outside Entity**.

4. RETENTION

In addition to the provisions in Clause 2. **RETENTION** of the **General Terms and Conditions**, in no event shall a Retention be applied to the first \$25,000 in **Defense Costs** incurred as **E-Discovery Consultant Services**.

If an **Organization** is unable to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention amount due to **Financial Insolvency**, then the **Insurer** shall advance such amounts on behalf of the **Insured Person** until either: (i) an **Organization** has agreed to make such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the **Insurer** relieve any **Organization** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**. The **Insurer** shall be entitled to recover the amount of **Loss** advanced within the Retention from the **Organization** pursuant to the subrogation provisions of this **Coverage Section**.

5. NOTICE AND REPORTING

Notice hereunder shall be given in writing to the **Insurer** at the **Claims Address** indicated in the Declarations. If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

(a) Reporting a Claim

An **Organization** or an **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this **Coverage Section**, notify the **Insurer** in writing of a **Claim** made against an **Insured** as soon as practicable after the **Named Entity's** Human Resources Manager, Risk Manager or General Counsel (or equivalent position) first becomes aware of the **Claim**. In all events, notification must be provided no later than sixty (60) days after the end of the **Policy Period** or the **Discovery Period** (if applicable).

(b) Relation Back to the First Reported Claim

Solely for the purpose of establishing whether any subsequent **Related Claim** was first made during the **Policy Period** or **Discovery Period** (if applicable), if during any such period a **Claim** was first made and reported in accordance with Clause 5(a) above, then any **Related Claim** that is subsequently made against an **Insured** and that is reported in accordance with Clause 5(a) above shall be deemed to have been first made at the time that such previously reported **Claim** was first made.

With respect to any subsequent **Related Claim**, this policy shall not cover **Loss** incurred before such subsequent **Related Claim** is actually made against an **Insured** and reported to the **Insurer**.

(c) Claims Savings Clause

1. Notwithstanding Clause 5(b), with respect to any **Claim** which (i) first becomes a **Litigated Matter** during the **Policy Period** or **Discovery Period** (if applicable); and (ii) is a **Related Claim** with respect to an **Administrative Claim** which was first made against an **Insured** prior to the **Policy Period**, the **Insurer** shall not deny coverage for such **Claim** based upon late notice of such **Claim** or based upon such **Claim** first being made prior to the **Policy Period**, provided that:

- (a) the **Claim** was first made against the **Insured** at a time during which the **Named Entity** was insured under a **Prior AIG Policy**;
- (b) upon the **Claim** first becoming a **Litigated Matter**, the **Claim** was reported in accordance with Clause 5(a) above; and
- (c) no **Insured** has made a monetary settlement offer to a claimant or responded to a monetary demand from or on behalf of a claimant with respect to such **Claim**.

2. Coverage under this **Coverage Section** for any **Claim** afforded coverage pursuant to this Clause 5(c) shall be the lesser of:

(a) the coverage which would have been provided under this **Coverage Section** for such **Claim** had the **Claim** been made during the **Policy Period** and reported to the **Insurer** as required by this **Coverage Section**; or

(b) the coverage, if any, which would have been provided under the **Prior AIG Policy** for such **Claim** if the **Insured** had properly provided notice of such **Claim** in accordance with the provisions of the **Prior AIG Policy**,

taking into account all provisions of each policy, including, without limitation, applicable limits of liability (as reduced by payments made under such policy), retentions, exclusions and other restrictions contained in each policy.

Notwithstanding the foregoing, nothing in this Clause 5(c) shall be construed to increase the **Limits of Liability** of this policy or to provide coverage under the **Prior AIG Policy**, nor shall this Clause 5(c) ever result in providing coverage under this policy for **Loss** for which coverage is in fact provided (or would be provided but for the exhaustion of the limit of liability) under the **Prior AIG Policy**.

3. This Clause 5(c) shall not apply to any **Claim** which:

(a) prior to the **Policy Period** was a **Litigated Matter**; or

(b) is a **Related Claim** with respect to a **Claim** which prior to the **Policy Period** was a **Litigated Matter**.

(d) *Relation Back to Reported Circumstances Which May Give Rise to a Claim*

If during the **Policy Period** or **Discovery Period** (if applicable) an **Organization** or an **Insured Person** becomes aware of and notifies the **Insurer** in writing of circumstances that may give rise to a **Claim** being made against an **Insured** and provides details as required below, then any **Claim** that is subsequently made against an **Insured** that arises from such circumstances and that is reported in accordance with Clause 5(a) above shall be deemed to have been first made at the time of the notification of circumstances for the purpose of establishing whether such subsequent **Claim** was first made during the **Policy Period** or during the **Discovery Period** (if applicable). Coverage for **Loss** arising from any such subsequent **Claim** shall only apply to **Loss** incurred after that subsequent **Claim** is actually made against an **Insured** and reported to the **Insurer**. In order to be effective, notification of circumstances must specify the facts, circumstances, nature of the alleged **Wrongful Act** anticipated and reasons for anticipating such **Claim**, with full particulars as to dates, persons and entities involved.

6. DISCOVERY PREMIUM

In the event the **Named Entity** or the **Insurer** shall cancel or refuse to renew this **Coverage Section**, the **Additional Premium Amount** for: (a) one year shall be no more than 125% of the **Full Annual Premium**; and (b) two to six years shall be an amount to be determined by the **Insurer**. As used herein, "**Full Annual Premium**" means the premium level in effect for this **Coverage Section** immediately prior to the end of the **Policy Period**.

In the event of a **Transaction**, the **Additional Premium Amount** shall be an amount to be determined by the **Insurer**.

7. DEFENSE AND SETTLEMENT

A. For Claims

(1) *No Duty to Defend*

The **Insureds** shall defend and contest any **Claim** made against them. The **Insurer** does not assume any duty to defend.

(2) *Right to Tender Defence*

Notwithstanding the foregoing, the **Insureds** shall have the right to tender the defense of any **Claim** to the **Insurer**, which right shall be exercised in writing by the **Named Entity** on behalf of all **Insureds**. This right shall terminate if not exercised within thirty (30) days of the date the **Claim** is first made against an **Insured**. Further, from the date the **Claim** is first made against the **Insureds** to the date when the **Insurer** accepts the tender of the defense of such **Claim**, the **Insureds** shall take no action, or fail to take any required action, that prejudices the rights of the **Insureds** or the **Insurer** with respect to such **Claim**. Provided that the **Insureds** have complied with the foregoing, the **Insurer** shall be obligated to assume the defense of the **Claim**, even if such **Claim** is groundless, false or fraudulent. The assumption of the defense of the **Claim** shall be effective upon written confirmation thereof sent by the **Insurer** to the **Named Entity**. Once the defense has been so tendered, the **Insured** shall have the right to effectively associate with the **Insurer** in the defense and the negotiation of any settlement of any **Claim**. However, the **Insurer** shall not be obligated to defend such **Claim** after the **Policy Aggregate** or any applicable **Separate Limit of Liability** or **Shared Limit of Liability** has been exhausted, or after an **Insured's** rejection (or failure or refusal to accept within the time prescribed in the "Settlement Opportunity" paragraph of this Clause 7) of a **Settlement Opportunity**.

(3) *Advancement*

When the **Insurer** has not assumed the defense of a **Claim** pursuant to subparagraph (2) of this Clause 7, it shall advance, excess of any applicable **Retention**, covered **Defense Costs** on a current basis, but no later than ninety (90) days after the **Insurer** has received itemized bills for those **Defense Costs**. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by each and every

Insured Person or Organization, severally according to their respective interests, in the event and to the extent that any such **Insured Person or Organization** shall not be entitled under this **Coverage Section** to payment of such **Loss**.

(4) *Claims Participation
and Cooperation*

When the **Insurer** has not assumed the defense of a **Claim** pursuant to subparagraph (2) of this Clause 7, the **Insurer** shall have the right, but not the obligation, to fully and effectively associate with each and every **Insured** in the defense and prosecution of any **Claim** that involves, or appears reasonably likely to involve the **Insurer**, including, but not limited to, negotiating a settlement. Each and every **Insured** shall give the **Insurer** full cooperation and such information as it may reasonably require.

The failure of any **Insured Person** to give the **Insurer** cooperation and information as required in the preceding paragraph shall not impair the rights of any other **Insured Person** under this **Coverage Section**.

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any **Defense Costs**, without the prior written consent of the **Insurer**. Such consent shall not be unreasonably withheld.

(5) *Full Settlement
Within Retention/
Consent Waived*

If all **Insured** defendants are able to dispose of all **Claims** which are subject to one Retention (inclusive of **Defense Costs**) for an amount not exceeding the Retention, then the **Insurer's** consent shall not be required for such disposition.

(6) *Settlement
Opportunity*

In the event the **Insureds** do not consent to the first **Settlement Opportunity** within thirty (30) days of the date the **Insureds** are first made aware of the **Settlement Opportunity** (or in the case of a **Settlement Opportunity** which arises from a settlement offer by the claimant, then within the time permitted by the claimant to accept such settlement offer, but in all events no later than thirty (30) days after the settlement offer was made), then the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed: (a) the amount for which the **Insurer** could have settled such **Claim** plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the **Insurer** ("**Settlement Opportunity Amount**"), plus (b) 70% of covered **Loss** in excess of such **Settlement Opportunity Amount**, it being a condition of this insurance that the remaining 30% of such **Loss** excess of the **Settlement Opportunity Amount** shall be carried by the **Organization** and the **Insureds** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply unless the **Settlement Opportunity Amount** exceeds the remaining applicable Retention amount.

B. Pre-Authorized Defense Attorneys For Designated Employment Practices Claims

The list of approved panel counsel law firms ("**Panel Counsel**") is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "Public and Private Companies (Employment Practices Liability)" link. The list provides a choice of law firms from which a selection of legal counsel shall be made by the **Insureds** (or, in the event the **Insurer** has assumed the defense pursuant to Clause 7.A(2) of this **Coverage Section**, the **Insurer**) to conduct the defense of any **Designated Employment Practices Claim** made against the **Insureds**.

With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel** different from that selected by another **Insured** defendant if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable. The list of **Panel Counsel** may be amended from time to time by the **Insurer**. However, if a firm is removed from the list during the **Policy Period**, the **Insureds** shall be entitled to select such firm to conduct the defense of any **Designated Employment Practices Claim** made against such **Insureds** during the **Policy Period**.

The **Insureds** (or, in the event the **Insurer** has assumed the defense pursuant to Clause 7.A of this **Coverage Section**, the **Insurer**) shall select a **Panel Counsel** to defend the **Designated Employment Practices Claim** made against the **Insureds** in the jurisdiction in which the **Designated Employment Practices Claim** is brought. In the event the **Claim** is brought in a jurisdiction not included on the list, **Panel Counsel** shall be selected in the listed jurisdiction which is the nearest geographic jurisdiction to either where the **Designated Employment Practices Claim** is brought or where the corporate headquarters of the **Named Entity** is located. In such instance the **Insureds** also may, with the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld, select a non-**Panel Counsel** in the jurisdiction in which the **Designated Employment Practices Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel** which will function as "lead counsel" in conducting the defense of the **Designated Employment Practices Claim**.

C. Pre-Approved E-Consultant Firms

The list of pre-approved **E-Consultant Firms** is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "e-Consultant Panel Members" link. The list provides the **Insureds** with a choice of firms from which a selection of an **E-Consultant Firm** shall be made. Any **E-Consultant Firm** may be hired by an **Insured** to perform **E-Discovery Consultant Services** without further approval by the **Insurer**.

8. SUBSIDIARY COVERAGE

A. Subsidiary Additions

In addition to the definition of "**Subsidiary**" set forth in Clause 12. DEFINITIONS of this **Coverage Section**, **Subsidiary** also means any for-profit entity: (1) of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**; and (2) whose:

- (a) total number of **Employees** is less than the lesser of: (i) 20% of the total **Employees** of each and every **Organization** as of the **Inception Date** of this policy; or (ii) five hundred (500); or
- (b) total number of **Employees** does not satisfy the criteria set forth in subparagraph (a),

above, but such entity shall be a "**Subsidiary**" only: (i) for a period of sixty (60) days from the date the **Named Entity** first had **Management Control** of such entity; or (ii) until the end of the **Policy Period**, whichever expires or ends first (the "**Auto-Subsidiary Period**");

provided that, with respect only to entities described in subparagraph (b) above, the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**.

The **Insurer** shall extend coverage for any **Subsidiary** described in subparagraph (b) above, and any **Insured Person** thereof, beyond its respective **Auto-Subsidiary Period** if during such **Auto-Subsidiary Period**, the **Named Entity** shall have provided the **Insurer** with full particulars of the new **Subsidiary** and agreed to any additional premium and amendment of the provisions of this policy required by the **Insurer** relating to such **Subsidiary**. Further, coverage as shall be afforded to any **Subsidiary** and any **Insured Person** thereof is conditioned upon the **Named Entity** paying when due any additional premium required by the **Insurer** relating to such **Subsidiary**.

B. Former Subsidiaries

In the event the **Named Entity** loses **Management Control** of a **Subsidiary** during or prior to the **Policy Period**, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this policy but only with respect to **Claims** for **Wrongful Acts** that occurred or are alleged to have occurred during the time that the **Named Entity** had **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**.

C. Scope Of Subsidiary Coverage

Coverage as is afforded under this **Coverage Section** with respect to a **Claim** made against any **Subsidiary** and/or any **Insured Person** thereof shall only apply for **Wrongful Acts** committed or allegedly committed during the time that such **Subsidiary** and such **Insured Person** meet the respective definitions of **Subsidiary** and **Insured Person** set forth in this **Coverage Section**.

9. APPLICATION AND UNDERWRITING

A. Application And Reliance

The **Insurer** has relied upon the accuracy and completeness of the statements, warranties and representations contained in the **Application**. All such statements, warranties and representations are the basis for this **Coverage Section** and are to be considered as incorporated into this **Coverage Section**.

B. Severability Of The Application

The **Application** shall be construed as a separate application for coverage by each **Insured Person**. With respect to the **Application**, no knowledge possessed by any **Organization** or any **Insured Person** shall be imputed to any other **Insured Person**.

If the statements, warranties and representations in the **Application** were not accurate and complete and materially affected either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Coverage Section**, then the **Insurer** shall have the right to void coverage under this **Coverage Section**, *ab initio*, with respect to:

- (1) **Loss** of any **Insured Person** who knew, as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed; and

- (2) **Loss** of an **Organization**, if any **Insured Person** who is or was a chief executive officer, general counsel, director of human resources or risk manager (or equivalent position) of the **Named Entity** knew, as of the inception date of the **Policy Period**, the facts that were not accurately and completely disclosed.

The foregoing applies even if the **Insured Person** did not know that such incomplete or inaccurate disclosure had been provided to the **Insurer** or included within the **Application**.

10. PAYMENTS AND OBLIGATIONS OF ORGANIZATIONS AND OTHERS

A. *Other Insurance And Indemnification*

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this **Coverage Section** shall be primary.

In the event a **Claim** is made against an **Outside Entity Executive**, or a **Claim** is made against an **Insured** for the **Insured's** liability with respect to a leased **Employee** or independent contractor **Employee** as described in the definition of "**Employee**", coverage as is afforded by this **Coverage Section** shall be specifically excess of any: (a) indemnification provided by such **Outside Entity** or leasing company; and (b) any other insurance provided to such **Outside Entity**, leasing company or independent contractor.

B. *Subrogation*

To the extent of any payment under this **Coverage Section**, the **Insurer** shall be subrogated to all of the **Organizations'** and **Insureds'** rights of recovery. Each **Organization** and each **Insured Person** shall execute all papers reasonably required and provide reasonable assistance and cooperation in securing or enabling the **Insurer** to exercise subrogation rights or any other rights, directly or in the name of the **Organization** or any **Insured Person**.

In the event that the **Insurer** shall for any reason pay **Loss** on behalf of an **Insured Person**, the **Insurer's** subrogation rights shall include, but not be limited to, the assertion of indemnification or contribution rights with respect to any such payments it makes or advances. Additionally, upon the **Insurer** making any payment of **Loss** within the Retention on behalf of any **Insured**, the **Insurer** shall have a direct contractual right under this policy to recover from the **Organization**, or in the event of the bankruptcy of the **Organization**, from the debtor-in-possession (or equivalent status outside the United States) such **Loss** which was paid within the Retention. Such direct contractual right of recovery against the **Organization** shall be in addition to and independent of the **Insurer's** subrogation right pursuant to this Clause 10.B and any other rights the **Insurer** may have under applicable law.

In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this **Coverage Section** unless the Conduct Exclusion applies with regard to such **Insured**; provided, however, this sentence shall not apply to subrogation against the **Organization** as described in the second paragraph of this Clause 10.B.

11. ALTERNATIVE DISPUTE RESOLUTION

ADR Options

All disputes or differences which may arise under or in connection with this **Coverage Section**, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, shall be submitted to an alternative dispute resolution (ADR) process as provided in this Clause.

The **Named Entity** may elect the type of ADR process discussed below; provided, however, that absent a timely election, the **Insurer** may elect the type of ADR. In that case, the **Named Entity** shall have the right to reject the **Insurer's** choice of the type of ADR process at any time prior to its commencement, after which, the **Insured's** choice of ADR shall control.

Mediation

In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least ninety (90) days shall have elapsed from the date of the termination of the mediation.

Arbitration

In the event of arbitration, the decision of the arbitrator(s) shall be final, binding and provided to both parties, and the arbitration award shall not include attorney's fees or other costs.

ADR Process

Selection of Arbitrator(s) or Mediator: The **Insurer** and the **Named Entity** shall mutually consent to: (i) in the case of arbitration, an odd number of arbitrators which shall constitute the arbitration panel, or (ii) in the case of mediation, a single mediator. The arbitrator, arbitration panel members or mediator must be disinterested and have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the absence of agreement, the **Insurer** and the **Named Entity** each shall select one arbitrator, the two arbitrators shall select a third arbitrator, and the panel shall then determine applicable procedural rules.

ADR Rules: In considering the construction or interpretation of the provisions of this policy, the mediator or arbitrator(s) must give due consideration to the general principles of the law of the **State of Formation** of the **Named Entity**. Each party shall share equally the expenses of the process elected. At the election of the **Named Entity**, either choice of ADR process shall be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state reflected in the **Named Entity Address**. The **Named Entity** shall act on behalf of each and every **Insured** under this *Alternative Dispute Resolution Clause*. In all other respects, the **Insurer** and the **Named Entity** shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.

12. DEFINITIONS

The following definitions shall apply only for purposes of coverage provided under this **Coverage Section**. Terms appearing in **bold** in this **Coverage Section** but not defined herein shall have the meaning and/or value ascribed to them in the Declarations or in the *Definitions Clause* of the **General Terms and Conditions**.

**Administrative
Claim**

means an administrative or regulatory investigation:

- (1) by the **EEOC**; or
- (2) of a violation of the Uniformed Services Employment and Reemployment Rights Act, when such investigation is conducted by the United States Department of Labor, Veterans Employment and Training Service, Justice Department or Office of Special Counsel;

which, in either case, is commenced by the filing of a notice of charges or similar document of which notice has been given to an **Insured**.

The term "**Administrative Claim**" shall not mean or include any **Litigated Matter**.

Application

means:

- (1) the written statements and representations made by an **Insured** and provided to the **Insurer** during the negotiation of this policy, or contained in any application or other materials or information provided to the **Insurer** in connection with the underwriting of this policy; and
- (2) all warranties executed by or on behalf of an **Insured** and provided to the **Insurer** in connection with the underwriting of this policy or the underwriting of any other employment practices (or equivalent) liability policy issued by the **Insurer**, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time.

Claim

means:

- (1) a written demand for monetary, non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process, or any request to toll or waive the statute of any limitations;
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (a) service of a complaint or similar pleading; (b) return of an indictment, information or similar document (in the case of a criminal proceeding); or (c) receipt or filing of a notice of charges;
- (3) an administrative or regulatory investigation by the **EEOC**, which is commenced by the filing of a notice of charges, service of a complaint or similar document of which notice has been given to an **Insured**; or
- (4) an administrative or regulatory investigation of violations of the Uniformed Services Employment and Reemployment Rights Act when such investigation is conducted by the United States Department of Labor, Veterans Employment and Training Service, Justice Department or Office of Special Counsel and is commenced by the filing of a notice

of charges, service of a complaint or similar document of which notice has been given to an **Insured**.

However, in no event, shall the term "**Claim**" include any labor or grievance proceeding which is subject to a collective bargaining agreement.

Class Action Claim means any **Claim** brought: (1) by or on behalf of an actual or alleged class (whether or not certified as such); or (2) by the **EEOC** on behalf of any group of three or more complainants, plaintiffs or potentially aggrieved parties.

Class Action Retention means the Retention applicable to **Loss** that arises out of a **Class Action Claim**.

Defense Costs means reasonable and necessary fees, costs and expenses consented to by the **Insurer** (including the cost of **E-Discovery Consultant Services** and premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and/or appeal of a **Claim** against an **Insured**. **Defense Costs** shall not include the compensation of any **Insured Person**.

Designated Employment Practices Claim EEOC means a **Claim**: (1) alleging discrimination or **Retaliation**; or (2) that is a **Class Action Claim**.

means the Equal Employment Opportunity Commission, or any similar state, local or foreign agency.

Employee means any past, present or future employee, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any full-time, part-time, seasonal and temporary employee, in his or her capacity as such. An individual who is leased to the **Organization** or is contracted to perform work for the **Organization**, or who is an independent contractor for the **Organization**, shall also be an **Employee**.

Employment Practices Violation means any actual or alleged:

- (1) wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract;
- (2) harassment (including workplace bullying, sexual harassment whether "quid pro quo", hostile work environment or otherwise, including "same-sex" sexual harassment);
- (3) discrimination (including, but not limited to, discrimination based upon age, gender, gender identity or expression, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, military status, employment status or disability);

(4) **Retaliation**;

- (5) employment-related misrepresentation(s) to an **Employee** of any **Organization**;
- (6) employment-related libel, slander, humiliation, defamation or invasion of privacy;
- (7) false arrest or false imprisonment;
- (8) wrongful failure to employ or promote;
- (9) wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation, including the giving of negative or defamatory statements in connection with an employee reference;
- (10) wrongful discipline;
- (11) failure to grant tenure; or
- (12) with respect to any of the foregoing items (1) through (11) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;

but only if the **Employment Practices Violation** relates to an **Employee** of or an applicant for employment with an **Organization** or an **Outside Entity**, whether committed directly, indirectly, intentionally or unintentionally.

Executive

means any:

- (1) past, present and future duly elected or appointed director, officer, trustee or governor of a corporation, management committee member of a joint venture or member of the management board of a limited liability company (or equivalent position), in his or her capacity as such; and
- (2) past, present and future person in a duly elected or appointed position in an entity organized and operated in a **Foreign Jurisdiction** that is equivalent to an executive position listed in subparagraph (1) above, or a member of the senior-most executive body (including, but not limited to, a supervisory board), in his or her capacity as such.

Financial Insolvency

means: (1) the appointment by any government official, agency, commission, court or other governmental authority of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate an insolvent **Organization**; (2) the filing of a petition under the bankruptcy laws of the United States of America; or (3), as to both (1) or (2), any equivalent events outside the United States of America.

Foreign Policy

means the standard employment practices liability policy (including all mandatory endorsements, if any) approved by the **Insurer** or any of its affiliates to be sold within a **Foreign**

Jurisdiction that provides coverage substantially similar to the coverage afforded under this **Coverage Section**. If more than one such policy exists, then "**Foreign Policy**" means the standard basic policy form most recently offered for sale for comparable risks by the **Insurer** or any of its affiliates in that **Foreign Jurisdiction**.

Insured

means any:

- (1) **Insured Person**; or
- (2) **Organization**.

Insured Person

means any:

- (1) **Executive of an Organization**;
- (2) **Employee of an Organization**; provided, however, an individual who is leased to the **Organization** or is contracted to perform work for the **Organization**, or who is an independent contractor for the **Organization**, shall be an **Insured Person** only if the **Organization** provides indemnification to such individual in the same manner as is provided to the **Organization's** employees; or
- (3) **Outside Entity Executive**.

Litigated Matter

means any civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (1) service of a complaint or similar pleading; or (2) return of an indictment, information or similar document (in the case of a criminal proceeding).

Loss

means damages, settlements, judgments (including back pay and front pay, pre/post-judgment interest on a covered judgment), and **Defense Costs**; however, "**Loss**" shall not include: (1) civil or criminal fines or penalties; (2) taxes; (3) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; (4) employment-related benefits, stock options, perquisites, deferred compensation or any other type of compensation other than salary, wages or bonus compensation; (5) any liability or costs incurred by any **Insured** to modify any building or property in order to make said building or property more accessible or accommodating to any disabled person; or any liability or costs incurred in connection with any educational, sensitivity or other corporate program, policy or seminar relating to a **Claim** alleging discrimination or other **Wrongful Act**; and (6) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed. **Defense Costs** shall be provided for items specifically excluded from **Loss** pursuant to subparagraphs (1) through (6) above of this Definition, subject to the other terms, conditions and exclusions of this policy.

Loss shall specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to

the Conduct Exclusion), punitive, exemplary and multiple damages (including the multiple or liquidated damages awards under the Age Discrimination in Employment Act and the Equal Pay Act). Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages.

Loss shall also include any attorney fees awarded to a prevailing plaintiff's counsel pursuant to a covered judgment against an **Insured** or which the **Insurer** has agreed to pay as part of a covered settlement of a **Claim** against an **Insured**.

**Management
Control**

means:

- (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the Board of Directors of a corporation; the management committee members of a joint venture; or the members of the management board of a limited liability company; or
- (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an **Organization**, to elect, appoint or designate a majority of: the Board of Directors of a corporation; the management committee of a joint venture; or the management board of a limited liability company.

Outside Entity

means any: (1) not-for-profit entity; or (2) other entity listed as an **"Outside Entity"** in an endorsement attached to this **Coverage Section**.

**Outside Entity
Executive**

means any: (1) **Executive** or **Employee** of an **Organization** who is or was acting at the specific request or direction of an **Organization** as an **Executive** of an **Outside Entity**, in his or her capacity as such; or (2) any other person listed as an **Outside Entity Executive** in an endorsement attached to this **Coverage Section**, in his or her capacity as such.

In the event of a disagreement between the **Organization** and an **Outside Entity Executive** as to whether such **Insured** was acting "at the specific request or direction of the **Organization**," this **Coverage Section** shall abide by the determination of the **Organization** on this issue and such determination shall be made by written notice to the **Insurer** within ninety (90) days after the **Claim** against such **Outside Entity Executive** is made. In the event no notice of any such determination is given to the **Insurer** within such period, this **Coverage Section** shall apply as if the **Organization** determined that such **Outside Entity Executive** was not acting at the **Organization's** specific request or direction.

Prior AIG Policy

means a valid and collectible employment practices liability policy providing substantially the same or similar coverage as

is provided by this **Coverage Section**, issued to the **Name Entity** by the **Insurer** (or any other insurance company affiliate thereof), of which this **Coverage Section** is a continuous renewal.

Related Claim

means a **Claim** alleging, arising out of, based upon or attributable to any facts or **Wrongful Acts** that are the same as or related to those that were alleged in another **Claim** made against an **Insured**.

Retaliation

means a retaliatory act of an **Insured** alleged to be in response to the actual or attempted exercise by an **Employee** of the **Organization** or an **Outside Entity** of any right that such **Employee** has under law, including, without limitation, any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** of the **Organization** or an **Outside Entity** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (2) the exercise of rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (4) strikes of an **Employee** of the **Organization** or an **Outside Entity**.

Settlement Opportunity

means an **Insurer** recommended settlement that is within the **Policy Aggregate** and the applicable **Separate Limit of Liability** or **Shared Limit of Liability**, and that is acceptable to the claimant.

Subsidiary

means:

(1) any for-profit entity of which the **Named Entity** has or had **Management Control** on or before the **Inception Date** of the policy either directly or indirectly through one or more of its other **Subsidiaries**; and

(2) any not-for-profit entity sponsored exclusively by an **Organization**.

A for-profit entity ceases to be a **Subsidiary** when the **Named Entity** no longer maintains **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**. A not-for-profit entity ceases to be a **Subsidiary** when such entity is no longer sponsored exclusively by an **Organization**.

Third-Party Violation

means any actual or alleged harassment or unlawful discrimination, as described in subparagraphs (2) and (3) of the definition of **Employment Practices Violation**, or the violation of the civil rights of an individual relating to such harassment or discrimination, when such acts are alleged to be committed against any individual other than an **Insured Person** or applicant

	for employment with the Organization or with an Outside Entity , including, but not limited to, students, patients, members, customers, vendors and suppliers.
Third Party Retention	means the Retention applicable to Loss that arises out of any Third-Party Violation alleging a Third-Party Violation .
Wrongful Act	means any Employment Practices Violation , Third-Party Violation or Wrongful Internet Activity .
Wrongful Internet Activity	means any actual or alleged: <ol style="list-style-type: none"> (1) Employment Practices Violation alleged by an Employee; or (2) Third Party Violation, when committed by an Employee by means of the internet, including, but not limited to, social networking activities, regardless of whether such internet activity is during or after work hours or on or off the work premises. For purposes of the application of this definition, an individual shall be deemed to be an Employee regardless of whether such individual was acting in his or her capacity as an Employee .



Illinois National Insurance Company
A capital stock company

NON-PROFIT DIRECTORS & OFFICERS LIABILITY
("Non-Profit D&O Coverage Section")

Notice: Pursuant to Clause 1 of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of, and are expressly applicable to this **Non-Profit D&O Coverage Section**, unless otherwise explicitly stated to the contrary in this **Non-Profit D&O Coverage Section**.

In consideration of the payment of the premium, and each of their respective rights and obligations in this policy, the **Insureds** and the **Insurer** agree as follows:

1. INSURING AGREEMENTS

All coverage granted for **Loss** under this **Coverage Section** is provided solely with respect to **Claims** first made against an **Insured** during the **Policy Period** or any applicable **Discovery Period** and reported to the **Insurer** as required by this **Coverage Section**. Subject to the foregoing and the other terms, conditions and limitations of this policy, this **Coverage Section** affords the following coverage:

A. Insured Person Coverage

This policy shall pay the **Loss** of any **Insured Person** that no **Organization** has indemnified or paid, and that arises from any **Claim** made against such **Insured Person** (including any **Outside Entity Executive**) for any **Wrongful Act** of such **Insured Person**.

B. Indemnification Of Insured Person Coverage

This policy shall pay the **Loss** of an **Organization** that arises from any **Claim** made against any **Insured Person** (including any **Outside Entity Executive**) for any **Wrongful Act** of such **Insured Person**, but only to the extent that such **Organization** has indemnified such **Loss** of, or paid such **Loss** on behalf of, the **Insured Person**.

C. Organization Coverage

This policy shall pay the **Loss** of any **Organization** that arises from any **Claim** made against such **Organization** for any **Wrongful Act** of such **Organization**.

2. EXTENSIONS

A. Executive Protection Suite

Loss shall also mean the following items, provided that they arise out of a **Claim**:

(1) **Extradition Costs**;

(2) **UK Corporate Manslaughter Act Defense Costs**;

(3) **Personal Reputation Expenses**, subject to a \$100,000 per **Executive** and a \$500,000 aggregate sublimit of liability; and

(4) **Asset Protection Costs**, subject to a \$50,000 per **Executive** and a \$250,000 aggregate sublimit of liability.

B. First Dollar E-Discovery Consultant Services

For any **Claim**, no Retention shall apply to the first \$25,000 in **Defense Costs** incurred as **E-Discovery Consultant Services**.

C. Excess Limit of Liability for Executives

If an **Excess Limit for Executives** is set forth in the Declarations for this **Coverage Section**, then solely with respect to Insuring Agreement A. **Insured Person Coverage**, **Executives** shall also have access to the **Excess Limit for Executives**, as more fully described in Clause 6. LIMITS OF LIABILITY of this **Coverage Section**.

D. Global Liberalization

For **Loss** from that portion of any **Claim** maintained in a **Foreign Jurisdiction** or to which the law of a **Foreign Jurisdiction** is applied, the **Insurer** shall apply the terms and conditions of this **Coverage Section** as amended to include those of the **Foreign Policy** in the **Foreign Jurisdiction** that are more favorable to **Insureds** in the **Foreign Jurisdiction**. This **Global Liberalization Clause** shall not apply to any provision of any policy that has worldwide effect, including but not limited to any provision addressing limits of liability (primary, excess or sublimits), retentions, other insurance, non-renewal, duty to defend, defense within or outside limits, taxes, conformance to law or excess liability coverage, any claims made provisions, and any endorsement to this policy that excludes or limits coverage for specific events or litigation or that specifically states that it will have worldwide effect.

3. INDEMNIFICATION PROTECTIONS

A. Advancement

If for any reason (including but not limited to insolvency) an **Organization** fails or refuses to advance, pay or indemnify covered **Loss** of an **Insured Person** within the applicable Retention, if any, then the **Insurer** shall advance such amounts on behalf of the **Insured Person** until either (i) an **Organization** has agreed to make such payments, or (ii) the Retention has been satisfied. In no event shall any such advancement by the **Insurer** relieve any **Organization** of any duty it may have to provide advancement, payment or indemnification to any **Insured Person**.

Advancement, payment or indemnification of an **Insured Person** by an **Organization** is deemed "failed" if it has been requested by an **Insured Person** in writing and has not been provided by, agreed to be provided by or acknowledged as an obligation by an **Organization** within sixty (60) days of such request; and advancement, payment or indemnification by an **Organization** is deemed "refused" if an **Organization** gives a written notice of the refusal to the **Insured Person**. Advancement, payment or indemnification of an **Insured Person** by an **Organization** shall only be deemed "failed" or "refused" to the extent such advancement, payment or indemnification is not provided, or agreed to be provided, or acknowledged by and collectible from an **Organization**. Any payment or advancement by the **Insurer** within an applicable Retention shall apply towards the exhaustion of the **Limits of Liability**.

B. Order Of Payments

In the event of **Loss** arising from a covered **Claim(s)** for which payment is due under the provisions of this **Coverage Section**, the **Insurer** shall in all events:

- (1) First, pay all **Loss** covered under Insuring Agreement A. *Insured Person Coverage*;
- (2) Second, only after payment of **Loss** has been made pursuant to subparagraph (1) above and to the extent that any amount of the applicable **Separate Limit of Liability** or **Shared Limit of Liability** shall remain available, at the written request of the chief executive officer of the **Named Entity**, either pay or withhold payment of **Loss** covered under Insuring Agreement B. *Indemnification Of Insured Person Coverage*; and
- (3) Lastly, only after payment of **Loss** has been made pursuant to subparagraphs (1) and (2) above and to the extent that any amount of the applicable **Separate Limit of Liability** or **Shared Limit of Liability** shall remain available, at the written request of the chief executive officer of the **Named Entity**, either pay or withhold payment of **Loss** covered under Insuring Agreement C. *Organization Coverage*.

In the event the **Insurer** withholds payment pursuant to subparagraphs (2) and/or (3) above, then the **Insurer** shall, at such time and in such manner as shall be set forth in instructions of the chief executive officer of the **Named Entity**, remit such payment to an **Organization** or directly to or on behalf of an **Insured Person**.

4. EXCLUSIONS

A. Full Severability Of Exclusions For Insured Persons

In determining whether any of the following Exclusions apply, the **Wrongful Acts** of any **Insured Person** shall not be imputed to any other **Insured**. For Insuring Agreement C. *Organization Coverage*, only the **Wrongful Acts** of any chief executive officer or chief financial officer (or equivalent position) of an **Organization** shall be imputed to such **Organization**.

B. Exclusions

The **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

- | | |
|-------------------------|--|
| (1) <i>Conduct</i> | <p>arising out of, based upon or attributable to any:</p> <ul style="list-style-type: none"> (a) profit or other advantage to which the Insured was not legally entitled; or (b) deliberate criminal or deliberate fraudulent act by the Insured; <p>if established by any final, non-appealable adjudication in any underlying action; provided, however, with respect to Conduct Exclusion (b), for acts or omissions which are treated as a criminal violation in a Foreign Jurisdiction that are not treated as a criminal violation in the United States of America, the imposition of a criminal fine or other criminal sanction in such Foreign Jurisdiction will not, by itself, be conclusive proof that a deliberate criminal or deliberate fraudulent act occurred;</p> |
| (2) <i>Prior Notice</i> | <p>alleging, arising out of, based upon or attributable to the facts</p> |

alleged, or to the same or related **Wrongful Acts** alleged or contained in any **Claim** that has been reported, or in any circumstances of which notice has been given, under any directors and officers liability insurance policy in force prior to the **Inception Date** of this policy;

*(3) Pending & Prior
Litigation*

alleging, arising out of, based upon or attributable to, as of the **Continuity Date**, any pending or prior: (a) litigation; or (b) administrative or regulatory proceeding or investigation of which any **Insured** had notice; or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation;

*(4) Bodily Injury &
Property Damage*

for bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, this exclusion shall not apply to **UK Corporate Manslaughter Act Defense Costs**;

(5) Entity v. Insured

that is brought by or on behalf of any **Organization** against any **Insured**, or by any **Outside Entity** against any **Outside Entity Executive**; provided, however, this exclusion shall not apply:

(a) to any **Defense Costs** which constitute **Non-Indemnifiable Loss** incurred by an **Insured Person** in defending any **Claim** against that **Insured Person**;

(b) to any **Claim** that is a derivative **Claim** made on behalf of the **Organization** or **Outside Entity** by a member, an attorney general or any other such representative party, if such action is brought and maintained independently of and without the solicitation of or assistance of, or active participation of or intervention of any **Organization**, **Outside Entity** or any **Executive** of the foregoing; or

(c) if the **Organization** or **Outside Entity** is the subject of a bankruptcy case (or the equivalent in a **Foreign Jurisdiction**), unless the **Claim** is brought, controlled or materially assisted by any **Organization** or **Outside Entity**, the resulting debtor-in-possession (or foreign equivalent) of the debtor **Organization** or **Outside Entity** or any **Executive** of the foregoing;

(6) ERISA

for any violation of responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), as amended, or any similar provisions of any state, local or foreign statutory or common law;

*(7) Compensation &
Labor Liability*

(a) for any violation of responsibilities, obligations or duties imposed by the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification (WARN) Act, the Consolidated Omnibus

Budget Reconciliation Act (COBRA), the Occupational Safety and Health Act (OSHA), any rules or regulations of the foregoing promulgated thereunder, and amendments thereto or any similar federal, state, local or foreign law or amendment to a law; or

(b) alleging, arising out of, based upon or attributable to any of the circumstances described in any of the following:

(i) the refusal, failure or inability of any **Insured** to pay wages or overtime pay (or amounts representing such wages or overtime pay) for services rendered or time spent in connection with work related activities (as opposed to tort-based back pay or front pay damages for torts other than conversion);

(ii) *improper deductions from pay taken by any Insured from any Employee or purported Employee; or*

(iii) *failure to provide or enforce legally required meal or rest break periods;*

**(8) Securities
Exclusion**

alleging, arising out of, or in any way relating to any purchase or sale of securities by the **Named Entity, Subsidiary or Affiliate or Claims** brought by securities holders of the **Organization** in their capacity as such; provided, however, this exclusion shall not apply to the issuance by the **Organization** of tax exempt bond debt or **Claims** brought by tax exempt bond debt holders;

(9) Pollution

for: (a) any actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**; or (b) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; provided, however, this exclusion shall not apply to **Non-Indemnifiable Loss**, other than **Non-Indemnifiable Loss** constituting **Cleanup Costs**;

**(10) Captive Insurance
Entity**

alleging, arising out of, based upon or attributable to the ownership, management, maintenance or control by the **Organization** of any captive insurance company or entity, including, but not limited, to any **Claim** alleging the insolvency or bankruptcy of the **Named Entity** as a result of such ownership, operation, management or control;

**(11) Employment
Practices & Third
Party Violations**

alleging, arising out of, based upon, or attributable to the (a) employment of any individual or any employment practice, including, but not limited to, wrongful dismissal, discharge or termination, discrimination, harassment, retaliation or other employment-related claim; or (b) the harassment or unlawful discrimination, or the violation of the civil rights of a person relating to such harassment or discrimination; in all cases, whether alleged to be committed against an **Insured Person** or anyone other than an **Insured Person** or applicant for

employment with an **Organization** or an **Outside Entity**, including any students, patients, members, customers, vendors and suppliers;

*(12) Commission,
Gratuities,
Benefits*

alleging, arising out of, based upon, or attributable to:

(a) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time domestic or foreign governmental or armed services officials, agents, representatives, employees or any members of their family or any entity with which they are affiliated;

(b) payments, commissions, gratuities, benefits or any other favors to or for the benefit of any full or part-time officials, directors, agents, partners, representatives, members, principal shareholders, owners or employees, or affiliates (as that term is defined in the Securities Exchange Act of 1934, including any of their officers, directors, agents, owners, partners, representatives, principal shareholders or employees) of any customers of the **Organization** or any members of their family or any entity with which they are affiliated; or

(c) political contributions, whether domestic or foreign; or

*(13) Entity Only
Exclusions*

with respect to Coverage C only:

(a) alleging, arising out of, based upon or attributable to any actual or alleged contractual liability of the **Organization** or any other **Insured** under any express contract or agreement; provided, however, this exclusion shall not apply to liability which would have attached in the absence of such express contract or agreement; or

(b) alleging, arising out of, based upon or attributable to or any actual or alleged infringement of any patent.

5. RETENTION

In addition to the provisions of Clause 2. RETENTION of the **General Terms and Conditions**, in no event shall a Retention be applied to the following: (i) **Non-Indemnifiable Loss**; or (ii) the first \$25,000 in **Defense Costs** incurred as **E-Discovery Consultant Services**.

6. LIMITS OF LIABILITY

In addition to the provisions of Clause 3. LIMITS OF LIABILITY of the General Terms and Conditions, each per Executive sublimit of liability stated in this Coverage Section is the maximum limit of the Insurer's liability for all Loss of each Executive under this Coverage Section that is subject to that per Executive sublimit of liability. All sublimits of liability shall be part of, and not in addition to, the Policy Aggregate and any

applicable **Separate Limit of Liability, Shared Limit of Liability or Excess Limit for Executives**. Each per **Executive** sublimit of liability shall be part of, and not in addition to, its corresponding aggregate sublimit of liability.

Notwithstanding anything to the contrary stated above or in Clause 3. **LIMITS OF LIABILITY** of the **General Terms and Conditions**, if an **Excess Limit for Executives** is set forth in the Declarations for this **Coverage Section**, a separate aggregate limit of liability shall be available to **Executives** for all **Non-Indemnifiable Loss** under Insuring Agreement A. Insured Person Coverage arising out of all **Claims** first made against any and all **Executives** during the **Policy Period** or the **Discovery Period** (if applicable). The **Excess Limit for Executives** shall not apply to any other **Coverage Section**, even if a **Shared Limit of Liability** applies to this **Coverage Section**. One **Excess Limit for Executives** shall apply for all **Executives**, no matter how many **Executives** or **Claims** are involved. The **Excess Limit for Executives** is excess of, and shall only apply after the payment in full of: (i) any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **Coverage Section**; and (ii) any other valid and collectible insurance available to the **Executives**, including, without limitation, any insurance which is specifically written as excess over any other limits of liability. The **Excess Limit for Executives** shall continue in force as primary insurance only upon the exhaustion of the limits of liability described in (i) and (ii), above. The term "**Limits of Liability**" shall also refer to the **Excess Limits for Executives**.

7. NOTICE AND REPORTING

Notice hereunder shall be given in writing to the **Insurer** at the **Claims Address** indicated in the Declarations. If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

(a) Reporting a Claim

An **Organization** or an **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this **Coverage Section** notify the **Insurer** in writing of a **Claim** made against an **Insured** as soon as practicable after the **Named Entity's** Risk Manager or General Counsel (or equivalent position) first becomes aware of the **Claim**. In all such events, notification must be provided no later than ninety (90) days after the end of the **Policy Period** or the **Discovery Period** (if applicable).

(b) Relation Back to the First Reported Claim

Solely for the purpose of establishing whether any subsequent **Related Claim** was first made during the **Policy Period** or **Discovery Period** (if applicable), if during any such period a **Claim** was first made and reported in accordance with Clause 7(a) above, then any **Related Claim** that is subsequently made against an **Insured** and that is reported in accordance with Clause 7(a) above shall be deemed to have been first made at the time that such previously reported **Claim** was first made.

With respect to any subsequent **Related Claim**, this policy shall not cover **Loss** incurred before such subsequent **Related Claim** is actually made against an **Insured**.

*(c) Relation Back to
Reported
Circumstances
Which May Give
Rise to a Claim*

If during the **Policy Period** or **Discovery Period** (if applicable) an **Organization** or an **Insured Person** becomes aware of and notifies the **Insurer** in writing of circumstances that may give rise to a **Claim** being made against an **Insured** and provides details as required below, then any **Claim** that is subsequently made against an **Insured** that arises from such circumstances and that is reported in accordance with Clause 7(a) above shall be deemed to have been first made at the time of the notification of circumstances for the purpose of establishing whether such subsequent **Claim** was first made during the **Policy Period** or during the **Discovery Period** (if applicable). Coverage for **Loss** arising from any such subsequent **Claim** shall only apply to **Loss** incurred after that subsequent **Claim** is actually made against an **Insured**. In order to be effective, notification of circumstances must specify the facts, circumstances, nature of the alleged **Wrongful Act** anticipated and reasons for anticipating such **Claim**, with full particulars as to dates, persons and entities involved; however, notification that includes a copy of an agreement to toll a statute of limitations shall be presumed sufficiently specific as to the potential **Claims** described within that agreement.

8. DISCOVERY PREMIUM

In the event the **Named Entity** or the **Insurer** shall cancel or refuse to renew this **Coverage Section**, the **Additional Premium Amount** for: (a) one year shall be no more than 125% of the **Full Annual Premium**; and (b) two to six years shall be an amount to be determined by the **Insurer**. As used herein, "**Full Annual Premium**" means the premium level in effect for this **Coverage Section** immediately prior to the end of the **Policy Period**.

In the event of a Transaction, the Additional Premium Amount shall be an amount to be determined by the Insurer.

9. DEFENSE AND SETTLEMENT

A. For Claims

*(1) No Duty to Defend or
Investigate*

The **Insureds** shall defend and contest any **Claim** made against them. The **Insurer** does not assume any duty to defend or investigate.

*(2) Right to Tender
Defense*

Notwithstanding the foregoing, the **Insureds** shall have the right to tender the defense of any **Claim** to the **Insurer**, which right shall be exercised in writing by the **Named Entity** on behalf of all **Insureds**. This right shall terminate if not exercised within thirty (30) days of the date the **Claim** is first made against an **Insured**. Further, from the date the **Claim** is first made against the **Insureds** to the date when the **Insurer** accepts the tender of the defense of such **Claim**, the **Insureds** shall take no action, or fail to take any

required action, that prejudices the rights of the **Insureds** or the **Insurer** with respect to such **Claim**. Provided that the **Insureds** have complied with the foregoing, the **Insurer** shall be obligated to assume the defense of the **Claim**, even if such **Claim** is groundless, false or fraudulent. The assumption of the defense of the **Claim** shall be effective upon written confirmation thereof sent by the **Insurer** to the **Named Entity**. Once the defense has been so tendered, the **Insured** shall have the right to effectively associate with the **Insurer** in the defense and the negotiation of any settlement of any **Claim**. However, the **Insurer** shall not be obligated to defend such **Claim** after the **Policy Aggregate** or any applicable **Separate Limit of Liability, Shared Limit of Liability** or **Excess Limit for Executives** has been exhausted.

(3) Advancement

When the **Insurer** has not assumed the defense of a **Claim** pursuant to subparagraph (2) above of this Clause 9, it shall advance, excess of any applicable Retention, covered **Defense Costs** on a current basis, but no later than ninety (90) days after the **Insurer** has received itemized bills for those **Defense Costs**. Such advance payments by the **Insurer** shall be repaid to the **Insurer** by each and every **Insured Person** or **Organization**, severally according to their respective interests, in the event and to the extent that any such **Insured Person** or **Organization** shall not be entitled under this **Coverage Section** to payment of such **Loss**.

*(4) Claims Participation
and Cooperation*

The **Insurer** shall have the right, but not the obligation, to fully and effectively associate with each and every **Organization** and **Insured Person** in the defense and prosecution of any **Claim** that involves, or appears reasonably likely to involve the **Insurer**, including, but not limited to, negotiating a settlement. Each and every **Organization** and **Insured Person** shall give the **Insurer** full cooperation and such information as it may reasonably require.

The failure of any **Insured Person** to give the **Insurer** cooperation and information as required in the preceding paragraph shall not impair the rights of any other **Insured Person** under this **Coverage Section**.

The **Insureds** shall not admit or assume any liability, enter into any settlement agreement, stipulate to any judgment or incur any **Defense Costs**, without the prior written consent of the **Insurer**. Such consent shall not be unreasonably withheld.

*(5) Full Settlement
Within Retention/
Consent Waived*

If all **Insured** defendants are able to dispose of all **Claims** which are subject to one Retention (inclusive of **Defense Costs**) for an amount not exceeding the Retention, then the **Insurer's** consent shall not be required for such disposition.

This *Defense and Settlement Clause* is not applicable to **Personal Reputation Expenses**. Nevertheless the **Insurer** does not, under this **Coverage Section**, assume any duty to defend.

B. Pre-Authorized Defense Attorneys

The list of approved panel counsel law firms ("**Panel Counsel**") is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "Not-For-Profit (Employment and Non-Employment Claims)" link. The list provides the **Insureds** with a choice of law firms from which a selection of legal counsel shall be made by the **Insureds** (or, in the event the **Insurer** has assumed the defense pursuant to Clause 9.A.(2) of this **Coverage Section**, the **Insurer**) to conduct the defense of any **Claim** made against such **Insureds**. With the express prior written consent of the **Insurer**, an **Insured** may select a **Panel Counsel** different from that selected by another **Insured** defendant if such selection is required due to an actual conflict of interest or is otherwise reasonably justifiable. The list of **Panel Counsel** may be amended from time to time by the **Insurer**. However, if a firm is removed from the list during the **Policy Period**, the **Insureds** shall be entitled to select such firm to conduct the defense of any **Claim** made against such **Insureds** during the **Policy Period**.

The **Insureds** (or, in the event the **Insurer** has assumed the defense pursuant to Clause 9.A(2) of this **Coverage Section**, the **Insurer**) shall select a **Panel Counsel** to defend the **Claim** made against the **Insureds** in the jurisdiction in which the **Claim** is brought. In the event the **Claim** is brought in a jurisdiction not included on the list, **Panel Counsel** shall be selected in the listed jurisdiction which is the nearest geographic jurisdiction to either where the **Claim** is brought or where the corporate headquarters of the **Named Entity** is located. In such instance the **Insureds** also may, with the express prior written consent of the **Insurer**, which consent shall not be unreasonably withheld, select a non-**Panel Counsel** in the jurisdiction in which the **Claim** is brought to function as "local counsel" on the **Claim** to assist the **Panel Counsel** which will function as "lead counsel" in conducting the defense of the **Claim**. This *Pre-Authorized Defense Attorneys Clause* does not apply to **Defense Costs** solely relating to **Extradition** even if the underlying **Wrongful Acts** otherwise relate to a **Claim**.

C. Pre-Approved E-Consultant Firms

The list of pre-approved **E-Consultant Firms** is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "e-Consultant Panel Members" link. The list provides the **Insureds** with a choice of firms from which a selection of an **E-Consultant Firm** shall be made. Any **E-Consultant Firm** may be hired by an **Insured** to perform **E-Discovery Consultant Services** without further approval by the **Insurer**.

D. Allocation

If both **Loss** covered by this **Coverage Section** and **Loss** not covered by this **Coverage Section** are incurred, either because a **Claim** is made against both **Insureds** and others or because a **Claim** includes both covered and uncovered matters, the **Insureds** and the **Insurer** shall use their best efforts to agree upon a fair and proper allocation of such amount between covered **Loss** and uncovered **Loss**. In the event that a determination as to the amount of **Defense Costs** to be advanced under this **Coverage Section** cannot

be agreed to, then the **Insurer** shall advance **Defense Costs** excess of any applicable Retention amount which the **Insurer** states to be fair and proper until a different amount shall be agreed upon or determined pursuant to the provisions of this policy and applicable law.

10. SUBSIDIARY COVERAGE

A. Subsidiary Additions

In addition to the definition of "**Subsidiary**" set forth in Clause 14. Definitions of this **Coverage Section**, **Subsidiary** also means:

- (1) any not-for-profit entity of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**; and
- (2) any for-profit entity (i) of which the **Named Entity** first had **Management Control** during the **Policy Period**, whether directly or indirectly through one or more other **Subsidiaries**, and (ii) whose assets amount to less than 20% of the total consolidated assets of each and every **Organization** as determined in accordance with Generally Accepted Accounting Principles ("GAAP");

provided that, with respect only to entities described in subparagraphs (1) or (2) above, the **Named Entity** or any other **Insured** shall report such **Subsidiary** to the **Insurer**, in writing, prior to the end of the **Policy Period**.

The **Insurer** shall extend coverage for any for profit entity of which the **Named Entity** first had **Management Control** during the **Policy Period** but which exceeds the asset limitation stated in subparagraph (2) above, but only upon the condition that within ninety (90) days after the date of the **Named Entity** obtaining **Management Control** of such entity, the **Named Entity** shall have provided the **Insurer** with full particulars of such entity and agreed to any additional premium and amendment of the provisions of this policy required by the **Insurer** relating to such entity. Further, coverage as shall be afforded to such entity and any **Insured Person** thereof is conditioned upon the **Named Entity** paying when due any additional premium required by the **Insurer** relating to such entity.

B. Former Subsidiaries

In the event the **Named Entity** loses **Management Control** of a **Subsidiary** during or prior to the **Policy Period**, coverage with respect to such **Subsidiary** and its **Insured Persons** shall continue until termination of this **Coverage Section** but only with respect to Claims for **Wrongful Acts** that occurred or are alleged to have occurred during the time that the **Named Entity** had **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**.

C. Scope Of Subsidiary Coverage

Coverage as is afforded under this **Coverage Section** with respect to a **Claim** made against any **Subsidiary** and/or any **Insured Person** thereof shall only apply for **Wrongful Acts** committed or allegedly committed during the time that such **Subsidiary** and such **Insured Person** meet the respective definitions of **Subsidiary** and **Insured Person** set forth in this **Coverage Section**.

11. APPLICATION AND UNDERWRITING

A. Application And Reliance

The **Insurer** has relied upon the accuracy and completeness of the statements, warranties and representations contained in the **Application**. All such statements, warranties and representations are the basis for this **Coverage Section** and are to be considered as incorporated into this **Coverage Section**.

B. Insured Person Coverage Non-Rescindable

Under no circumstances shall the coverage provided by this **Coverage Section** for **Loss** under Insuring Agreement A. Insured Person Coverage be deemed void, whether by rescission or otherwise, once the premium has been paid.

C. Severability Of The Application

The **Application** shall be construed as a separate application for coverage by each **Insured Person**. With respect to the **Application**, no knowledge possessed by any **Organization** or any **Insured Person** shall be imputed to any other **Insured Person**.

If the statements, warranties and representations in the **Application** were not accurate and complete and materially affected either the acceptance of the risk or the hazard assumed by the **Insurer** under this **Coverage Section**, then the **Insurer** shall have the right to void coverage under this **Coverage Section**, ab initio, with respect to:

- (1) **Loss** under Insuring Agreement B. Indemnification Of Insured Person Coverage for the indemnification of any **Insured Person** who knew, as of the **Inception Date** of this policy, the facts that were not accurately and completely disclosed; and
- (2) **Loss** under Insuring Agreement C. Organization Coverage if any **Insured Person** who is or was a chief executive officer or chief financial officer of the **Named Entity** knew, as of the **Inception Date** of this policy, the facts that were not accurately and completely disclosed.

The foregoing applies even if the **Insured Person** did not know that such incomplete or inaccurate disclosure had been provided to the **Insurer** or included within the **Application**.

12. PAYMENTS AND OBLIGATIONS OF ORGANIZATIONS AND OTHERS

A. Indemnification By Organizations

The **Organizations** agree to indemnify the **Insured Persons** and/or advance **Defense Costs** to the fullest extent permitted by law. If the **Insurer** pays under this **Coverage Section** any indemnification or advancement owed to any **Insured Person** by any **Organization** within an applicable Retention, then that **Organization** shall reimburse the **Insurer** for such amounts and such amounts shall become immediately due and payable as a direct obligation of the **Organization** to the **Insurer**. The failure of an **Organization** to perform any of its obligations to indemnify the **Insured Persons** and/or advance **Defense Costs** under this **Coverage Section** shall not impair the rights of any **Insured Person** under this **Coverage Section**.

B. Other Insurance And Indemnification

Such insurance as is provided by this **Coverage Section** shall apply only as excess over any other valid and collectible directors and officers liability insurance, unless such other insurance is specifically written as excess insurance over the applicable **Separate Limit of Liability, Shared Limit of Liability or Excess Limit for Executives** provided by this **Coverage Section**. This **Coverage Section** shall specifically be excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this **Coverage Section** may be obligated to pay **Loss**. Such insurance as is provided by this **Coverage Section** shall apply as primary to any personal "umbrella" excess liability insurance purchased by an **Insured Person**

In the event of a **Claim** made against an **Outside Entity Executive**, coverage as is afforded by this **Coverage Section**, whether under the Insured Person Coverage or the Indemnification Of Insured Person Coverage, shall be specifically excess of: (a) any indemnification provided by an **Outside Entity**; and (b) any insurance coverage afforded to an **Outside Entity** or its **Executives** applicable to such **Claim**. Further, in the event such other **Outside Entity** insurance is provided by the **Insurer** or any other insurance company affiliate thereof ("**Other Policy**") (or would be provided but for the application of the retention amount, exhaustion of the limit of liability or failure to submit a notice of a claim as required), then the **Insurer's** applicable **Separate Limit of Liability, Shared Limit of Liability or Excess Limit for Executives** for all **Loss** under this **Coverage Section**, as respects any such **Claim**, shall be reduced by the amount recoverable under such **Other Policy** for loss incurred in connection with such **Claim**.

C. Subrogation

To the extent of any payment under this **Coverage Section**, the **Insurer** shall be subrogated to all of the **Organizations'** and **Insureds'** rights of recovery. Each **Organization** and each **Insured Person** shall execute all papers reasonably required and provide reasonable assistance and cooperation in securing or enabling the **Insurer** to exercise subrogation rights or any other rights, directly or in the name of the **Organization** or any **Insured Person**.

In no event, however, shall the **Insurer** exercise its rights of subrogation against an **Insured** under this **Coverage Section** unless the Conduct Exclusion applies with regard to such **Insured**.

13. ALTERNATIVE DISPUTE RESOLUTION

ADR Options

All disputes or differences which may arise under or in connection with this **Coverage Section**, whether arising before or after termination of this policy, including any determination of the amount of **Loss**, shall be submitted to an alternative dispute resolution (ADR) process as provided in this Clause. The **Named Entity** may elect the type of ADR process discussed below; provided, however, that absent a timely election, the **Insurer** may elect the type of ADR. In that case, the **Named Entity** shall have the right to reject the **Insurer's** choice of the type of ADR process at any time prior to its commencement, after which, the **Insured's** choice of ADR shall control.

Mediation

In the event of mediation, either party shall have the right to commence a judicial proceeding; provided, however, that no such judicial proceeding shall be commenced until the mediation shall have been terminated and at least ninety (90) days shall have elapsed from the date of the termination of the mediation.

Arbitration

In the event of arbitration, the decision of the arbitrator(s) shall be final, binding and provided to both parties, and the arbitration award shall not include attorney's fees or other costs.

ADR Process

Selection of Arbitrator(s) or Mediator: The **Insurer** and the **Named Entity** shall mutually consent to: (i) in the case of arbitration, an odd number of arbitrators which shall constitute the arbitration panel, or (ii) in the case of mediation, a single mediator. The arbitrator, arbitration panel members or mediator must be disinterested and have knowledge of the legal, corporate management, or insurance issues relevant to the matters in dispute. In the absence of agreement, the **Insurer** and the **Named Entity** each shall select one arbitrator, the two arbitrators shall select a third arbitrator, and the panel shall then determine applicable procedural rules.

ADR Rules: In considering the construction or interpretation of the provisions of this policy, the mediator or arbitrator(s) must give due consideration to the general principles of the law of the **State of Formation** of the **Named Entity**. Each party shall share equally the expenses of the process elected. At the election of the **Named Entity**, either choice of ADR process shall be commenced in New York, New York; Atlanta, Georgia; Chicago, Illinois; Denver, Colorado; or in the state reflected in the **Named Entity Address**. The **Named Entity** shall act on behalf of each and every Insured under this *Alternative Dispute Resolution Clause*. In all other respects, the **Insurer** and the **Named Entity** shall mutually agree to the procedural rules for the mediation or arbitration. In the absence of such an agreement, after reasonable diligence, the arbitrator(s) or mediator shall specify commercially reasonable rules.

14. DEFINITIONS

The following definitions shall apply only for purposes of coverage provided under this **Coverage Section**. Terms appearing in **bold** in this **Coverage Section** but not defined herein shall have the meaning and/or value ascribed to them in the Declarations or in the *Definitions Clause* of the **General Terms and Conditions**.

Affiliate

means: (1) any person or entity that directly, or indirectly through one or more intermediaries, controls or is controlled by, or is in common control with, another person or entity; or (2) any person or entity that directly, or indirectly through one

or more intermediaries, is a successor in interest to another person or entity.

Application

means:

- (1) the written statements and representations made by an **Insured** and provided to the **Insurer** during the negotiation of this policy, or contained in any application or other materials or information provided to the **Insurer** in connection with the underwriting of this policy; and
- (2) all warranties executed by or on behalf of an **Insured** and provided to the **Insurer** in connection with the underwriting of this policy or the underwriting of any other directors and officers (or equivalent) liability policy issued by the **Insurer**, or any of its affiliates, of which this policy is a renewal, replacement or which it succeeds in time.

Asset Protection Costs

means reasonable and necessary fees, costs and expenses consented to by the **Insurer** incurred by an **Executive** of an **Organization** to oppose any efforts by an **Enforcement Body** to seize or otherwise enjoin the personal assets or real property of such **Executive** or to obtain the discharge or revocation of a court order entered during the **Policy Period** in any way impairing the use thereof.

Claim

means:

- (1) a written demand for monetary, non-monetary or injunctive relief, including, but not limited to, any demand for mediation, arbitration or any other alternative dispute resolution process;
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief which is commenced by: (i) service of a complaint or similar pleading; (ii) return of an indictment, information or similar document (in the case of a criminal proceeding); or (iii) receipt or filing of a notice of charges; or
- (3) an official request for **Extradition** of any **Insured Person**, or the execution of a warrant for the arrest of an **Insured Person** where such execution is an element of **Extradition**.

Cleanup Costs

means expenses (including but not limited to legal and professional fees) incurred in testing for, monitoring, cleaning up, removing, containing, treating, neutralizing, detoxifying or assessing the effects of **Pollutants**.

Defense Costs

means reasonable and necessary fees, costs and expenses consented to by the **Insurer** (including the cost of **E-Discovery Consultant Services** and premiums for any appeal bond, attachment bond or similar bond arising out of a covered judgment, but without any obligation to apply for or furnish any such bond) resulting solely from:

- (1) the investigation, adjustment, defense and/or appeal of a **Claim** against an **Insured**; or
- (2) an **Insured Person** lawfully: (i) opposing, challenging, resisting or defending against any request for or any effort to obtain the **Extradition** of that **Insured Person**; or (ii) appealing any order or other grant of **Extradition** of that **Insured Person**.

Defense Costs shall not include the compensation of any **Insured Person**.

Employee

means any past, present or future employee, other than an **Executive** of an **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any full-time, part-time, seasonal and temporary employee. Any faculty or staff member shall also be an **Employee**. An individual who is leased to the **Organization** shall also be an **Employee**, but only if the **Organization** provides indemnification to such leased individual in the same manner as is provided to the **Organization's** employees. Any other individual who is contracted to perform work for the **Organization**, or who is an independent contractor for the **Organization** shall also be an **Employee**, but only if the **Organization** provides indemnification to such individual in the same manner as that provided to the **Organization's** employees, pursuant to a written contract.

Excess Limit For Executives

means the amount stated as such in the Declarations for this **Coverage Section**.

Executive

means any:

- (1) past, present and future duly elected or appointed director, officer, trustee, governor, trustee emeritus, executive director, department head, committee member (of a duly constituted committee of the **Organization**) of a corporation;
- (2) past, present and future person in a duly elected or appointed position in an entity organized and operated in a **Foreign Jurisdiction** that is equivalent to an executive position listed in subparagraph (1) above, or a member of the senior-most executive body (including, but not limited to, a supervisory board); and
- (3) past, present and future General Counsel and Risk Manager (or equivalent position) of the **Named Entity**.

Extradition

means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or otherwise to answer any criminal accusation.

Extradition Costs means **Defense Costs** incurred by an **Insured** in lawfully opposing any effort to obtain the **Extradition** of an **Insured Person**.

Foreign Policy means the standard executive managerial liability policy (including all mandatory endorsements, if any) approved by the **Insurer** or any of its affiliates to be sold within a **Foreign Jurisdiction** that provides coverage substantially similar to the coverage afforded under this **Coverage Section**. If more than one such policy exists, then "**Foreign Policy**" means the standard basic policy form most recently offered for sale for comparable risks by the **Insurer** or any of its affiliates in that **Foreign Jurisdiction**. The term "**Foreign Policy**" shall not include any partnership managerial, pension trust or professional liability coverage.

Insured means any:
(1) **Insured Person**; or
(2) **Organization**.

Insured Person means any:
(1) **Executive** of an **Organization**;
(2) **Employee** of an **Organization**; or
(3) **Outside Entity Executive**.

Loss means damages, settlements, judgments (including pre/post-judgment interest on a covered judgment) and **Defense Costs**; however, "**Loss**" (other than **Defense Costs**) shall not include: (1) civil or criminal fines or penalties; (2) taxes or tax penalties; (3) any amounts for which an **Insured** is not financially liable or which are without legal recourse to an **Insured**; and (4) matters which may be deemed uninsurable under the law pursuant to which this policy shall be construed.

Subject to the other terms, conditions and exclusions of this policy, **Defense Costs** shall be provided for items specifically excluded from **Loss** pursuant to subparagraphs (1) through (4) above of this Definition, including, without limitation, **Defense Costs** incurred in connection with a **Claim** seeking an assessment of taxes, initial taxes, additional taxes, tax deficiencies, excise taxes or penalties pursuant to the following sections of the Internal Revenue Code of 1986 (as amended):

Section 4911 (tax on excess expenditures to influence legislation);

Section 4940(a) (tax on net investment income of tax-exempt foundations);

Section 4941 (taxes on self-dealing);

Section 4942 (taxes on failure to distribute income);

Section 4943 (taxes on excess business holding);
 Section 4944 (taxes on investments which jeopardize charitable purpose);
 Section 4945 (taxes on taxable expenditures);
 Section 6652 (c) (1) (A) and (B) (penalties for failure to file certain information returns or registration statements);
 Section 6655 (a) (1) (penalties for failure to pay estimated income tax); and
 Section 6656 (a) and (b) (penalties for failure to make deposit of taxes).

Loss shall also include any "**Excess Benefits**" penalty assessed in the amount of 10% by the Internal Revenue Service ("IRS") against any **Insured(s)** for management's involvement in the award of an "**Excess Benefit**" and the **Defense Costs** attributable thereto. **Loss** shall specifically exclude: (1) any 25% penalty assessed by the IRS against an **Insured** deemed to have received an **Excess Benefit**; (2) **Defense Costs** incurred to defend any **Insured** if it has been in fact determined that such individual received an **Excess Benefit**; and (3) any 200% penalty assessed by the IRS for failure to correct the award of an **Excess Benefit**. The term "**Excess Benefits**" means an excess benefit as defined in the Taxpayer Bill of Rights Act, 2, 26 U.S.C. 4958.

Loss shall also specifically include (subject to this policy's other terms, conditions and limitations, including but not limited to the Conduct Exclusion): (1) civil penalties assessed against any **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act, 15 U.S.C. § 78dd-2(g)(2)(B); and (2) punitive, exemplary and multiplied damages. Enforceability of this paragraph shall be governed by such applicable law that most favors coverage for such penalties and punitive, exemplary and multiple damages.

Management Control

means:

- (1) owning interests representing more than 50% of the voting, appointment or designation power for the selection of a majority of: the voting directors or trustees; or
- (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an **Organization**, to elect, appoint or designate a majority of the voting directors or trustees.

Non-Indemnifiable Loss

means **Loss** for which an **Organization** has neither indemnified nor is permitted or required to indemnify an **Insured Person** pursuant to law or contract or the charter, bylaws, operating agreement or similar documents of an **Organization**.

Outside Entity

means any: (1) not-for-profit entity; or (2) other entity listed as

an **"Outside Entity"** in an endorsement attached to this policy.

**Outside Entity
Executive**

means any: (1) **Executive** of an **Organization** who is or was acting at the specific request or direction of an **Organization** as an **Executive** of an **Outside Entity**; or (2) any other person listed as an **Outside Entity Executive** in an endorsement attached to this policy.

In the event of a disagreement between the **Organization** and an **Outside Entity Executive** as to whether such **Insured** was acting "at the specific request or direction of the **Organization**," this **Coverage Section** shall abide by the determination of the **Organization** on this issue and such determination shall be made by written notice to the **Insurer** within ninety (90) days after the **Claim** against such **Outside Entity Executive** is made. In the event no notice of any such determination is given to the **Insurer** within such period, this **Coverage Section** shall apply as if the **Organization** determined that such **Outside Entity Executive** was not acting at the **Organization's** specific request or direction.

**Personal
Reputation Crisis**

means any negative statement that is included in any press release or published by any print or electronic media outlet regarding an **Executive** of an **Organization** made during the **Policy Period** by any individual authorized to speak on behalf of an **Enforcement Body**.

**Personal
Reputation
Expenses**

means reasonable and necessary fees, costs and expenses of a **Crisis Firm** (as defined in the CrisisFund[®] Appendix attached to this policy) retained within 30 days of a **Personal Reputation Crisis** solely and exclusively by an **Executive** to mitigate the adverse effects specifically to such **Executive's** reputation from a **Personal Reputation Crisis**. "**Personal Reputation Expenses**" shall not include any fees, costs or expenses of any **Crisis Firm** incurred by an **Executive** if such **Crisis Firm** is also retained by or on behalf of an **Organization**.

Pollutants

means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and **Waste**. "**Waste**" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

Related Claim

means a **Claim** alleging, arising out of, based upon or attributable to any facts or **Wrongful Acts** that are the same as or related to those that were alleged in another **Claim** made against an **Insured**.

Subsidiary

means any entity of which the **Named Entity** has or had **Management Control** on or before the **Inception Date** of this

policy, either directly or indirectly through one or more of its other **Subsidiaries**.

An entity ceases to be a **Subsidiary** when the **Named Entity** no longer maintains **Management Control** of such entity either directly or indirectly through one or more of its **Subsidiaries**.

**UK Corporate
Manslaughter Act
Defense Costs**

means **Defense Costs** incurred by an **Insured Person** that result solely from the investigation, adjustment, defense and/or appeal of a **Claim** against an **Organization** for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007 or any similar statute in any jurisdiction.

Wrongful Act

means:

- (1) any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act:
 - (i) with respect to any **Executive** or **Employee** of an **Organization**, by such **Executive** or **Employee** in his or her capacity as such or any matter claimed against such **Executive** or **Employee** solely by reason of his or her status as such;
 - (ii) with respect to any **Outside Entity Executive**, by such **Outside Entity Executive** in his or her capacity as such or any matter claimed against such **Outside Entity Executive** solely by reason of his or her status as such;
- (2) with respect to an **Organization**, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or act by such **Organization**;
- (3) with any respect any **Insured Person**, **Outside Entity Executive** or **Organization**, and subject to subparagraphs (1) and (2) above, "**Wrongful Act**" shall specifically include:
 - (i) violation of the Sherman Antitrust Act or similar federal, state or local statutes or rules;
 - (ii) libel, slander, defamation or publication or utterance in violation of an individual's right of privacy;
 - (iii) wrongful entry or eviction or other invasion of the right of occupancy;
 - (iv) false arrest or wrongful detention;
 - (v) plagiarism; and
 - (vi) infringement of copyright or trademark or unauthorized use of title.

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Illinois National Insurance Company

A capital stock company

CRISISFUND[®] **("CrisisFund Coverage Section")**

Notice: Pursuant to Clause 1. **TERMS AND CONDITIONS** of the **General Terms and Conditions**, the **General Terms and Conditions** are incorporated by reference into, made a part of, and are expressly applicable to this **CrisisFund Coverage Section**, unless otherwise explicitly stated to the contrary in this **CrisisFund Coverage Section**.

In consideration of the payment of the premium, and each of their respective rights and obligations in this policy, the **Insureds** and the **Insurer** agree as follows:

1. INSURING AGREEMENTS

Solely with respect to a **Crisis** first occurring during the **Policy Period** and reported to the **Insurer** as required by this **Coverage Section**, this **Coverage Section** affords the following coverage:

The **Insurer** shall pay all **Crisis Loss** that an **Insured** incurs solely as a result of a **Crisis**; provided that payment of any **Crisis Loss** under this policy shall not waive any of the **Insurer's** rights under this policy or at law.

2. OTHER CRISISFUND INSURANCE

In the event that an **Insured** has purchased another insurance policy from the **Insurer** providing similar coverage to this **Coverage Section**, then the highest applicable limit of insurance for such coverage among this policy and such other policies shall apply, and in all circumstances, the **Insurer's** maximum liability for such coverage shall not be greater than the highest limit of insurance for such coverage among all such policies.

3. LIMITS OF LIABILITY

In addition to the provisions of Clause 3. **LIMITS OF LIABILITY** of the **General Terms and Conditions**, the **CrisisFund** is the **Insurer's** maximum liability for all **Crisis Loss** in the aggregate arising from any and all **Crises** first occurring during the **Policy Period**, regardless of the number of **Crises** reported during the **Policy Period**. Coverage under this **Coverage Section** shall also be subject to a \$100,000 per **Crisis** sublimit of liability, which is the maximum limit of the **Insurer's** liability for all **Crisis Loss** that **Insureds** incur as a result of a single **Crisis** and any related **Crises**. The per **Crisis** sublimit of liability shall be part of, and not in addition to, both the **Policy Aggregate** and the **CrisisFund**. The **Insurer** shall not be responsible to pay any **Crisis Loss** upon exhaustion of the **Policy Aggregate**, the **CrisisFund** or the applicable per **Crisis** sublimit of liability.

4. RETENTION

In no event shall a Retention be applied to **Crisis Loss**.

5. EXCLUSIONS

The **Insurer** shall not be liable to make any payment for **Crisis Loss**:

- (a) arising out of, based upon or attributable to any **Crises** related to: (1) any pending or prior litigation as of the **Continuity Date** for this **Coverage Section**; or (2) any act or event which has been reported, or in any circumstances of which notice has been given, under any policy of which this **Coverage Section** is a renewal or replacement or which it may succeed in time.
- (b) arising out of, based upon or attributable to any: (1) presence of **Pollutants**; (2) actual or threatened discharge, dispersal, release or escape of **Pollutants**; or (3) direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of **Pollutants**.

6. NOTICE AND REPORTING

Notice hereunder shall be given in writing to the **Insurer** at the **Claims Address** indicated in the Declarations. If mailed or transmitted by electronic mail, the date of such mailing or transmission shall constitute the date that such notice was given and proof of mailing or transmission shall be sufficient proof of notice.

An **Organization** or an **Insured** shall, as a condition precedent to the obligations of the **Insurer** under this **Coverage Section**, notify the **Insurer** in writing of a **Crisis** as soon as practicable after the **Named Entity's** Risk Manager or General Counsel (or equivalent position) first becomes aware of the **Crisis**. In all such events, notification must be provided no later than 60 days after the end of the **Policy Period**.

7. DEFINITIONS

The following definitions shall apply only for purposes of coverage provided under this **Coverage Section**. Terms appearing in bold in this **Coverage Section** but not defined herein shall have the meaning and/or value ascribed to them in the Declarations or in the **Definitions Clause** of the **General Terms and Conditions**.

CrisisFund Appendix means the appendix or appendices, as applicable, attached to this policy and entitled "CrisisFund Appendix," which is/are hereby incorporated by reference into, made a part of and are expressly applicable to this **CrisisFund Coverage Section**, unless otherwise explicitly stated to the contrary in this **CrisisFund Coverage Section**.

Crisis has the meaning as defined in the applicable **CrisisFund Appendix**.

A **Crisis** shall first commence when the **Insured** shall first become aware of such **Crisis**. A **Crisis** shall conclude once a **Crisis Firm** advises an **Insured** that such **Crisis** no longer exists or when the **CrisisFund** has been exhausted.

Crisis Firm means any public relations firm, crisis management firm or law firm on the list of approved firms that is accessible

through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "CrisisFund®" link. Any **Crisis Firm** may be hired by an **Insured** to perform **Crisis Services** without further approval by the **Insurer**.

Crisis Services has the meaning as defined in the applicable **CrisisFund Appendix**.

Crisis Loss has the meaning as defined in the applicable **CrisisFund Appendix**.

CrisisFund means the **Separate Limit of Liability** or **Shared Limit of Liability** stated in Item 6 of the Declarations, which shall be the **Insurer's** maximum liability for all **Crisis Loss** in the aggregate arising from any and all **Crises** first occurring during the **Policy Period**, regardless of the number of **Crises** reported during the **Policy Period**.

Insured means an **Organization**.

Pollutants means, but is not limited to, any solid, liquid, gaseous, biological, radiological or thermal irritant or contaminant, including smoke, vapor, dust, fibers, mold, spores, fungi, germs, soot, fumes, acids, alkalis, chemicals and waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed and nuclear materials.

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**CRISISFUND®APPENDIX
(WHEN EPL COVERAGE SECTION PURCHASED)**

If the **EPL Coverage Section** is purchased, the following terms and conditions shall apply to the **CrisisFund Coverage Section** :

I. DEFINITIONS

(a) "**Crisis**" means an **Employment Practices Crisis**, **Employee Information Breach Crisis** or **Workplace Violence Crisis** , as applicable.

(b) "**Employment Practices Crisis**" means an **Allegation**, **Discovery** or **Media Report** of a **Wrongful Act** (specifically including, but not limited to, a hostile work environment), which, in the good faith opinion of the **Organization's** General Counsel (or equivalent position), resulted or is reasonably likely to result, in any:

(1) civil action or compliance audit by the EEOC or any similar state agency or commission;

(2) civil or criminal action alleging sexual harassment or conduct by an executive officer;

(3) civil class action;

(4) civil action involving multiple plaintiffs; or

(5) civil action by a person alleging **Retaliation** by an **Insured** in response to such person's actions or threatened actions as a "whistleblower".

Provided, however, that the term **Crisis** shall not include any:

(1) revising or rewriting of personnel policies or procedures;

(2) sensitivity or awareness training; or

(3) accommodations made by the **Organization** pursuant to the Americans With Disabilities Act.

(c) "**Employee Information Breach Crisis**" means a failure of an **Organization** to prevent unauthorized access, to or use of data containing **Employee Information**, which, in the good faith opinion of the **Organization**, can reasonably be expected to lessen public confidence in the competence of the **Organization**.

(d) "**Workplace Violence Crisis**" means any intentional act involving the use of deadly force or the threat of deadly force with a deadly weapon which occurs on the **Organization's** premises and involving at least one **Employee**.

(e) "**Crisis Loss**" means:

(1) **With Respect to an Employment Practices Crisis** :

Any of the following amounts incurred during the pendency of an **Employment Practices Crisis** for which an **Organization** is legally liable:

- (i) the reasonable and necessary fees and expenses incurred by a **Crisis Firm** in the performance of **Crisis Services** for an **Organization**;
- (ii) the reasonable and necessary fees and expenses incurred in the printing, advertising or mailing of materials; and
- (iii) travel costs incurred by **Executives**, employees or agents of an **Organization** or of the **Crisis Firm**, arising from or in connection with the **Employment Practices Crisis**.

(2) **With Respect to an Employee Information Breach Crisis :**

The reasonable and necessary fees and expenses incurred by a **Crisis Firm** in the performance of **Crisis Services** for an **Organization**

(3) **With Respect to a Workplace Violence Crisis :**

The reasonable fees and expenses, or cost of:

- (i) an independent security consultant for ninety (90) days following the date the **Workplace Violence Crisis** occurs;
- (ii) an independent public relations consultant for ninety (90) days following the date the **Workplace Violence Crisis** occurs; and
- (iii) onsite group counseling session(s) for **Employees** conducted by an independent consultant following a **Workplace Violence Crisis**.

(f) "**Crisis Services**" means:

(1) **With Respect to an Employment Practices Crisis :**

Those services performed by an **Crisis Firm** in advising the **Organization** on minimizing potential harm to the **Organization** arising from the **Employment Practices Crisis**; including, but not limited to, maintaining and restoring public and employee confidence in the **Organization**.

(2) **With Respect to an Employee Information Breach Crisis :**

Reasonable and necessary costs and expenses incurred by an **Organization** for a public relations firm, **Crisis Firm** or law firm agreed to by the **Insurer** to advise the **Organization** on minimizing the harm to such **Organization**, including, without limitation, maintaining and restoring public confidence in the **Organization**.

(g) "**Crisis Firm**" means: means any public relations firm, crisis management firm or law firm on the list of approved firms that is accessible through the online directory at <http://www.eig.com/us/panelcounseldirectory> under the "CrisisFund®" link. In the event the **Organization** chooses to retain the services of an entity not listed, the **Organization** must obtain the written consent of the **Insurer**, which shall not be unreasonably withheld.

(h) "**Employee Information**" means information regarding past, present of future **Employees**

or applicant for employment with the **Organization**, collected or stored by an **Organization** for the purpose of establishing, maintaining or terminating the employment relationship

(i) "**Allegation**" means any complaint, whether written or verbal, communicated to the **Organization's** human resources department by:

(1) an individual who believes that he or she was a victim of the alleged **Wrongful Act**;
or

(2) such individual's direct or indirect supervisor, if: such supervisor is an **Employee** and that supervisor's conduct is not the subject matter of the alleged **Wrongful Act**.

(j) "**Discovery**" means either:

(1) an observation by any **Executive** or any human resources manager; or

(2) an internal investigation conducted by the **Organization**, at the **Organization's** own expense, which concludes that there is a reasonable basis to believe that a **Wrongful Act** has occurred.

(k) "**Media Report**" means any of the following publications or reports received in the geographic area of the **Organization**: (i) a daily newspaper of general circulation; (ii) a weekly, monthly or quarterly newsletter or magazine of general circulation; (iii) a newsletter or trade publication applicable to the **Organization's** industry; or (iv) a radio or television newscast.

II. EXCLUSIONS

The term **Crisis** shall not include any event relating to any **Claim** which has been reported, or any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time.

CRISISFUND® APPENDIX
(WHEN NON-PROFIT D&O COVERAGE SECTION PURCHASED)

If the **Non-Profit D&O Coverage Section** is purchased, the following shall apply to the **CrisisFund Coverage Section**:

I. DEFINITIONS

(a) "**Crisis**" means one of the following events which, in the good faith opinion of the **Organization**, did cause or is reasonably likely to cause a **Material Effect**:

1. **Management Crisis:**

The death, incapacity or criminal indictment of any duly elected or appointed director, officer, trustee, trustee emeritus or executive director, or any **Employee** on whom the **Organization** maintains key person life insurance.

2. **Patient/Member Abuse:**

The public announcement or accusation that an individual under the management control of the **Organization** has intentionally caused bodily injury to, or death of, a patient, or has sexually abused a patient or member of the **Organization**.

3. **Debt Default:**

The public announcement that the **Organization** had defaulted or intends to default on its debt.

4. **Bankruptcy:**

The public announcement that the **Organization** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of the **Organization**; or the imminence of bankruptcy proceedings, whether voluntary or involuntary.

5. **Contribution Revocation:**

The withdrawal or return of a non-governmental grant, contribution or bequest in excess of \$500,000.

6. **Student Distress:**

The public announcement or accusation that a student of the **Organization** has: 1) attempted or committed suicide; or 2) been criminally assaulted by an assailant who is either unknown or who is not an Individual Insured.

7. **Downsizing:**

The closing of any academic department or school.

8. **Regulatory Crisis:**

Formal governmental or regulatory proceedings which allege a pattern of inadequate patient care.

9. **Workplace Violence:**

The public announcement that an **Employee** of the **Organization** was the victim of a violent crime while on the premises of the **Organization**.

10. Child Abduction:

The public announcement that a child was abducted or kidnapped while under the care or supervision of the **Organization**.

A **Crisis** shall first commence when the **Organization** or any of its directors or executive officers shall first become aware of the event during the **Policy Period** and shall conclude at the earliest of the time when the **Crisis Firm** advises the **Organization** that the crisis no longer exists or when the **CrisisFund** has been exhausted.

- (b) "**Crisis Firm**" means any public relations firm, crisis management firm or law firm on the list of approved firms that is accessible through the online directory at <http://www.aig.com/us/panelcounseldirectory> under the "CrisisFund®" link. Any "**Crisis Firm**" may be hired by the **Organization** or its directors, officers or employees to perform **Crisis Services** without further approval by the **Insurer**.
- (c) "**Crisis Loss**" means the following amounts incurred during the pendency of or within 90 days prior to and in anticipation of, the **Crisis**, regardless of whether a **Claim** is ever made against an Insured arising from the **Crisis** and, in the case where a **Claim** is made, regardless of whether the amount is incurred prior to or subsequent to the making of the **Claim**:
 - (1) amounts for which the **Organization** is legally liable for the reasonable and necessary fees and expenses incurred by a **Crisis Firm** in the performance of **Crisis Services** for the **Organization** arising from a **Crisis**; and
 - (2) amounts for which the **Organization** is legally liable for the reasonable and necessary printing, advertising, mailing of materials, or travel by directors, officers, employees or agents of the **Organization** or the **Crisis Firm**, in connection with the **Crisis**.
- (d) "**Crisis Services**" means those services performed by a **Crisis Firm** in advising the **Organization** or any of its directors, officers or employees on minimizing potential harm to the **Organization** arising from the **Crisis**, including but not limited to maintaining and restoring public confidence in the **Organization**.
- (e) "**Delisting Crisis**" means written notice to an **Organization** that such **Organization's** securities will be or have been delisted from an **Exchange** at the initiation of such **Exchange**.
- (f) "**Exchange**" means NASDAQ, the American Stock Exchange, the New York Stock Exchange and the Singapore Exchange.
- (g) "**Material Effect**" means the publication of unfavorable information regarding the **Organization** which can reasonably be considered to lessen public confidence in the competence of the **Organization**. Such publication must in occur in either:
 - (1) a daily newspaper of general circulation in the geographic area of the **Organization**,
or
 - (2) a radio or television news report on an **Organization** received in the geographic area of the **Organization**.

II. EXCLUSIONS

The term **Crisis** shall not include any event relating to:

1. any pending or prior litigation as of the **Continuity Date** for the **Non-Profit D&O Coverage Section**;
2. any **Claim** which has been reported, or any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
3. the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**; or
4. the hazardous properties of nuclear materials.

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APPENDIX A
SECURITIES CLAIMS PANEL COUNSEL LIST

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is accessible through our online Panel Counsel Directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website and click on the "Directors & Officers (Securities Claims)" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

APPENDIX A
EMPLOYMENT PRACTICES CLAIM PANEL COUNSEL

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is accessible through our online Panel Counsel Directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website, click on the "Public and Private Companies (Employment Practices Liability)" link and then select the applicable Panel Counsel Directory, either the "4-97 Monoline/Public Companies" link or the "Private Edge" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

APPENDIX A
NOT FOR PROFIT PANEL COUNSEL ADDENDUM

In consideration of the premium charged, it is understood and agreed as follows: The information in our Panel Counsel lists/appendices is now accessible through our online Panel Counsel Directory at <http://www.aig.com/us/panelcounseldirectory>. To access the applicable online Panel Counsel Directory, please go to the website, click on the "Not-for-Profit (Employment and Non-Employment Claims)" link or the "Employment Practices Liability - Not for Profit Employment Claims" link.

References in this policy to list of Panel Counsel law firms or related appendices are deemed amended to refer to the applicable Panel Counsel Directories at the website referenced above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.

ENDORSEMENT# 1

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

**NOTICE OF CLAIM
(REPORTING BY E-MAIL)**

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. **Email Reporting of Claims:** In addition to the postal address set forth for any Notice of Claim Reporting under this policy, such notice may also be given in writing pursuant to the policy's other terms and conditions to the Insurer by email at the following email address:

c- claim@AIG.com

Your email must reference the policy number for this policy. The date of the Insurer's receipt of the emailed notice shall constitute the date of notice.

In addition to Notice of Claim Reporting via email, notice may also be given to the Insurer by mailing such notice to: AIG, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227- 1750.

2. **Definitions:** For this endorsement only, the following definitions shall apply:
 - (a) "Insurer" means the "Insurer," "Underwriter" or "Company" or other name specifically ascribed in this policy as the insurance company or underwriter for this policy.
 - (b) "Notice of Claim Reporting" means "notice of claim/circumstance," "notice of loss" or other reference in the policy designated for reporting of claims, loss or occurrences or situations that may give rise or result in loss under this policy.
 - (c) "Policy" means the policy, bond or other insurance product to which this endorsement is attached.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 001

ENDORSEMENT# 2

This endorsement, effective at **12:01AM June 30, 2017** forms a part of
Policy number **01-602-33-77**
Issued to: **SUMMIT ACADEMY MANAGEMENT**

By: **Illinois National Insurance Company**

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.
AMENDATORY ENDORSEMENT
OHIO

This policy is amended as follows:

1. For any **Coverage Section** that is purchased (other than the **Crime Coverage Section, CrisisFund Coverage Section, Cyber Extortion Coverage Section, Event Management Coverage Section, KRE Coverage Section** and **Network Interruption Coverage Section**), the definition of **Loss** is modified to the extent necessary to provide the following:

To the extent coverage is provided for punitive, exemplary and multiple damages, such coverage shall not apply to **Claims** which are governed by the laws of the State of Ohio.

2. Clause 5. **TRANSACTIONS** of the **General Terms and Conditions** is amended by deleting the first two paragraphs in their entirety and replacing them with the following:

In the event of a **Transaction**, this policy shall continue in full force and effect as to those covered acts, errors, omissions, failures or violations (including but not limited to **Wrongful Acts, Privacy Events** and **Security Failures**) occurring prior to the effective time of the **Transaction** and otherwise covered by this policy. This policy may be cancelled at any time after such **Transaction** occurs at the request of the **Named Entity**, in which case the **Insurer** shall refund the excess of paid premium above the pro rata rates for the expired time. The **Named Entity** shall also have the right to an offer by the **Insurer** of a **Discovery Period** described in Clause 4 above.

3. If the **KRE Coverage Section** is purchased, Paragraph (s) **Choice of Law and Forum**, of Clause 6. **KRE COVERAGE SECTION CONDITIONS**, is deleted in its entirety and replaced with the following:

The construction, validity and performance of this **KRE Coverage Section** shall be governed by the laws of the state indicated in the **Named Entity Address** in item 1 of the **Declarations**. The **Insurer** and the **Named Entity** hereby expressly agree that all claims and disputes will be brought for adjudication either in the Supreme Court of the State of New York in and for the County of New York or in the U.S. District Court for the Southern District of New York or in the court(s) of the state indicated in the **Named Entity Address** in item 1 of the **Declarations**.



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END 002

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ENDORSEMENT# 3

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

OHIO CANCELLATION/NONRENEWAL ENDORSEMENT

Wherever used in this endorsement: 1) "we", "us", "our", and "Insurer" means the insurance company that issued this policy; and 2) "you", "your", or "Insured", means the Named Corporation, Named Organization, Named Entity, Named Sponsor, Named Insured, First Named Insured, Insured's Representative, Insured or equivalent term stated in Item 1 of the Declarations Page; and 3) "Other Insured(s)" means all other persons or entities afforded coverage under the policy.

In consideration of the premium charged, it is understood and agreed that the cancellation provision of the Policy is deleted in its entirety and replaced by the following:

CANCELLATION

This policy may be cancelled by the named Insured by surrender thereof to the Insurer or any of its authorized agents or by mailing to the Insurer written notice stating when thereafter the cancellation shall be effective.

For coverage that has been in effect for 90 days or less the policy may be cancelled by the Insurer by mailing or delivering to the named Insured written notice of cancellation at least:

- a) 10 days before the effective date of cancellation if the Insurer cancels for nonpayment of premium; or
- b) 30 days before the effective date of cancellation if the Insurer cancels for any other reason.

After coverage has been in effect for more than ninety (90) days or after the effective date of the renewal of the policy, a notice of cancellation shall not be issued by the Insurer unless it is based on at least one of the following reasons:

- a) Nonpayment of premium;
- b) Discovery of fraud or material misrepresentation in the procurement of the insurance;
- c) Discovery of willful or reckless acts or omissions on the part of the Named Insured or Other Insured(s) which increase any hazard insured against;

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END 003

- d) The occurrence of a change in the individual risk which substantially increases any hazard insured against after insurance coverage has been issued or renewed, except to the extent the insurer reasonably should have foreseen the change or contemplated the risk in writing the contract;
- e) Loss of or substantial decrease in applicable reinsurance (if the superintendent has determined that reasonable efforts have been made to prevent the loss of, or substantial decrease in, the applicable reinsurance, or to obtain replacement coverage);
- f) Failure of an Insured or Other Insured(s) to correct material violations of safety codes or to comply with reasonable written loss control recommendations; or
- g) A determination by the director of insurance that the continuation of the Policy would create a condition that would be hazardous to the Insured or Other Insured(s) or to the public.

The notice of cancellation will be in writing, be mailed to the Insured at the last known address, and contain all of the following:

- The policy number;
- The date of notice;
- The effective date of cancellation (Except for nonpayment of premium, the effective date of cancellation shall not be less than thirty (30) days from the date of mailing the notice. When cancellation is for nonpayment of premium, the effective date of cancellation shall be no less than ten (10) days from the date of mailing the notice); and
- An explanation of the reason for cancellation.

In addition, the Policy is amended to include the following:

NONRENEWAL

The Insurer shall provide at least thirty (30) days written notice of its intention not to renew the policy at its expiration date. The notice will contain the date of notice, the policy number and will state the expiration date of the policy.

NOTICE REQUIREMENTS FOR INCREASE IN PREMIUM

An insurer who intends to condition renewal upon a substantial increase in premium shall mail a notice of such intention to the agent of record and to the Insured at least thirty (30) days prior to the expiration date of the policy. If the notice is mailed less than thirty (30) days before the expiration date of the policy the Insured's coverage then in effect remains in effect until thirty (30) days after the date of mailing the notice.

OTHER DUTIES OF THE INSURER (APPLICABLE TO CLAIMS-MADE POLICIES ONLY)

The Insurer will provide the Insured the following information relating to this and any preceding claims-made Policy issued to the Insured by the Insurer during the previous three years:

1. A list or other record of each claim, not previously reported to any other insurer, of which the Insurer has been notified in accordance with the Policy terms and conditions. The Insurer will include the date and brief description of each claim if that information was in the notice the Insurer received.
2. A summary by policy year, of payments made and amounts reserved, stated separately, under any applicable General Aggregate Limit.

Amounts reserved are based on the Insurer's judgment. They are subject to change and should not be regarded as ultimate settlement values.

The Insured (or Other Insured(s)) must not disclose this information to any claimant or any claimant's representative without the Insurer's consent.

If the Insurer cancels or elects not to renew this Policy, the above information shall be provided no later than (30) thirty days before the date of policy termination. In other circumstances, the Insurer will provide this information only if the Insurer receives a written request from the Insured within (60) sixty days after the end of the policy period. In this case, the Insurer will provide this information within (45) forty-five days of receipt of the request.

The Insurer compiles claim information for its own business purposes and exercises reasonable care in doing so. In providing this information to the Insured, the Insurer makes no representations or warranties to the Insured, any Other Insureds, insurers, or others to whom this information is furnished by or on behalf of the Insured. Cancellation or non-renewal will be effective even if the Insurer inadvertently provides inaccurate information.

RETURN OF UNEARNED PREMIUM

If the total premium has been paid and the policy is cancelled by the Insured at any time during the policy period, the Insurer may retain the premium at customary short rates for the time the policy has been in force and return to the Insured ninety percent (90%) of the unearned portion of the premium calculated on a pro rata basis.

If the premium is paid in installments and the policy is cancelled by the Insured at any time during the policy period, the Insurer may collect premium at customary short rates for the time the policy has been in force, said rates to be computed on the full term of insurance mentioned in the policy as charged by the Insurer. Upon receipt of such short rates, the Insurer will return all installment notes then unpaid and return to the Insured any premium collected in excess of the short rates.

ENDORSEMENT# 3 (continued)

If this policy is cancelled by the Insurer at any time during the policy period, the Insurer may retain the pro rata portion of the premium hereon.

Payment or tender of any unearned premium by the Insurer shall not be a condition of cancellation, but such payment shall be made as soon as practicable.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS SHALL REMAIN UNCHANGED .



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END 003

ENDORSEMENT# 4

This endorsement, effective at *12:01AM June 30, 2017* forms a part of
Policy number *01-602-33-77*
Issued to: *SUMMIT ACADEMY MANAGEMENT*

By: *Illinois National Insurance Company*

Product Name: *PortfolioSelect*

ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

Coverage shall only be provided and payment of loss under this policy shall only be made in full compliance with enforceable United Nations economic and trade sanctions and the trade and economic sanction laws or regulations of the European Union and the United States of America, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 004

ENDORSEMENT# 5

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

**This endorsement modifies the Private D&O Coverage Section, EPL Coverage Section and
FLI Coverage Section.**

In consideration of the premium charged, it is hereby understood and agreed that solely with respect to the **Private D&O Coverage Section, EPL Coverage Section and FLI Coverage Section**, the **Insurer** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against any **Insured**:

- A. alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly, the **Hazardous Properties** of **Nuclear Material**, including but not limited to:
- (1) **Nuclear Material** located at any **Nuclear Facility** owned by, or operated by or on behalf of, the **Organization**, or discharged or dispersed therefrom;
 - (2) **Nuclear Material** contained in spent fuel or waste which was or is at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of the **Organization**;
 - (3) the furnishing by an **Insured** or the **Organization** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any **Nuclear Facility**; or
 - (4) **Claims** for damage or other injury to the **Organization** or its shareholders which allege, arise from, are based upon, are attributed to or in any way involve, directly or indirectly, the **Hazardous Properties** of **Nuclear Material**; or
- B. (1) which is insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability underwriters, or Nuclear Insurance Association of Canada, or would be insured under any such policy but for its termination or exhaustion of its limit of liability; or
- (2) with respect to which: (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the **Insured** is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

As used in this endorsement:

" **Hazardous Properties** " include radioactive, toxic or explosive properties.

ENDORSEMENT# 5 (Continued)

This endorsement, effective 12:01AM June 30, 2017 forms a part of
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by Illinois National Insurance Company

" Nuclear facility " means:

- (a) any nuclear reactor;
- (b) any equipment or device designed or used for:
 - (1) separating the isotopes of uranium or plutonium,
 - (2) processing or utilizing spent fuel, or
 - (3) handling, processing or packaging wastes;
- (c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the Insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; and
- (d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

" Nuclear Material " means source material, special nuclear material or byproduct material.

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

" Source Material, " " Special Nuclear Material, " and " Byproduct Material " have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

" Spent Fuel " means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor.

" Waste " means any waste material (1) containing by product material and (2) resulting from the operation by any person or organization of any Nuclear Facility included within the definition of nuclear facility under paragraph (a) or (b) thereof.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 5

ENDORSEMENT# 6

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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by *Illinois National Insurance Company*

SPECIFIC INVESTIGATION/CLAIM/LITIGATION/EVENT OR ACT EXCLUSION

This endorsement modifies the General Terms and Conditions

In consideration of the premium charged, it is hereby understood and agreed that, without limiting the effectiveness of any other exclusions of the policy, the **Insurer** shall not be liable to make any payment for **Loss** under the this policy in connection with: (i) any of the **Claim(s)**, notices, events, investigations or actions listed under **EVENT(S)** below; (hereinafter "**Events**"); (ii) the prosecution, adjudication, settlement, disposition, resolution or defense of: (a) any **Event(s)**; or (b) any **Claim(s)** arising from any **Event(s)**; or (iii) any **Wrongful Act**, underlying facts, circumstances, acts or omissions in any way relating to any **Event(s)**.

EVENT(S)

1. CLAIM #550-086781-001; CLAIMANT: THELMA HOWE;
LOSS DATE: 4/25/12
2. CLAIM #501-189777-001; CLAIMANT: UNKNOWN;
LOSS DATE: 7/1/13
3. CLAIM #550-119788-001; CLAIMANT: SVETLANA KAZAKOVA KINCAID;
LOSS DATE: 5/8/13
4. CLAIM #550-1140010-001; CLAIMANT: SARAH DIFILIPPO;
LOSS DATE: 3/5/13
5. CLAIM #550-110723-001; CLAIMANT: AKRAM K. GEELANI;
LOSS DATE: 1/28/13
6. CLAIM#7153798047US; CLAIMANT: UNKNOWN;
LOSS DATE: 6/12/15
7. CLAIM #2362782057US; CLAIMANT: ANNA EPPERSON;
LOSS DATE: 9/3/14
8. CLAIM #8970736906US; CLAIMANT: JAMES BOSTIC, JR.;
LOSS DATE: 2/19/16
9. CLAIM #1420675277US; CLAIMANT: OHIO DEPARTMENT OF EDUCATION;
LOSS DATE: 7/14/2015
- 10.PER ADDENDUM, CLAIM #019607825; JAMES BOSTIC, JR.;
LOSS DATE: 6/12/15
- 11.PER ADDENDUM, CLAIM #015424988; CLAIMANTS: JAMES
BOSTIC (2/19/16) AND SAMUEL MOFFIE (6/1/16)

ENDORSEMENT# 6 (Continued)

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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It is further understood and agreed that the **Insurer** shall not be liable for any **Loss** under the policy in connection with any **Claim** alleging, arising out of, based upon, attributable to or in any way related directly or indirectly, in part or in whole, to an **Interrelated Wrongful Act** (as that term is defined below), regardless of whether or not such **Claim** involved the same or different **Insureds**, the same or different legal causes of action or the same or different claimants or is brought in the same or different venue or resolved in the same or different forum.

For the purposes of this endorsement an "**Interrelated Wrongful Act**" means: (i) any fact, circumstance, act or omission alleged in any **Event(s)** and/or (ii) any **Wrongful Act** which is the same as, similar or related to or a repetition of any **Wrongful Act** alleged in any **Event(s)**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSION REMAIN UNCHANGED.



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END 6

ENDORSEMENT# 7

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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by *Illinois National Insurance Company*

GENERAL ERRORS & OMISSIONS EXCLUSION

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that the Insurer shall not be liable for any Loss under the **Non-Profit D&O Coverage Section** in connection with any Claim against any Insured alleging, arising out of, based upon or attributable to the Organization's or any Insured Person's performance of or failure to perform professional services for others, or any act, error or omission relating thereto.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 7

ENDORSEMENT# 8

This endorsement, effective 12:01AM June 30, 2017 forms a part of
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NON-PROFIT HIGHER EDUCATION ORGANIZATION AMENDATORY ENDORSEMENT

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that the **Non-Profit D&O Coverage Section** is amended as follows:

I. AMENDMENTS TO DEFINITIONS

- A. In Clause 14. DEFINITIONS of the **Non-Profit D&O Coverage Section**, the definition of "**Insured Person**" is amended to include the following at the end thereof:

Insured Person shall also include any past, present or future member of the faculty, student teacher, teaching assistant, faculty aide, representative to an education association of which the **Organization** is a member, and any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Organization**, regardless of whether they are considered as an **Employee** of the **Organization** or as an independent contractor. **Insured Person** shall also include any administrator, association member, member manager or alumni council member of the **Organization**. **Insured Person** shall also include students of the **Organization** while serving in a supervised internship program in satisfaction of course requirements or while acting at the direction of and on behalf of the **Organization**.

- B. In Clause 14. DEFINITIONS of the **Non-Profit D&O Coverage Section**, the definition of "**Loss**" is amended to include the following at the end thereof:

1. GOVERNMENTAL FUNDING DEFENSE COST COVERAGE

Notwithstanding the foregoing, **Loss** shall not include the return of funds which were received from any federal, state or local governmental agency and any interest, fines or penalties arising out of the return of such funds; provided, however that this policy shall pay **Defense Costs** in connection with any **Claim** made against an **Insured** for the return of such funds up to an amount not to exceed \$1,000,000 ("**Government Funding Defense Costs Sublimit**"). The **Government Funding Defense Costs Sub-Limit of Liability** is part of and not in addition to the **Policy Aggregate** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **D&O Coverage Section**. With respect to any such sublimited **Defense Costs**, it is further understood and agreed that the **Insurer** shall be liable to pay only 50% of such **Defense Costs**, excess of a retention in the amount of \$1,000,000, up to the **Government Funding Defense Costs Sublimit of Liability**. It is a condition of this insurance that the remaining 50% of such **Defense Costs** shall be carried by the **Insureds** at their own risk and be uninsured.

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by **Illinois National Insurance Company**

2. DONOR DISPUTE ARBITRATION FUND

It is further understood and agreed that **Loss** shall not include the return of funds which were received as donations from any third party ("**Donated Funds**"); provided, however, solely with respect to any single donation received by the **Named Entity** in an amount in excess of \$250,000 which has been reported by the **Named Entity** as a "Restricted Asset" within its audited financial statement, it is understood and agreed that with respect to **Claims for Wrongful Acts** arising out of the return, request to return, or the use of such **Donated Funds**, this policy shall pay an amount not to exceed \$100,000 of **Defense Costs** incurred in binding arbitration ("**Donor Dispute Arbitration Fund**"), subject to the following terms and conditions:

- (a) The binding arbitration must be entered into by the donor and the **Named Entity** pursuant to an agreement by both parties to arbitrate such **Claim**;
- (b) The above limit of \$100,000 is part of and not in addition to the **Policy Aggregate** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **D&O Coverage Section**;
- (c) The **Donor Dispute Arbitration Fund** shall only apply to one arbitration proceeding during the **Policy Period**, regardless of the actual amount exhausted by the **Insured(s)**;
- (d) The retention amount set forth on the Declarations shall not apply to the **Donor Dispute Arbitration Fund**; and
- (e) The **Donor Dispute Arbitration Fund** shall not apply to a **Claim** once a judicial proceeding has been commenced with respect to such **Claim**.

3. REGULATORY FINES AND PENALTIES COVERAGE (WITH SUBLIMIT OF LIABILITY)

Loss shall also include fines or penalties, if insurable by law, arising out of any violation of any of the below listed legislation (hereinafter "**Regulatory Legislation**");

It is understood and agreed that the maximum aggregate limit of the Insurer's liability for all **Loss** (including **Defense Costs**) arising from **Regulatory Legislation Claim(s)** combined, shall be no greater than \$50,000 ("hereinafter "**Regulatory Fines and Penalties Sublimit of Liability**"). This **Regulatory Fines and Penalties Sublimit of Liability** is part of and not in addition to the **Policy Aggregate** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this **D&O Coverage Section**.

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by **Illinois National Insurance Company**

For purposes of this endorsement only, the term "**Regulatory Legislation Claim(s)**" means any **Claim** alleging an actual or alleged violation of any of the below listed **Regulatory Legislation**.

Regulatory Legislation:

- (1) The Campus Sexual Assault Victims' Bill of Rights Act of 1991;
- (2) The Student Right to Know Act of 1991;
- (3) The Federal Education Rights and Privacy Act of 1974 ("FERPA," or the "Buckley Amendment");
- (4) The Crime Awareness and Campus Security Act of 1990 ("Clery Act");
- (5) The Uniform Student Freedom of Expression Act;
- (6) The Freedom of Information Act (5 U.S.C. 552) and any similar state law;
- (7) Subtitle F of Title II of the Health Insurance Portability and Accountability Act of 1996 ("HIPAA");
- (8) Any state "Open Public Meeting" or "Sunshine" law.

C. In Clause 14. DEFINITIONS of the **Non-Profit D&O Coverage Section**, the definition of "**Wrongful Act**" is amended to include the following at the end thereof:

- (4) with respect to all **Insureds**, educational malpractice or failure to educate; negligent instruction; failure to supervise; inadequate or negligent academic guidance or counseling; improper or inappropriate academic placement or discipline; failure to grant due process; invasion of privacy or humiliation, including violation of the Buckley Amendment, the "Uniform Student Freedom of Expression Act" if adopted by any applicable jurisdiction; the publication of any alleged defamatory material in a book, newspaper or other publication of the **Organization** or any alleged defamatory material broadcast over a radio, cable or television station owned or operated by the **Organization**.

II. ADDITIONAL EXCLUSIONS

Clause 4.B. *Exclusions* of the **Non-Profit D&O Coverage Section** is amended to include the following exclusion at the end thereof:

ENDORSEMENT# 8 (Continued)

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- (aa) alleging, arising out of, based upon or attributable to or in any way relating to the rendering or failure to render any professional services for which registration or license is required by the federal, state or applicable local government. This exclusion shall not apply to the provision of or failure to provide educational services by the **Organization** or an **Insured Person**;
- (bb) alleging, arising out of, based upon, attributable to any failure or omission on the part of the **Insureds** or the **Organization** to effect or maintain adequate insurance; provided, however, solely with respect to any **Executive** of the **Organization**, this exclusion shall not apply to covered **Defense Costs**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 8

ENDORSEMENT# 9

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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**HEALTH CARE - HIGHER EDUCATION ORGANIZATION AMENDATORY ENDORSEMENT
(FOR PRIVATE AND NON-PROFIT ENTITIES)**

This endorsement modifies the General Terms and Conditions and EPL Coverage Section

In consideration of the premium charged, it is hereby understood and agreed that the policy is amended as follows:

I. AMENDMENTS TO THE GENERAL TERMS & CONDITIONS

The **General Terms & Conditions** is amended as follows:

- A. In Clause 16. **DEFINITIONS** of the **General Terms & Conditions**, the definition of **Organization** is amended to include the following at the end thereof:

"Organization" shall also include any auxiliary, guild or foundation formed solely for the benefit of the **Named Entity** and of which the book value of such entity's assets determined in accordance with Generally Accepted Accounting Principles totals less than 20% of the similarly calculated assets of the **Named Entity** as of the inception date of the **Policy Period**.

II. AMENDMENTS TO THE EPL COVERAGE SECTION

The **EPL Coverage Section** is amended as follows:

- A. Clause 3. **EXCLUSIONS** of the **EPL Coverage Section** is amended by deleting paragraph (4) *Bodily Injury & Property Damage* thereof in its entirety and replacing it with the following:

- | | |
|--|---|
| (4) <i>Bodily Injury & Property Damage</i> | alleging, arising out of, based upon or attributable to, bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; |
|--|---|

- B. In Clause 3. **EXCLUSIONS** of the **EPL Coverage Section**, Exclusion (8) *Contract* is amended by adding the following carveback at the end thereof:

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(iii) any Claim for Loss alleging Wrongful Act(s) with respect to hospital practice privileges, credentialing, tenure or peer review matters;

C. The following clause is inserted at the end of the **EPL Coverage Section** :

HC-1 THIRD PARTY HUMAN CLINICAL TRIAL CLAIMS SUBLIMIT OF LIABILITY

The following provisions shall apply in addition to the provisions of Clause 3. **LIMIT OF LIABILITY** of the **General Terms and Conditions** :

The maximum limit of the Insurer's liability for all Loss in the aggregate under this **EPL Coverage Section** in connection with all **Third Party Human Clinical Trial Claims** in the aggregate is \$150,000 (hereinafter called the " **Third Party Human Clinical Trial Claims Sublimit of Liability**"). The **Third Party Human Clinical Trial Claims Sublimit of Liability** is part of and not in addition to the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the **EPL Coverage Section**.

D. In Clause 12. **DEFINITIONS** of the **EPL Coverage Section**, the definition of **Employment Practices Violation** is amended to include the following immediately following subparagraph (12) thereof:

(13) any alleged defect in the tenure, peer review or credentialing process, including the denial or removal of tenure.

E. In Clause 12. **DEFINITIONS** of the **EPL Coverage Section**, the definition of "**Insured Persons**" is amended to include the following at the end thereof:

"**Insured Persons**" shall also include any past, present or future:

(i) member of any duly constituted committee; any individual person engaged by a duly constituted committee for purposes of providing an expert opinion with regard to peer review or credentialing decision concerning an individual physician; any individual in charge of any operational department; and any medical director, staff physician or faculty member of the **Organization**, regardless of whether or not such person is directly employed by the **Organization** or is considered to be an independent contractor; and

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(ii) member of the faculty, student teacher, teaching assistant, faculty aide, representative to an education association of which the **Organization** is a member, and any president, regent, chancellor, provost, treasurer, vice-president, dean, personnel director, governor, executive director, risk manager, university counsel, or other comparable senior administrator of the **Organization**, regardless of whether such person is considered an **Employee** of the **Organization** or an independent contractor. **Insured Persons(s)** shall also include any administrator, association member, member manager or alumni council member of the **Organization**. **Insured Person(s)** shall also include students of the **Organization** while serving in a supervised internship program in satisfaction of course requirements or while acting at the direction of and on behalf of the **Organization**.

F. The following definition is added to Clause 12. **DEFINITIONS** of the **EPL Coverage Section**:

" **Third Party Human Clinical Trial Claim** " means any **Claim** alleging a **Third Party Violation** in connection with any study utilizing humans to provide clinical data for the assessment of a medical treatment, procedure or pharmaceutical.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 9

ENDORSEMENT# 10

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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by *Illinois National Insurance Company*

PANEL COUNSEL FIRM LIST AMENDED

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. **"Panel Counsel"** as defined in Clause 9.B. of the policy is hereby amended to include the following law firm(s) (the "**Listed Firms**"), but solely with regard to a **Claim(s)** in such firm's respective jurisdiction(s) listed below:

LAW FIRM

JURISDICTION

(a)Hanna Campbell & Powell LLP

Ohio

2. The foregoing amendment to **Panel Counsel** shall not apply to any **Claim**:
 - (a) for which the **Insurer** has assumed the defense pursuant to Clause 9.A.2 of the **Non-Profit D&O Coverage Section**; or
 - (b) brought in the form of a class or multiple plaintiff action;
3. Billing rates for the **Listed Firms** shall not exceed the following:

LAW FIRM

- (a) Hanna Campbell & Powell LLP

Partners: \$160

Associates: \$150

Paralegals: \$80

4. With respect to the defense of any **Claims** by a **Listed Firm**, it is agreed that to the extent that services are billed at rates that exceed the rates listed above, the excess over such rates shall not be covered under this policy as **Defense Costs** or otherwise as **Loss**.
5. The rates set forth in Clause 3 shall apply for the life of any **Claim** as long as such **Claim** is in any way covered under this policy. Such rates will be applied to (i) all covered **Defense Costs** and (ii) **Defense Costs** applied against an applicable **Retention**. The **Named Entity** shall bear, at its own expense, that portion of any fees charged by a **Listed Firm** that exceeds the applicable rates set forth in this endorsement.

ENDORSEMENT# 10 (Continued)

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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by *Illinois National Insurance Company*

6. The **Insureds** agree to require the **Listed Firms** to follow the **Insurer's** litigation guidelines ("**Litigation Guidelines**"). Copies of the **Litigation Guidelines** will be provided to (i) any **Insured** upon request and (ii) a **Listed Firm** once a **Claim** that such firm has been retained to handle is submitted to the **Insurer**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 11

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
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SEXUAL MISCONDUCT AND CHILD ABUSE EXCLUSION

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that the Insurer shall not be liable to make any payment for Loss under the **Non-Profit D&O Coverage Section** in connection with any Claim made against any Insured alleging, arising out of, based upon or attributable to, or in any way involving, directly or indirectly, any **Sexual Misconduct**, child abuse or neglect, including but not limited to the employment, supervision, reporting to the proper authorities, failure to so report or retention of any person.

As used in this endorsement, "**Sexual Misconduct**" means any licentious, immoral or sexual behavior, sexual abuse, sexual assault, or molestation intended to lead to or culminating in any sexual act against any individual.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 11

ENDORSEMENT# 12

This endorsement, effective *12:01AM June 30, 2017* forms a part of
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by *Illinois National Insurance Company*

SEXUAL MISCONDUCT AND CHILD ABUSE EXCLUSION

This endorsement modifies the EPL Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that the **Insurer** shall not be liable to make any payment for **Loss** under the **EPL Coverage Section** in connection with any **Claim** made against any **Insured** alleging, arising out of, based upon or attributable to, or in any way involving, directly or indirectly any **Sexual Misconduct**, child abuse or neglect, including but not limited to the employment, supervision, reporting to the proper authorities, failure to so report or retention of any person.

As used in this endorsement, "**Sexual Misconduct**" means any licentious, immoral or sexual behavior, sexual abuse, sexual assault, or molestation intended to lead to or culminating in any sexual act against any individual.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 12

ENDORSEMENT# 13

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

**BODILY INJURY & PROPERTY DAMAGE EXCLUSION AMENDED
(ABSOLUTE WORDING)**

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that Clause 4.B. *Exclusions* of the **Non-Profit D&O Coverage Section** is amended by deleting paragraph (4) *Bodily Injury & Property Damage* thereof in its entirety and replacing it with the following:

- (4) *Bodily Injury & Property Damage* alleging, arising out of, based upon or attributable to, bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; provided, however, this exclusion shall not apply to **UK Corporate Manslaughter Act Defense Costs**; or

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 14

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

ABSOLUTE BODILY INJURY AND PROPERTY DAMAGE EXCLUSION ENDORSEMENT

This endorsement modifies the EPL Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that Clause 3. EXCLUSIONS of the **EPL Coverage Section** is amended by deleting Exclusion (4) in its entirety and replacing it with the following:

- (4) *Bodily Injury & Property Damage* alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly, bodily injury (other than emotional distress or mental anguish), sickness, disease, or death of any person, or damage to or destruction of any tangible property, including the loss of use thereof;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 14

ENDORSEMENT# 15

This endorsement, effective at 12:01AM June 30, 2017 forms a part of
Policy number 01-602-33-77
Issued to: SUMMIT ACADEMY MANAGEMENT

By: *Illinois National Insurance Company*

Product Name: *PortfolioSelect*

**SETTLEMENT OPPORTUNITY CLAUSE AMENDED
(Allocation Percentage Amended)**

This endorsement modifies the EPL Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that in Clause 7.A(6) *Settlement Opportunity* of the **EPL Coverage Section** is deleted in its entirety and replaced with the following:

In the event the **Insureds** do not consent to the first **Settlement Opportunity** within thirty (30) days of the date the **Insureds** are first made aware of the **Settlement Opportunity** (or in the case of a **Settlement Opportunity** which arises from a settlement offer by the claimant, then within the time permitted by the claimant to accept such settlement offer, but in all events no later than thirty (30) days after the settlement offer was made), then the **Insurer's** liability for all **Loss** on account of such **Claim** shall not exceed: (a) the amount for which the **Insurer** could have settled such **Claim** plus **Defense Costs** incurred as of the date such settlement was proposed in writing by the **Insurer** ("**Settlement Opportunity Amount**"), plus (b) **80%** of covered **Loss** in excess of such **Settlement Opportunity Amount**, it being a condition of this insurance that the remaining **20%** of such **Loss** excess of the **Settlement Opportunity Amount** shall be carried by the **Organization** and the **Insureds** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply unless the **Settlement Opportunity Amount** exceeds the remaining applicable Retention amount.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 015

ENDORSEMENT# 16

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

**COORDINATION OF AIG LIMITS
(NON-STACKING OF LIMITS)**

This endorsement modifies the Specified Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that, with respect to any **Claim** under the **Specified Coverage Section** (as defined below) for which coverage is also provided by one or more other policies issued by the **Insurer** or any other member company of American International Group, Inc. ("AIG") (or would be provided but for the exhaustion of the limit of liability or the applicability of the retention amount or deductible or the failure of the **Insured** to submit a notice of a **Claim**), the **Policy Aggregate** and any applicable **Separate Limit of Liability** or **Shared Limit of Liability** provided by virtue of the **Specified Coverage Section** shall be reduced by the limit of liability provided by said other AIG policy.

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

- 1) the **Insurer** shall not be liable under this policy for a greater proportion of the **Loss** than the applicable **Separate Limit of Liability** or **Shared Limit of Liability** under the **Specified Coverage Section** bears to the total limit of liability of all such policies, and
- 2) the maximum amount payable under all such policies shall not exceed the limit of liability (or applicable **Separate Limit of Liability** or **Shared Limit of Liability**) of the policy which has the highest available limit of liability (or applicable **Separate Limit of Liability** or **Shared Limit of Liability**).

Nothing contained in this endorsement shall be construed to increase the **Policy Aggregate** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the **Specified Coverage Section** of this policy.

For purposes of this endorsement only, **Specified Coverage Section** means the AIG E&O and CYBER POLICY.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 16

ENDORSEMENT# 17

This endorsement, effective **12:01AM June 30, 2017**
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

forms a part of

by **Illinois National Insurance Company**

ADDITIONAL INSURED - LISTED AFFILIATES

This endorsement modifies the Non-Profit D&O Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed that, solely with respect to the **Non-Profit D&O Coverage Section**, in Clause 16. DEFINITIONS of the **General Terms and Conditions**, the Definition of **Organization** is amended to the following entity(ies), each of which is an "**Affiliate**", subject to each such **Affiliate's Continuity Date** indicated below:

<u>AFFILIATE</u>	<u>CONTINUITY DATE</u>
SUMMIT ACADEMY AKRON ELEMENTARY SCHOOL	6/1/2005
SUMMIT ACADEMY AKRON MIDDLE SCHOOL	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - AKRON	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - CANTON	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - CANTON	6/1/2005
SUMMIT ACADEMY - COMMUNITY SCHOOL - CINCINNATI	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - COLUMBUS	6/1/2005
SUMMIT ACADEMY MIDDLE SCHOOL - COLUMBUS	6/1/2005
SUMMIT ACADEMY TRANSITION HIGH SCHOOL - DAYTON	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - LORAIN	6/1/2005
SUMMIT ACADEMY MIDDLE SCHOOL - LORAIN	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - LORAIN	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - PAINESVILLE	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - MIDDLETOWN	6/1/2005

ENDORSEMENT# 17 (Continued)

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

SUMMIT ACADEMY SECONDARY SCHOOL - MIDDLETOWN	6/1/2005
UMMIT ACADEMY COMMUNITY SCHOOL - TOLEDO	6/1/2005
SUMMIT ACADEMY TOLEDO LEARNING CENTER	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - WARREN	6/1/2005
SUMMIT ACADEMY SCHOOL FOR ALTERNATIVE LEARNERS - WARREN MIDDLE & SECONDARY SCHOOL	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - XENIA	6/1/2005
SUMMIT ACADEMY YOUNGSTOWN	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - YOUNGSTOWN	6/1/2005
OHIO CONSTRUCTION ACADEMY	6/1/2005
BELMONT PINES HOSPITAL	6/1/2005
SAFE HOUSE	6/1/2005
CHRISTINA CHILDREN'S HOME OF OHIO	6/1/2005
VILLAGE NETWORK - WOOSTER	6/1/2005
JULIA PAIGE FAMILY CTR	6/1/2005
THE VILLAGE NETWORK - SALEM	6/1/2005
RANCH OF OPPORTUNITY	6/1/2005
NORTHCUTT RESIDENTIAL TREATMENT CENTER	6/1/2005
YOUTH INTENSIVE SERVICES	6/1/2005
NEW BEGINNINGS / GOLETA HOUSE	6/1/2005

ENDORSEMENT# 17 (Continued)

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

It is further understood and agreed that the **Insurer** shall not be liable for any **Loss** in connection with any **Claim** made against any **Affiliate** listed above or any **Insured Person** thereof:

- (1) alleging, arising out of, based upon or attributable to, as of such **Affiliate's** respective **Continuity Date**, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which any **Insured** had notice, or alleging or derived from the same or essentially the same facts as alleged in such pending or prior litigation or administrative or regulatory proceeding or investigation; or
- (2) alleging any **Wrongful Act** occurring prior to such **Affiliate's** respective **Continuity Date** if the **Insured** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim** under this policy.

In all events, coverage as is afforded under this endorsement with respect to any **Affiliate** listed above or any **Insured Person** thereof shall only apply for **Wrongful Acts** committed or allegedly committed after the respective time such **Affiliate** became an **Affiliate** and prior to the time that the such **Affiliate** ceased to be an **Affiliate**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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END 17

ENDORSEMENT# 18

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

**ADDITIONAL INSUREDS
(LISTED AFFILIATES)**

This endorsement modifies the EPL Coverage Section

In consideration of the premium charged, it is hereby understood and agreed that, solely with respect to the coverage afforded under the **EPL Coverage Section**, in Clause 16. **DEFINITIONS** of the General Terms and Conditions, the definition of "**Organization**" shall include the following entity(ies) ("**Affiliates**"), subject to each **Affiliates'** respective **Continuity Date**:

AFFILIATE(S)	CONTINUITY DATE
SUMMIT ACADEMY AKRON ELEMENTARY SCHOOL	6/1/2005
SUMMIT ACADEMY AKRON MIDDLE SCHOOL	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - AKRON	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - CANTON	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - CANTON	6/1/2005
SUMMIT ACADEMY - COMMUNITY SCHOOL - CINCINNATI	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - COLUMBUS	6/1/2005
SUMMIT ACADEMY MIDDLE SCHOOL - COLUMBUS	6/1/2005
SUMMIT ACADEMY TRANSITION HIGH SCHOOL - DAYTON	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - LORAIN	6/1/2005

ENDORSEMENT# 18 (Continued)

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

SUMMIT ACADEMY MIDDLE SCHOOL -LORAIN	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - LORAIN	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - PAINESVILLE	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - PARMA	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - MIDDLETOWN	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - MIDDLETOWN	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - TOLEDO	6/1/2005
SUMMIT ACADEMY TOLEDO LEARNING CENTER	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL - WARREN	6/1/2005
SUMMIT ACADEMY SCHOOL FOR ALTERNATIVE LEARNERS - WARREN MIDDLE & SECONDARY SCHOOL	6/1/2005
SUMMIT ACADEMY COMMUNITY SCHOOL FOR ALTERNATIVE LEARNERS - XENIA	6/1/2005
SUMMIT ACADEMY YOUNGSTOWN	6/1/2005
SUMMIT ACADEMY SECONDARY SCHOOL - YOUNGSTOWN	6/1/2005
OHIO CONSTRUCTION ACADEMY	6/1/2005

ENDORSEMENT# 18 (Continued)

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

BELMONT PINES HOSPITAL	6/1/2005
SAFE HOUSE	6/1/2005
CHRISTINA CHILDREN'S HOME OF OHIO	6/1/2005
VILLAGE NETWORK - WOOSTER	6/1/2005
JULIA PAIGE FAMILY CTR	6/1/2005
THE VILLAGE NETWORK - SALEM	6/1/2005
RANCH OF OPPORTUNITY	6/1/2005
NORTHCUTT RESIDENTIAL TREATMENT CENTER	6/1/2005
YOUTH INTENSIVE SERVICES	6/1/2005
NEW BEGINNINGS / GOLETA HOUSE	6/1/2005

For the purpose of the applicability of the coverage provided by this endorsement, the **Affiliate(s)** listed above and the **Organization** will be conclusively deemed to have indemnified the **Insured Persons** of the respective **Affiliate(s)** listed above to the extent that such **Affiliate(s)** or the **Organization** is permitted or required to indemnify such **Insured Persons** pursuant to law, common or statutory, or contract, or its charter or by-laws. The **Affiliate(s)** listed above and the **Organization** hereby agree to indemnify the **Insured Persons** to the fullest extent permitted by law, including the making in good faith of any required application for court approval.

Furthermore, for the purpose of the applicability of the coverage provided by this endorsement, the **Insurer** shall not be liable for any **Loss** in connection with any **Claim(s)**, made against any **Affiliate(s)** listed above or any **Insured(s)** thereof:

- (1) alleging, arising out of, based upon or attributable to as of such **Affiliate's** respective **Continuity Date**, any pending or prior: (1) litigation; or (2) administrative or regulatory proceeding or investigation of which an **Insured** had notice, or any **Related Claims** thereto.

ENDORSEMENT# 18 (Continued)

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

In all events, coverage as is afforded under this endorsement with respect to a **Claim** made against each respective **Affiliate(s)** listed above or any **Insured Persons** thereof shall only apply for **Wrongful Acts** committed or allegedly committed after the respective entity's **Continuity Date** and prior to the time that such **Affiliate(s)** ceased to be an **Affiliate**.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 19

This endorsement, effective **12:01AM June 30, 2017** forms a part of
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

by **Illinois National Insurance Company**

**PANEL COUNSEL FIRM LIST AMENDED EMPLOYMENT PRACTICES LIABILITY
(RETALIATION REMOVED)**

This endorsement modifies the EPL Coverage Section.

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. The list of approved panel counsel law firms provided for in Clause 7.B. *Pre-Authorized Defense Attorneys For Designated Employment Practices Claims* is amended to include the following law firm(s) (the "**Listed Firms**"), but solely with regard to **Claims** in such firm's respective jurisdiction(s) listed below:

LISTED FIRM	PRIMARY CONTACT(S)	APPROVED JURISDICTION(S)
<u>Hanna Campbell & Powell LLP</u>		<u>OHIO</u>

2. The foregoing amendment to approved panel counsel law firms shall not apply to any **Claim**:
 - (a) for which the **Insurer** has assumed the defense pursuant to Clause 7.A.(2) *Right to Tender Defense* of this policy;
 - (b) brought in the form of a class or multi-plaintiff action; or
 - (c) alleging discrimination or sexual harassment against a director, officer or equivalent position of the **Organization**.
3. With respect to the defense of any **Claim** by the above listed law firm(s), is agreed that to the extent that services are billed at rates that exceed the **Maximum Rates** set forth below, the excess over such maximum rates shall not be covered under this policy as **Defense Costs** or otherwise as **Loss**. The retention shall not be reduced by, and the **Insured** shall bear at its own expense, that portion of any fees charged by the **Listed Firms** that exceeds the applicable **Maximum Rate**. "**Maximum Rate**" means, for partners, \$ **175.00** per hour, for associates, \$ **155.00** per hour and for paralegals, \$**80.00** per hour.
4. The **Maximum Rates** set forth in Clause 3 shall apply for the life of any **Claim** as long as such **Claim** is in any way covered under this policy.

ENDORSEMENT# 19 (Continued)

This endorsement, effective *12:01AM June 30, 2017* forms a part of
policy number *01-602-33-77*
issued to *SUMMIT ACADEMY MANAGEMENT*

by *Illinois National Insurance Company*

5. The **Insureds** agree to require the **Listed Firms** to follow the **Insurer's Financial Lines Litigation Guidelines ("Litigation Guidelines")**. Copies of the **Litigation Guidelines** will be provided to any **Insured** or their **Listed Firms** upon request.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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ENDORSEMENT# 20

This endorsement, effective **12:01AM**
 policy number **01-602-33-77**
 issued to **SUMMIT ACADEMY MANAGEMENT**

June 30, 2017

forms a part of

by **Illinois National Insurance Company**

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
113986	06/13	DECLARATIONS (ADMITTED)
96555	01/15	TRIA DEC DISCLOSURE FORM
113989	06/13	GENERAL TERMS AND CONDITIONS
115486	06/13	EPL COVERAGE SECTION
115388	05/13	NFP D&O COVERAGE SECTION
115491	06/13	CRISISFUND COVERAGE SECTION
115540	06/13	CRISISFUND APPENDIX (EPL COVERAGE SECTION)
115539	06/13	CRISISFUND APPENDIX (NONPROFIT DO COVERAGE SECTION)
	06/08	SECURITIES CLAIM PANEL COUNSEL LIST
	06/08	EMPLOYMENT PRACTICES CLAIM PANEL COUNSEL
99545	07/08	APPENDIX A NOT FOR PROFIT PANEL COUNSEL ADDENDUM
99758	08/08	NOTICE OF CLAIM (REPORTING BY E-MAIL)
115694	07/13	OHIO AMENDATORY ENDORSEMENT
97531	05/14	OHIO CANCELLATION/NONRENEWAL ENDORSEMENT
119679	09/15	ECONOMIC SANCTIONS ENDORSEMENT
116070	12/15	NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT
118139	08/14	SPECIFIC INVESTIGATION/CLAIM/LITIGATION/EVENT OR ACT EXCLUSION
117019	12/13	GENERAL ERRORS & OMISSIONS EXCLUSION
115396	06/13	NON-PROFIT HIGHER EDUCATION ORGANIZATION AMENDATORY ENDORSEMENT
117228	01/14	HEALTH CARE - HIGHER EDUCATION ORGANIZATION AMENDATORY ENDORSEMENT
115398	06/13	PANEL COUNSEL FIRM LIST AMENDED
116056	12/15	SEXUAL MISCONDUCT AND CHILD ABUSE EXCLUSION
116817	03/15	SEXUAL MISCONDUCT AND CHILD ABUSE EXCLUSION

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END 020

ENDORSEMENT# 20

This endorsement, effective **12:01AM**
policy number **01-602-33-77**
issued to **SUMMIT ACADEMY MANAGEMENT**

June 30, 2017

forms a part of

by **Illinois National Insurance Company**

FORMS INDEX ENDORSEMENT

The contents of the Policy is comprised of the following forms:

FORM NUMBER	EDITION DATE	FORM TITLE
117010	12/13	BODILY INJURY & PROPERTY DAMAGE EXCLUSION AMENDED
117407	02/14	ABSOLUTE BODILY INJURY AND PROPERTY DAMAGE EXCLUSION ENDORSEMENT
115520	06/13	SETTLEMENT OPPORTUNITY CLAUSE AMENDED ALLOCATION PERCENTAGE AMENDED
116365	12/15	COORDINATION OF AIG LIMITS
115824	12/15	ADDITIONAL INSUREDS - LISTED AFFILIATES
118187	08/14	ADDITIONAL INSUREDS
M116706	02/15	PANEL COUNSEL FIRM LIST AMENDED EMPLOYMENT PRACTICES LIABILITY
78859	10/01	FORMS INDEX ENDORSEMENT

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 020



CLAIM REPORTING FORM

Issuing Company: *Illinois National Insurance Company*

Reported under Policy/Bond Number: 01-602-33-77 Date: _____

Type of Coverage: D&O _____ E&O _____ Fidelity _____ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

SUMMIT ACADEMY MANAGEMENT

Contact Person: _____

Title: _____

Phone: (_____) _____ - _____ Ext _____

eMail: _____ @ _____

Case or Claimant Name: _____

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

Insurance Broker/Agent: HUNTINGTON INSURANCE INC

Address: 440 POLARIS PARKWAY # 400, WESTERVILLE, OH 43082

Address: _____

Contact: Sue Yost Phone: _____

eMail: sue.yost@huntington.com

Send Notice of Claims to: AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225

Phone: (888) 602- 5246
Fax: (866) 227- 1750
Email: [c- Claim@AIG.com](mailto:c-Claim@AIG.com)



**CLAIM REPORTING FORM
FIDELITY SUPPLEMENTAL**

(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)

Issuing Company: *Illinois National Insurance Company*

Reported under Policy/Bond Number: 01-602-33-77

Date of Discovery: _____ Estimated Amount of loss: _____

Cause of Loss:	Employee Dishonesty	_____	Computer Fraud	_____
	Funds Transfer	_____	Robbery/Burglary	_____
	ID Theft	_____	Forgery	_____
	Client Property	_____	In Transit	_____
	ERISA	_____	Credit Card Forgery	_____
	Other	_____	if Other, describe:	_____

Send Notice Of Claims To: AIG
Financial Lines Claims
P.O. Box 25947
Shawnee Mission, KS 66225

Phone: (888) 602- 5246
Fax: (866) 227- 1750
Email: [c- Claim@AIG.com](mailto:c-Claim@AIG.com)

