

PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE FORM

**THIS INSURANCE PROVIDES CLAIMS-MADE COVERAGE.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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

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

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

The words "policy period" mean the Policy Period shown in the Declarations of this Coverage Part.

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

SECTION I - PUBLIC ENTITY MANAGEMENT LIABILITY COVERAGE

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of loss to which this insurance applies. We will have the right and duty to defend the insured against any claim or "suit" seeking those damages. However, we will have no duty to defend the insured against any claim or "suit" seeking damages because of loss to which this insurance does not apply. We may, at our discretion, investigate any "wrongful act" or claim and settle any claim or "suit". But:
 - (1) The amount we will pay for damages is limited as described in Section III - Limits Of Insurance; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

We will have no other obligation or liability to pay sums or perform acts

or services unless explicitly provided for under Supplementary Payments.

- b. This insurance applies to loss only if:
 - (1) The loss is caused by a "wrongful act" committed while conducting duties by or on behalf of you or "your boards";
 - (2) The "wrongful act" is committed in the "coverage territory";
 - (3) The "wrongful act" was not committed before the Retroactive Date shown in the Declarations of this Coverage Part or after the end of the policy period; and
 - (4) A claim or "suit" by a person or organization that seeks damages because of the loss is first made or brought against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section VI - Extended Reporting Periods.
- c. A claim or "suit" by a person or organization that seeks damages will be deemed to have been first made or brought against any insured at the earlier of the following times:
 - (1) When we or any "described authorized person" first receives written notice of such claim or "suit", whichever is first; or
 - (2) When we first receive written notice from any insured of a specific "wrongful act" that caused the loss which resulted in such claim or "suit".

All claims or "suits" that seek damages because of loss caused by the same "wrongful act" or "related wrongful acts" will be deemed to have been first made or brought against any insured at the time the first of those claims or "suits" is first made or brought against any insured.
- d. A claim or "suit" by a person or organization that seeks damages will

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be deemed to have been first made or brought at the time we receive written notice from any insured of a specific "wrongful act" only if that notice contains all of the following information:

- (1) How, when and where the "wrongful act" was committed;
- (2) The names and addresses of any persons or organizations sustaining loss, and the names and addresses of any witnesses;
- (3) The nature and location of any loss caused by the "wrongful act"; and
- (4) The names and addresses of each insured that committed the "wrongful act".

Notice to us that:

- (1) All or part of one or more of any insured's acts or omissions may in the future be discovered to be a "wrongful act"; or
- (2) Any insured may in the future receive written notice of a "wrongful act", claim or "suit";

is not notice of a specific "wrongful act".

- e. If no Retroactive Date is shown in the Declarations of this Coverage Part, the Retroactive Date will be deemed to be the first day of the policy period.
- f. Each "wrongful act" in a series of "related wrongful acts" will be deemed to have been committed on the date the first "wrongful act" in that series is committed.

2. Exclusions

This insurance does not apply to:

a. Boards, Commissions, Or Governmental Units Or Departments

Loss arising out of any activities or operations of the following boards, commissions, or governmental units or departments:

- (1) Airports;
- (2) Electric or gas utilities;
- (3) Health care facilities, including clinics, hospitals, nursing homes, rehabilitation facilities or blood banks;
- (4) Housing authorities;
- (5) Port authorities;

(6) Schools or school districts; or

(7) Transit authorities.

b. Breach Of Contract

Loss arising out of a breach of contract.

This exclusion does not apply to loss arising out of the breach of a mutual aid agreement.

c. Claims Or Suits By Insureds Against Insureds

Loss for which a claim is made or "suit" is brought by or on behalf of any current or former insured against any current or former insured.

d. Complaint Or Enforcement Action

Loss arising out of any complaint, enforcement action, claim or "suit" brought by or on behalf of any federal, state or local governmental regulatory or enforcement agency against any insured.

e. Contractual Liability

Loss for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement.

This exclusion does not apply to loss for which the insured would have liability for damages without the contract or agreement.

f. Criminal, Dishonest, Fraudulent, Or Malicious Wrongful Acts Or Knowing Violations Of Rights Or Laws

Loss arising out of any criminal, dishonest, fraudulent, or malicious "wrongful act", or any knowing violation of rights or laws, committed:

- (1) By the insured; or
- (2) With the consent or knowledge of the insured.

This exclusion does not apply to our duty to defend that insured until it has been determined or admitted in a legal proceeding that such "wrongful act" or knowing violation was committed:

- (1) By that insured; or
- (2) With the consent or knowledge of that insured.

g. Debt Financing

Loss arising out of any type of debt financing issued by you or on your behalf, including bonds, debentures, guarantees of debt or notes.

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h. Employee Benefit Plans

Loss arising out of the administration of, the conduct of any fiduciary duty for, or the performance of or failure to perform any act or obligation related to any actual or proposed:

- (1) Benefit plan or trust;
- (2) Stock option, stock subscription or stock ownership plan; or
- (3) Compensation plan; operated by you or on your behalf for the benefit of any current, former or prospective "employee" or "independent contractor".

i. Employment-Related Practices

"Employment loss" to:

- (1) A person arising out of a "wrongful employment practice offense"; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of loss described in Paragraph (1) above.

This exclusion applies:

- (1) Whether the insured may be held liable as an employer or in any other capacity; and
- (2) Whether the insured may have any obligation to share damages with or repay someone else who must pay damages because of the loss.

j. Injunctive Relief

Any loss, cost or expense arising out of complying with any injunctive or other non-monetary relief or any agreement to provide such relief.

k. Injury Or Damage

"Bodily injury", "property damage", "personal injury" or "advertising injury".

l. Insurance

Loss arising out of the failure to obtain or maintain any type or amount of insurance, including any type of bond, self-insurance method or program, or any similar risk transfer or risk management method.

m. Intellectual Property

Loss arising out of any actual or alleged infringement or violation of any of the following rights or laws:

- (1) Copyright;
- (2) Patent;
- (3) Trade dress;
- (4) Trade name;
- (5) Trade secret;
- (6) Trademark; or
- (7) Other intellectual property rights or laws.

n. Investments

Loss arising out of the purchase, sale, issuance or distribution of, or offer to purchase or sell, any debt or equity securities or other investments.

o. Known Wrongful Acts

Loss arising out of any "wrongful act", including any part of "related wrongful acts", that any "described authorized person" knew about before the first date we or any of our affiliated insurance companies have continuously provided this or similar coverage to you.

A "described authorized person" will be deemed to know about a "wrongful act" at the earliest time when such "described authorized person":

- (1) Reports all, or any part, of the "wrongful act" to us or any provider of other insurance;
- (2) Receives a written or verbal demand or claim for damages because of the "wrongful act"; or
- (3) Becomes aware by any other means that all, or any part, of the "wrongful act" has been committed.

p. Law Enforcement Activities Or Operations

Loss arising out of "law enforcement activities or operations".

This exclusion does not apply to harm to any of your current or former "independent contractors" in connection with their "independent contractor" status.

q. Multiplied Damages

The portion of any multiplied damage award that exceeds the amount multiplied.

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r. Network And Information Security Liability

Loss arising out of a "network and information security wrongful act".

s. Nuclear Energy

Loss arising out of the "hazardous properties" of "nuclear material".

t. Pollution

Loss arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants".

u. Pollution-Related

Any loss, cost or expense arising out of any:

- (1) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or "suit" by or on behalf of a governmental authority because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

v. Professional Health Care Services

Loss arising out of providing or failing to provide "professional health care services".

w. Sexual Harassment

Loss arising out of any:

- (1) Unwelcome sexual advance;
- (2) Request for any sexual favor; or
- (3) Other verbal, visual or physical conduct of a sexual nature.

x. Strikes, Riots, Demonstrations Or Civil Commotions

Loss arising out of any strike, riot, protest, demonstration, lock-out or civil commotion.

y. Taking Of Private Property For Public Use Or Benefit

Loss arising out of the taking or controlling of private property for public use or benefit, including the diminution in value of such property, by condemnation, inverse condemnation, adverse possession, dedication by

adverse use or any other method or proceeding.

z. Taxes

Loss arising out of the improper administration or collection of taxes, or loss that reflects any tax obligation.

aa. Unlawful Personal Gains

Loss arising out of any insured's personal profit, advantage or compensation to which that insured is not legally entitled.

bb. Workers' Compensation And Similar Laws

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

SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we are investigating, any claim or "suit" we settle or any claim or "suit" against an insured we are defending:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We will not be the principal under these bonds, and we do not have to furnish these bonds.
3. All reasonable expenses incurred at our request by the insured who is an individual to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings of up to \$500 a day by that individual because of time off from work.
4. All costs taxed against the insured in the "suit", but only for that part of the judgment we pay.
5. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance. If we do not pay part of the judgment for any reason other than it is more than the applicable limit of insurance, we will not pay any interest that accrues on that portion of the judgment.

7. The cost of any required appeal bond for any judgment that we appeal, but only for bond amounts for that part of the judgment that is for damages to which this insurance applies and which are within the applicable limit of insurance. We will pay, or reimburse the insured for, the cost of a higher appeal bond amount if we are required to do so under the law that applies. We will not be the principal under any appeal bond, and we do not have to furnish any appeal bond.

These payments will not reduce the limits of insurance.

Our duty to make such payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Common Policy Declarations as a public entity, you are an insured. "Your boards" are also insureds. Your lawfully elected or appointed officials, "executive officers" or directors are also insureds, but only with respect to their duties as your elected or appointed officials, "executive officers" or directors.
2. Each of the following is also an insured:
 - a. Your "volunteer workers", but only while performing duties related to the conduct of your business, and your "employees", but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business.
 - b. Members of "your boards", but only for the conduct of their duties for you or for "your boards". "Employees" of "your boards" are also insureds, but only for work done within the scope of their employment by "your boards", or their performance of duties related to the conduct of the operations of "your boards".
 - c. Any legal representative of an insured that has died, or become mentally incompetent, insolvent or bankrupt, but only with respect to duties as such. That representative will have all the rights and duties of such insured under this Coverage Part.
3. Any of your lawfully elected or appointed officials, "executive officers", directors or "employees", or any members of "your boards", appointed at your request to serve with an outside tax ex-

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empt entity will be deemed to be acting within the scope of their duties for you.

SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations of this Coverage Part and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

The limits of insurance will not be reduced by the payment of the applicable deductible amount.

2. The Aggregate Limit is the most we will pay for the sum of all damages for the combined total of all claims or "suits" for loss.

If no amount is shown for the Aggregate Limit in the Declarations of this Coverage Part, the Aggregate Limit will be the higher of the Each Wrongful Act Limit or \$100,000.

3. Subject to Paragraph 2. above, the Each Wrongful Act Limit is the most we will pay for the sum of all damages for all claims or "suits" for loss caused by the same "wrongful act" or "related wrongful acts".

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

SECTION IV - DEDUCTIBLE

1. The Each Wrongful Act Deductible shown in the Declarations of this Coverage Part and the rules below fix the amount of damages and "defense expenses" incurred by, or on behalf of, you or any insured that you will be responsible for paying, regardless of the number of:
 - a. Insureds;
 - b. Claims made or "suits" brought; or
 - c. Persons or organizations making claims or bringing "suits".

The Each Wrongful Act Deductible does not apply to payments we make under

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Supplementary Payments, other than "defense expenses".

2. The Each Wrongful Act Deductible applies to all damages and "defense expenses" for all claims or "suits" for loss caused by the same "wrongful act" or "related wrongful acts".
3. The applicable limits of insurance will not be reduced by the amount of any damages or "defense expenses" within the deductible amount.
4. The terms of this policy, including those with respect to:
 - a. Our right and duty with respect to the defense of claims or "suits"; and
 - b. Your duties in the event of a "wrongful act", claim or "suit";apply irrespective of the application of the deductible amount.
5. If we settle a claim or "suit" for damages, or pay a judgment for damages awarded in a "suit", that are subject to a deductible, we may pay any part or all of the deductible amount. You will promptly reimburse us for such part of the deductible amount as we have paid.
6. If we pay "defense expenses" that are subject to a deductible, you will promptly reimburse us for such part of the deductible amount as we have paid.
7. If you do not reimburse us for a deductible amount that applies to damages or "defense expenses", and we are awarded the deductible amount we sought, or any part of that amount, in any legal proceeding against you, you agree to pay us the amount of the award and the following:
 - a. "Our deductible recovery expenses"; and
 - b. Interest, from the date of our notice of payment to you, on the deductible amount awarded to us.

SECTION V - PUBLIC ENTITY MANAGEMENT LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties In The Event Of A Wrongful Act, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of a "wrongful act" which may result in a

claim. To the extent possible, notice should include:

- (1) How, when and where the "wrongful act" was committed;
 - (2) The names and addresses of any persons or organizations sustaining loss, and the names and addresses of any witnesses;
 - (3) The nature and location of any loss caused by the "wrongful act"; and
 - (4) The names and addresses of each insured that committed the "wrongful act".
- b. If a claim or "suit" is made or brought against any insured, you must:
- (1) Immediately record the specifics of the claim or "suit" and the date received; and
 - (2) Notify us as soon as practicable.
- You must see to it that we receive written notice of the claim or "suit" as soon as practicable.
- c. You and any other involved insured must:
- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Cooperate with us in the investigation or settlement of the claim or defense against the claim or "suit"; and
 - (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of loss to which this insurance may also apply.
- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.
- e. The following provision applies to Paragraph a. above, but only for the purposes of the insurance provided under this Coverage Part to you or any insured listed in Paragraph 1. or 2. of Section II - Who Is An Insured:
- Notice to us of such "wrongful act" must be given as soon as practicable only after the "wrongful act" is

known by you or any "described authorized person".

3. Legal Action Against Us

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

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

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

4. Other Insurance

If valid and collectible other insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as described in Paragraphs **a.** and **b.** below.

As used anywhere in this Coverage Part, other insurance means insurance, or the funding of losses, that is provided by, through or on behalf of:

- (i) Another insurance company;
- (ii) Us or any of our affiliated insurance companies;
- (iii) Any risk retention group;
- (iv) Any self-insurance method or program, including any failure to buy insurance, or decision to not buy insurance, for any reason, in which case the insured will be deemed to be the provider of other insurance; or
- (v) Any similar risk transfer or risk management method.

Other insurance does not include umbrella insurance, or excess insurance, that was bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

a. Primary Insurance

This insurance is primary except when Paragraph **b.** below applies. If any other insurance is also primary,

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

b. Excess Insurance

This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is available to "your boards", members of "your boards" or "employees" of "your boards".

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

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

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all such other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision.

c. Method Of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each provider of insurance contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, the share of each provider of insurance is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all providers of insurance.

5. Premium Computation

We will compute all premiums for this Coverage Part in accordance with our rules and rates.

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6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

The unintentional omission of, or unintentional error in, any information provided by you which we relied upon in issuing this policy will not prejudice your rights under this insurance. However, this provision does not affect our right to collect additional premium or to exercise our rights of cancellation or nonrenewal in accordance with applicable insurance laws or regulations.

7. Separation Of Insureds

Except with respect to the limits of insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured shown in the Common Policy Declarations, this insurance applies:

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

8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover from others all or part of any payment we have made under this Coverage Part in connection with a claim or "suit", those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or initiate an alternative dispute resolution proceeding to enforce those rights, or will transfer those rights to us and help us enforce them.

We will apply any amounts recovered in enforcing those rights of recovery in the following order:

- a. First, we will reimburse any person or organization (including us or the insured) any amount that person or organization has paid in excess of the limits of insurance.
- b. Then, if there is any amount remaining, we will retain an amount equal to the amount we have paid under this Coverage Part in connection with the claim or "suit".

- c. Finally, if there is any amount remaining, we will pay that amount to the insured, including any amounts within any applicable deductible or self-insured retention.

If any amounts are recovered in enforcing those rights of recovery, reasonable expenses incurred in enforcing such rights will be shared among all persons or organizations receiving amounts recovered. Each such person's or organization's share of those expenses is based on the ratio of its amount recovered to the total amounts recovered by all such persons or organizations in enforcing such rights.

If the insured has agreed in a contract or agreement to waive that insured's right of recovery against any person or organization, we waive our right of recovery against such person or organization, but only for payments we make because of loss caused by a "wrongful act" committed subsequent to the execution of the contract or agreement.

9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Common Policy Declarations written notice of the nonrenewal not less than 30 days before the end of the policy period.

If such notice is mailed, proof of mailing will be sufficient proof of such notice.

SECTION VI - EXTENDED REPORTING PERIODS

1. We will provide one or more Extended Reporting Periods, as described below, if this Coverage Part is canceled or not renewed, or replaced or renewed by us with insurance that applies on other than a claims-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims or "suits" for loss caused by a "wrongful act" committed before the end of the policy period and after the Retroactive Date.
Once in effect, Extended Reporting Periods may not be canceled.
3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for 90 days.

The Basic Extended Reporting Period does not apply to claims or "suits" that are covered under any future insurance

Do not attach this form to a policy. It is for informational use only.

you purchase, or that would be covered under such insurance but for the exhaustion of its applicable limit of insurance.

4. The Basic Extended Reporting Period does not reinstate or increase the limits of insurance.
5. A Supplemental Extended Reporting Period of 12 months is available, but only by an endorsement and for an extra charge. This supplemental period replaces the Basic Extended Reporting Period.

The Supplemental Extended Reporting Period will not go into effect unless we receive all of the following within 90 days after the end of the policy period and you have fulfilled all other duties, and complied with all other conditions and requirements, under this policy:

- a. A written request from you to purchase the Supplemental Extended Reporting Period Endorsement;
- b. Full payment of the earned premium for this policy;
- c. Payment of the additional premium for the Supplemental Extended Reporting Period Endorsement; and
- d. Repayment of any deductible you owe us under this policy.

We will determine the additional premium for that endorsement in accordance with our rules and rates. The additional premium will not exceed 75% of the annual premium for this Coverage Part.

This endorsement will set forth the terms, not inconsistent with this Section VI - Extended Reporting Periods, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims or "suits" first made or brought against any insured during such period is excess over any valid and collectible other insurance available under insurance in force after the Supplemental Extended Reporting Period starts.

6. The Supplemental Extended Reporting Period does not reinstate or increase the limits of insurance.

SECTION VII - DEFINITIONS

1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers

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or supporters. For the purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Advertising injury" means injury, other than "personal injury", caused by one or more of the following offenses:
 - a. Oral or written publication, including publication by electronic means, of material in your "advertisement" that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged;
 - b. Oral or written publication, including publication by electronic means, of material in your "advertisement" that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life; or
 - c. Infringement of copyright, "title" or "slogan" in your "advertisement", provided that the claim is made or the "suit" is brought by a person or organization that claims ownership of such copyright, "title" or "slogan".
 3. "Authorized user" includes your customer, supplier or supporter.
 4. "Bodily injury" means:
 - a. Physical harm, including sickness or disease, sustained by a person; or
 - b. Mental anguish, injury or illness, or emotional distress, resulting at any time from such physical harm, sickness or disease.
 5. "Computer virus" means malicious code that is introduced through your web-site or "your computer or communications network". Once introduced, such code may destroy, alter, contaminate or de-

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grade the integrity, quality or performance of data of any computer application software, computer network, or computer operating system or related network.

6. "Coverage territory" means:

- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
- b. All other countries or jurisdictions in the world except the "prohibited area"; or
- c. International waters or airspace, unless the "wrongful act" is committed in the course of travel or transportation to, from or within the "prohibited area";

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

7. "Defense expenses":

- a. Means any of the following fees, costs or expenses which can be directly allocated to a particular claim or "suit":
 - (1) Fees of attorneys, or other authorized representatives where permitted, for legal services, whether by outside or staff representatives; or
 - (2) Court, alternative dispute resolution and other specific items of expense, whether incurred by an outside vendor or by one of our employees, including:
 - (a) Expert testimony;
 - (b) Autopsy;
 - (c) Witnesses and summonses;
 - (d) Copies of documents such as birth and death certificates and medical treatment records;
 - (e) Arbitration fees;
 - (f) Fees or costs for surveillance or other professional investigations which are conducted as part of handling of a claim or "suit"; and
 - (g) Fees or costs for loss prevention and engineering personnel for services which are conducted as part of handling of a claim or "suit".

b. Does not include:

- (1) Our expenses, including salaries, overhead and traveling expenses of our employees, except for those fees, costs or expenses described in Paragraphs **a.(1)** and **a.(2)** above incurred while handling a claim or "suit"; or
- (2) Fees paid to independent claims professionals or attorneys (hired to perform the function of claim investigation normally performed by claim adjusters), for developing and investigating a claim so that a determination can be made of the cause or extent of, or responsibility for, the loss, including evaluation and settlement of covered claims.

8. "Described authorized person" means:

- a. Any of your elected or appointed officials, "executive officers" or directors;
- b. Any member of "your boards"; or
- c. Your risk manager, or any leader of your legal, finance, risk management or other department that is responsible for insurance matters.

9. "Discrimination" means any violation of a person's rights with respect to:

- a. That person's race, color, national origin, religion, gender, marital status, age, sexual orientation, or physical or mental disability;
- b. Any other class or characteristic afforded rights under any federal, state, or local law, rule, or regulation.

10. "Employee" includes a "leased worker". "Employee" does not include a prisoner employed by any insured.

11. "Employment loss" means:

- a. Employment-related harm to any of your current, former or prospective "employees";
- b. Harm to any of your current, former or prospective "volunteer workers" in connection with their "volunteer worker" status; or
- c. Harm to any of your current or former "independent contractors" in connection with their "independent contractor" status.

12. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-

laws or any other similar governing document.

13. "Harassment" means any unwelcome sexual advance, request for any sexual favor, or other verbal, visual or physical conduct of a sexual or non-sexual nature, when such conduct:
- a. Is connected to a decision affecting a person's job performance for you or a person's performance of duties related to the conduct of your business;
 - b. Interferes with a person's job performance for you or a person's performance of duties related to the conduct of your business; or
 - c. Creates an intimidating, hostile, or offensive working environment affecting a person's job performance for you or a person's performance of duties related to the conduct of your business.
14. "Hazardous properties" includes radioactive, toxic or explosive properties.
15. "Independent contractor" means any person who is not the insured's "employee" or "volunteer worker", but who performs duties related to the conduct of the insured's business because of a contract or agreement between the insured and that person for specified services.
16. "Joint powers authority" means any organization formed by two or more public entities that have agreed in a contract or agreement to jointly exercise any power common to them.
17. "Law enforcement activities or operations":
- a. Means any of the official activities or operations of your police department, sheriff agency or other public safety organization, other than a fire district or department, that enforces the law and protects persons or property; and
 - b. Includes:
 - (1) Ownership, maintenance or use of a premises that you own, rent or borrow in order to conduct such activities or operations;
 - (2) Ownership or operation of any of your jails, penal institutions or similar facilities;
 - (3) Providing first aid at the time of an accident, crime or medical emergency;

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- (4) Providing school security; and
 - (5) "Moonlighting".
18. "Leased worker" means a person hired from a labor leasing firm under an agreement between the hirer and that firm to perform duties related to the conduct of the hirer's business.
19. "Moonlighting" means any secondary employment, or extra-duty assignment, approved by your police department, sheriff agency or other public safety organization that enforces the law and protects persons or property.
20. "Network and information security wrongful act" means any of the following committed by or on behalf of an insured in the conduct of your business:
- a. Failure to prevent the transmission of a "computer virus".
 - b. Failure to provide any "authorized user" of your web-site or "your computer or communications network" with access to such website or such computer or communications network.
 - c. Failure to prevent unauthorized access to, or use of, electronic data containing private or confidential information of others.
21. "Nuclear material" means any of the following materials defined in the Federal Atomic Energy Act or any of its amendments:
- a. Source material;
 - b. Special nuclear material; or
 - c. By-product material.
22. "Our deductible recovery expenses" means all fees, costs and expenses incurred by us and our attorneys to recover a deductible amount in a legal proceeding brought by us against you. But if the deductible amount awarded to us is less than the full amount of the deductible payment we sought, "our deductible recovery expenses" will be a proportional amount based on the ratio of the deductible amount awarded to the full amount of the deductible payment we sought.
23. "Personal injury" means injury, other than "advertising injury", caused by one or more of the following offenses:
- a. False arrest, detention or imprisonment;
 - b. Malicious prosecution;

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- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, provided that the wrongful eviction, wrongful entry or invasion of the right of private occupancy is committed by or on behalf of the owner, landlord or lessor of that room, dwelling or premises;
 - d. Oral or written publication, including publication by electronic means, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services, provided that the claim is made or the "suit" is brought by a person or organization that claims to have been slandered or libeled, or that claims to have had its goods, products or services disparaged; or
 - e. Oral or written publication, including publication by electronic means, of material that:
 - (1) Appropriates a person's name, voice, photograph or likeness;
 - (2) Unreasonably places a person in a false light; or
 - (3) Discloses information about a person's private life.
24. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
25. "Professional health care services" includes:
- a. Any medical, surgical, dental, laboratory, x-ray or nursing services, treatment, advice or instruction, or the related furnishing of food or beverages;
 - b. The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances;
 - c. The handling or treatment of corpses, including autopsies, organ donations and other postmortem procedures;
 - d. Any health or therapeutic service, treatment, advice or instruction;
 - e. Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement or personal grooming;
 - f. Any psychiatric, psychological or emotional counseling service, treatment, advice or instruction; or
 - g. The service by any person as a member of a formal accreditation, standards review, peer review or equivalent professional board or committee or member of any professional organization or committee.
26. "Prohibited area" means any country or jurisdiction while any trade sanction, embargo or similar regulation imposed by the United States of America applies to and prohibits the transaction of business with or within such country or jurisdiction.
27. "Property damage" means:
- a. Physical damage to tangible property of others, including all resulting loss of use of that property; or
 - b. Loss of use of tangible property of others that is not physically damaged.
- For the purposes of this insurance, data, including information, facts or programs in any electronic or other format, is not tangible property.
28. "Related wrongful acts" means two or more "wrongful acts" that have as a common connection, tie or link any fact, circumstance, situation, event, transaction, cause, or series of related facts, circumstances, situations, events, transactions or causes.
29. "Retaliatory action" includes any action directed at any person that is in response to that person's:
- a. Exercising any legally afforded right;
 - b. Supporting in any way another person's exercise of any legally afforded right;
 - c. Participating in any strike or lockout;
 - d. Making any claim or "suit" against you or any other insured;
 - e. Testifying against you or any other insured in any legal proceeding;
 - f. Declining to perform any illegal or unethical act; or
 - g. Threatened or actual reporting of any illegal operations or activities actually or allegedly conducted within your business.
30. "Slogan" means a phrase that others use for the purpose of attracting attention in their advertising.

- 31.** "Suit" means a civil proceeding that seeks damages. "Suit" includes:
- a.** An arbitration proceeding that seeks damages and to which the insured must submit or submits with our consent; and
 - b.** Any other alternative dispute resolution proceeding that seeks damages and to which the insured submits with our consent.
- 32.** "Title" means a name of a literary or artistic work.
- 33.** "Volunteer worker" means a person, other than a prisoner, who:
- a.** Is not acting within the scope of his or her employment as an "employee";
 - b.** Donates his or her work; and
 - c.** Is not paid a fee, salary or other compensation for that work.
- 34.** "Wrongful act" means any act, error or omission.
- 35.** "Wrongful employment practice offense" means any of the following offenses committed by or on behalf of an insured in the conduct of your business:
- a.** "Discrimination" against any of your current, former or prospective "employees" or "volunteer workers";
 - b.** Wrongful termination of any of your current, former or prospective "employees" or "volunteer workers";
 - c.** "Harassment" of any of your current, former or prospective "employees" or "volunteer workers", or current or former "independent contractors";

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- d.** "Retaliatory action" against any or your current, former or prospective "employees" or "volunteer workers";
 - e.** Wrongful, excessive, or unfair discipline of any of your current, former or prospective "employees" or "volunteer workers";
 - f.** Wrongful hiring, supervision, or demotion of, or failure to promote, any of your current, former or prospective "employees" or "volunteer workers"; or
 - g.** Misrepresentation to, or defamation, libel, slander, disparagement or invasion of privacy of, any of your current, former or prospective "employees" or "volunteer workers".
- 36.** "Your boards":
- a.** Means any board, commission, or other governmental unit or department that:
 - (1)** Is under your jurisdiction; and
 - (2)** Is funded and operated as part of your total operating budget.
 - b.** Does not include any "joint powers authority".
- 37.** "Your computer or communications network" means any computer or communications network that you rent, lease, license, or borrow from others, own or operate.

Do not attach this form to a policy. It is for informational use only.