



IRONSHORE SPECIALTY INSURANCE COMPANY

Mailing Address:
75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

**PUBLIC OFFICIALS LIABILITY INSURANCE POLICY
DECLARATIONS**

NOTICE:

THIS IS A CLAIMS-MADE AND REPORTED POLICY. EXCEPT TO SUCH EXTENT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS GENERALLY LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED IN WRITING TO THE INSURER PURSUANT TO THE TERMS HEREIN. PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE THEREUNDER WITH YOUR INSURANCE AGENT OR BROKER.

POLICY NUMBER: [...]

REPLACEMENT OF POLICY NUMBER: [...]

ITEM 1. PUBLIC ENTITY NAME AND ADDRESS:
[...]

ITEM 2. POLICY PERIOD: FROM: [...] **TO:** [...]
At 12:01 AM Standard Time at the Address of the Public Entity stated in ITEM 1

ITEM 3. LIMIT OF LIABILITY: [...] Aggregate
Crisis Management Coverage [...] Sublimit

ITEM 4. (a) DEDUCTIBLE: [...] Each Wrongful Act other than an Employment Practices Violation
(b) DEDUCTIBLE: [...] Each Employment Practices Violation

ITEM 5. PREMIUM: [...]

ITEM 6. NAME AND ADDRESS OF THE INSURER (hereinafter "Insurer")
(This policy is issued only by the insurance Insurer indicated below.)
[...]

ITEM 7. ADDITIONAL COVERED OPERATIONS

- | | | | |
|------------------------------|--------------------------|--------------------------|--------------------------|
| Port Authority | <input type="checkbox"/> | Housing Authority | <input type="checkbox"/> |
| Transit Authority | <input type="checkbox"/> | Utility Authority | <input type="checkbox"/> |
| Water/Sewer Authority | <input type="checkbox"/> | Other | <input type="checkbox"/> |

ITEM 8. DEFENSE COSTS LIMIT: [...]


ITEM 9. FORMS AND ENDORSEMENTS ATTACHED AT ISSUANCE:

ITEM 10. BROKER ADDRESS:

[...]

The Declarations, the signed and completed **Application** and the Policy, with endorsements, will constitute the contract between the **Insured** and the **Insurer** and this Policy is not valid unless signed below by a duly authorized representative of the **Insurer**.

Date:

By: _____



IRONSHORE SPECIALTY INSURANCE COMPANY

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75 Federal Street
5th Floor
Boston, MA 02110
Toll Free: (877) IRON411

Insured Name:
Policy Number:

PUBLIC OFFICIALS LIABILITY INSURANCE POLICY

In consideration of the premium charged, and in reliance upon the statements in the **Application** attached hereto and made a part hereof, and subject to the Limit of Liability stated in Item 3. of the Declarations and the terms and conditions contained herein, the **Insurer** and the **Insured** agree as follows:

1. INSURING AGREEMENT

- (a) **Public Entity Liability**
To pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** and **Defense Costs** resulting from any **Claim** first made against the **Insured** during the **Policy Period** or the Discovery Period (if applicable) and reported to the **Insurer** pursuant to the terms of this policy for any **Wrongful Act** of the **Insured** in the performance of duties for the **Public Entity**.
- (b) **Public Entity Crisis Management Coverage**
To reimburse the **Public Entity** those **Crisis Management Expenses** arising out of any **Crisis Events** occurring during the **Policy Period**, but only up to the Crisis Management Sub-Limit of Liability shown in Item 3. of the Declarations. The Crisis Management Sub-Limit of Liability shall be part of and not in addition to the policy aggregate Limit of Liability shown in Item 3. of the Declarations.

2. DEFENSE PROVISIONS

- (a) The **Insurer** shall have the right and duty to defend any covered **Claim** made against the **Insured** and reported to the **Insurer** pursuant to the terms of this policy, even if such **Claim** is groundless, false or fraudulent.
- (b) The **Insured** shall not admit liability for, or settle or negotiate to settle any **Claim** or incur any cost or expense without the prior written consent of the **Insurer**. The **Insurer** shall have the right to appoint counsel and to make such investigation and conduct negotiations and, with the written consent of the **Public Entity**, settle any **Claim** as the **Insurer** deems expedient. If the **Public Entity** refuses to consent to any settlement recommended by the **Insurer** and acceptable to the claimant, the liability of the **Insurer** shall not exceed: (i) the amount for which the **Claim** could have been settled, (ii) the costs and expenses incurred with the **Insurer's** consent up to the date of such refusal, plus (iii) sixty percent (60%) of the costs and expenses incurred with the **Insurer's** consent subsequent to the date of such refusal.
- (c) The **Insurer** shall not be obligated to investigate, defend, pay **Damages** or pay **Defense Costs** or to undertake or continue defense of any **Claim** after the Limit of Liability set forth in Item 3. of the

Declarations has been exhausted. In such event, the **Insurer** shall withdraw from the investigation, defense, payment or settlement of such **Claim** and shall tender the investigation, defense and control of such **Claim** to the **Insured**.

- (d) The **Insureds** shall cooperate with the **Insurer** and provide the **Insurer** with all information and assistance which the **Insurer** reasonably requests including but not limited to, attending hearings and depositions, assisting in the making of settlements, securing and providing evidence, obtaining the attendance of witnesses, and conducting defense of any **Claim** covered under the policy. The **Insureds** shall do nothing that may prejudice the **Insurer's** position.

3. DEFINITIONS

- (a) **Adverse Publicity** shall mean the publication of unfavorable information regarding the **Public Entity** which can reasonably be considered to materially reduce public confidence in the competence, integrity or viability of the **Public Entity** to conduct business. Such publication must occur in a report about an **Insured** appearing in:

- (1) a daily newspaper of general circulation; or
- (2) a radio or television news program.

- (b) **Application** shall mean each and every signed application submitted to the **Insurer** for consideration of insurance together with any attachments to such applications, other materials submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy. **Application** shall also mean any public documents filed by the **Public Entity** within the past twelve (12) months with any federal, state, local or foreign governmental entity.

- (c) **Claim** shall mean:

- (1) a written demand against an **Insured** for monetary **Damages** or non-monetary or injunctive relief;
- (2) an administrative proceeding alleging a **Wrongful Act**, provided an enforceable award of **Damages** can be made against an **Insured** in the administrative proceeding;
- (3) any criminal proceeding which is commenced by the return of an indictment or similar document;
- (4) any proceeding brought by or before the Equal Employment Opportunity Commission or similar state or local agency, commenced by the filing of a notice of charges, formal order of investigation or similar document; or
- (5) any written request of an **Insured** to toll or waive any statute of limitations.

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

- (d) **Crisis Event** shall mean any of the following:

- (1) Management Event: The incapacity, death or state or federal criminal indictment of a natural person **Insured** for whom the **Public Entity** has purchased and continues to maintain key individual life insurance;

- (2) Funding Cancellation: The cancellation, withdrawal or revocation of \$500,000 or more in funding, donation(s), grant(s) or bequest(s) by a non-government entity or person to the **Public Entity**;
 - (3) Bankruptcy: The disclosure by the **Public Entity** of (i) its intention to file or its actual filing for protection under federal bankruptcy laws, or (ii) a third-party's intention to file or its actual filing of an involuntary bankruptcy petition under federal bankruptcy laws with respect to the **Public Entity**;
 - (4) Employment Event: The disclosure by the **Public Entity** of the threatened or actual commencement by a third party of an action, audit or investigation alleging an **Employment Practices Violation** by the **Public Entity** which has caused or is reasonably likely to cause **Adverse Publicity**; and
 - (5) Material Event: Any other material event which, in the good faith opinion of the **Public Entity**, has caused or is reasonably likely to result in **Adverse Publicity**, but only if such material event is scheduled for coverage by written endorsement to this policy.
- (e) **Crisis Management Expense** shall mean the following expenses incurred by the **Public Entity** during a period beginning ninety (90) days prior to and in reasonable anticipation of a **Crisis Event** and ending ninety (90) days after an actual or reasonably anticipated **Crisis Event**, irrespective of whether a **Claim** is actually made with respect to the subject **Crisis Event**; provided, however, that the **Insurer** must have been notified of the **Crisis Management Expense** within thirty (30) days of the date the **Public Entity** first incurs the **Crisis Management Expense**:
- (1) The reasonable and necessary expenses directly resulting from a **Crisis Event** which the **Public Entity** incurs for **Crisis Management Services** provided to the **Public Entity** by a **Crisis Management Firm**; and
 - (2) The reasonable and necessary expenses directly resulting from a **Crisis Event** which the **Public Entity** incurs for (i) advertising, printing, or mailing of matter relevant to the **Crisis Event**, and (ii) out of pocket travel expenses incurred by or on behalf of the **Public Entity** or the **Crisis Management Firm**; provided, however, **Crisis Management Expense** does not include those amounts which otherwise would constitute compensation, benefits, fees, overhead, charges or expenses of an **Insured** or any of the **Insured's Employees**.
- (f) **Crisis Management Firm** shall mean a marketing firm, public relations firm, law firm or other professional services entity retained by the **Insurer**, or by the **Public Entity** with the **Insurer's** prior written consent, to perform **Crisis Management Services** arising from a **Crisis Event**.
- (g) **Crisis Management Services** shall mean the professional services provided by a **Crisis Management Firm** in counseling or assisting the **Public Entity** in reducing or minimizing the potential harm to the **Public Entity** caused by the public disclosure of a **Crisis Event**.
- (h) **Damages** shall mean compensatory damages (including back pay and front pay), judgments, any award of prejudgment and post-judgment interest, and settlements which the **Insured** becomes legally obligated to pay. Such **Damages** shall also include punitive and exemplary damages and the multiple portion of any multiplied damage award, if and to the extent such **Damages** are insurable under the law of the applicable jurisdiction most favorable to the insurability of such damages.

Damages shall not include (i) any amount for which an **Insured** is not financially liable or which is without legal recourse to the **Insured**; (ii) taxes, fines or penalties; (iii) the cost to comply with any injunctive or other non-monetary relief, including specific performance, or any agreement to provide such relief; (iv) employment related benefits of any kind, including, but not limited to, termination payments, severance, perquisites, or deferred compensation; (v) any liability or costs incurred in connection with any educational, sensitivity, or other program, policy, seminar or monitoring relating

to or arising out of a **Claim**; or (vi) matters which may be deemed uninsurable under the law pursuant to which this policy may be construed.

- (i) **Defense Costs** shall mean reasonable and necessary fees, costs, and expenses incurred by the **Insurer**, or incurred by the **Insured** with the written consent of the **Insurer**, (including premiums for any appeal bond, attachment bond, or similar bond but without any obligation to apply for or furnish any such bond) resulting from the investigation, adjustment, defense, and appeal of a **Claim** against any **Insured**; provided, however, that **Defense Costs** do not include salaries of employees or officers of any **Insured**.
- (j) **Employee** shall mean any natural person whose labor or services are engaged and directed by the **Public Entity** (including any full-time, part-time, seasonal or temporary **Employee**) and any natural person who is leased to the **Public Entity** or who is an independent contractor for the **Public Entity**, but only if the **Public Entity** provides indemnification to such leased employees or independent contractors in the same manner as is provided to the **Public Entity's** employees.

Employee shall not include persons providing services to the **Insured** under a mutual aid agreement or any similar agreement.

- (k) **Employment Practice Violation(s)** shall mean 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 sexual harassment whether "quid pro quo", hostile work environment or otherwise);
 - (3) discrimination, (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy or disability);
 - (4) **Retaliation** (including lockouts);
 - (5) employment-related misrepresentation(s) to an **Employee** or applicant for employment with the **Public Entity**;
 - (6) wrongful failure to employ or promote;
 - (7) 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;
 - (8) wrongful discipline;
 - (9) failure to provide or enforce adequate or consistent policies and procedure relating to any **Employment Practices Violation**;
 - (10) violation of an individual's civil rights relating to any of the above but only if the **Employment Practices Violation** relates to an **Employee** or applicant for employment with the **Public Entity** whether direct, indirect, intentional or unintentional;
 - (11) employment related libel, slander, defamation, or invasion of privacy;

Employment Practice Violation shall also mean discrimination, sexual harassment or violation of the civil rights of an individual relating to such discrimination or sexual harassment in a **Claim** brought by any patient, member, customer, client or supplier of the **Public Entity**.

- (l) **Insured** shall mean the **Public Entity** and:
 - (1) all persons who were, now are or shall be lawfully elected or appointed officials or **Employees** while acting for or on behalf of the **Public Entity**;
 - (2) commissions, boards, or other units, and members and **Employees** thereof, operated by and under the jurisdiction of such **Public Entity** and within an apportionment of the total operating budget indicated in the **Application** for this policy;
 - (3) volunteers acting for or on behalf of, and at the request and under the direction of, the **Public Entity**;
 - (4) officials and **Employees** of the **Public Entity** appointed at the request of the **Public Entity** to serve with an outside tax exempt entity.
- (m) **Insurer** shall mean the company stated in Item 6 of the Declarations.
- (n) **Interrelated Wrongful Act(s)** shall mean **Wrongful Acts** which are the same, related or continuous, or **Wrongful Acts** which arise from a common nucleus of facts. **Claims** can allege **Interrelated Wrongful Act(s)** regardless of whether such **Claims** involve the same or different claimants, **Insureds** or legal causes of action.
- (o) **Policy Period** shall mean the period from the inception date of this policy shown in Item 2 of the Declarations to the earlier of the expiration date shown in item 2. of the Declarations or the effective date of cancellation of this policy.
- (p) **Public Entity** shall mean the municipality, governmental body, department or unit which is named in Item 1. of the Declarations.
- (q) **Retaliation** shall mean a **Wrongful Act** of an **Insured** relating to or alleged to be in response to any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** of the **Public 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 actual or attempted exercise by an **Employee** of the **Public Entity** of any right that such **Employee** has under law, including rights under workers' 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; (4) strikes by employees of the **Public Entity** or (5) political affiliation:
- (r) **Wrongful Act** shall mean any actual or alleged breach of duty, neglect, error, misstatement, misleading statement, omission or **Employment Practices Violation** by an **Insured** solely in the performance of duties for the **Public Entity**.

4. EXTENSIONS

- (a) Estates and Legal Representatives
Subject otherwise to the terms hereof, the policy shall cover **Claims** made against the estates, heirs, or legal representatives of deceased **Insureds**, and the legal representatives of **Insureds** in the event of an **Insured's** incompetency, insolvency or bankruptcy, who were **Insureds** at the time the **Wrongful Acts** upon which such **Claims** are based were committed.

- (b) Lawful Spouse or Domestic Partner
Subject otherwise to the terms hereof, this policy shall cover **Claims** made against the lawful spouse or domestic partner (whether such status is derived by reason of statutory law, common law or otherwise of any applicable jurisdiction in the world) of an **Insured** for all **Claims** arising solely out of his or her status as the spouse of an **Insured**, including a **Claim** that seeks **Damages** recoverable from marital community property, property jointly held by the **Insured** and the spouse or domestic partner, or property transferred from the **Insured** to the spouse or domestic partner; provided, however, that this extension shall not afford coverage for any **Claim** for any **Wrongful Act** of the spouse or domestic partner, but shall apply only to **Claims** arising out of the **Wrongful Acts** of an **Insured**, subject to the policy's terms, conditions and exclusions.

5. EXCLUSIONS

This policy does not apply to any **Claim**:

- (a) alleging, arising out of, based upon or attributable to fraud, dishonesty or criminal acts or omissions by an **Insured**; however, the **Insured** shall be reimbursed for the reasonable amount which would have been collectible under this policy if such allegations are not subsequently proven;
- (b) seeking relief or redress in any form other than monetary **Damages**, or attorney's fees, costs or expenses which the **Insured** shall become obligated to pay as a result of an adverse judgment or settlement for a **Claim** seeking such relief; however, the **Insurer** shall defend such a **Claim** in accordance with Clause 2, subject to a **Policy Period** aggregate limit of \$100,000 for all such **Defense Costs**. This limit shall be part of, and not in addition to, the Limit of Liability stated in Item 3. of the Declarations;
- (c) alleging, arising out of, based upon or attributable to false arrest, detention or imprisonment; assault or battery; malicious prosecution or abuse of process; disparagement or defamation of character including, but not limited to, libel, slander or violation of an individual's right of privacy; or wrongful entry or eviction or other invasion of the right of private occupancy;
- (d) alleging, arising out of, based upon or attributable to bodily injury to, or sickness, disease or death, or mental anguish of any person, or loss of or damage to or destruction of any property, including the loss of use thereof; provided, however, that this Exclusion shall not apply to mental anguish or emotional distress arising out of an **Employment Practices Violation**;
- (e) alleging, arising out of, based upon or attributable to the operation of the laws, and principles of eminent domain, condemnation, inverse condemnation, temporary or permanent taking, adverse possession or dedication by adverse use;
- (f) alleging, arising out of, based upon or attributable to strikes, riots or civil commotions;
- (g) alleging, arising out of, based upon or attributable to the failure to effect or maintain any insurance or bond, which shall include, but not be limited to, insurance provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, retention groups, reciprocal exchanges or any other plan or agreement of risk transfer or assumption; provided, however, this exclusion shall not apply to **Defense Costs**;
- (h) alleging, arising out of, based upon or attributable to:
- (1) the gaining in fact of any profit, remuneration or advantage to which the **Insured** is not legally entitled; however, the **Insured** shall be reimbursed for the amount of profit, remuneration of advantage that would have been collectible under this policy if such allegations are not subsequently proven;

- (2) the return of taxes; assessments; penalties, fines or fees;
- (i) alleging, arising out of, based upon, attributable to, or in any way involving, directly or indirectly;
 - (1) the actual , alleged, or threatened discharge, dispersal, release or escape of Pollutants, or
 - (2) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants.
- "Pollutants" include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, asbestos, lead and Waste. "Waste" includes, but is not limited to, materials to be recycled, reconditioned or reclaimed;
- (j) alleging, arising out of, based upon, or attributable to the planning, construction, maintenance, operation or use of any nuclear reactor, nuclear waste storage or disposal site or any other nuclear facility, or the transportation of nuclear material;
- (k) brought by or on behalf of one **Insured** against another **Insured**, however, as respects any **Claim** alleging an **Employment Practices Violation**, this exclusion shall only apply to cross claims or counterclaims brought by one **Insured** against another **Insured**;
- (l) alleging, arising out of, based upon, or attributable to:
 - (1) breach of any express, implied, actual or constructive contract, warranty, guarantee or promise except this exclusion shall not apply to any **Claim** alleging an **Employment Practices Violation**;
 - (2) any construction, architectural or engineering contracts and/or agreements or the actual or alleged liability assumed by the **Insured** under any express, implied, actual or constructive contract or agreement, unless such liability would have attached to the **Insured** even in the absence of such contract or agreement.
- (m) alleging, arising out of, based upon, or attributable to the operation of or activities of any schools, airports, hospitals, clinics, nursing homes or other health care operations or the providing of any medical services, utilities, housing authorities, jails or detention facilities, law enforcement agencies or fire fighting authorities, unless specifically included in Item 7. of the Declarations or by endorsement attached;
- (n) alleging, arising out of, based upon, or attributable to the improper administration or collection of taxes, or loss that reflects any tax obligation;
- (o) alleging, arising out of, based upon or attributable to:
 - (1) any prior or pending litigation or administrative or regulatory proceeding, or any U.S. Equal Employment Opportunity Commission or similar state, local or foreign agency proceeding or investigation, filed on or before the effective date of the first policy issued and continuously renewed by the **Insurer**, or the same or substantially the same **Wrongful Act**, fact, circumstance or situation underlying or alleged therein; or,
 - (2) any other **Wrongful Act** whenever occurring which, together with a **Wrongful Act** underlying or alleged in such prior or pending proceeding, would constitute **Interrelated Wrongful Acts**.
- (p) alleging, arising out of, based upon or attributable to the facts alleged, or to the same or related **Wrongful Acts** alleged or contained, in any **Claim** which has been reported, or in 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;

- (q) alleging, arising out of, based upon or attributable to any **Wrongful Act** prior to the inception date of the first policy issued by the **Insurer** and continuously renewed and maintained, if on or before such date any **Insured** knew or could have reasonably foreseen that such **Wrongful Act** could lead to a **Claim**;
- (r) alleging, arising out of, based upon or attributable to any obligations 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 a **Claim** for **Retaliation**;
- (s) alleging, arising out of, based upon or attributable to any **Insured's** activities as a trustee or fiduciary as respects any type of employee benefit plan, including any pension, savings or profit sharing plan or to any amounts or benefits due under any fringe benefit program, retirement program, incentive program, perquisite program, entitlement program or other benefits owed or allegedly owed to any **Employee**;
- (t) alleging, arising out of, based upon or attributable to any violation of the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, any rules or regulations of the foregoing promulgated thereunder and amendments thereto or any similar provisions of any federal, state, local or foreign statutory law or common law; provided however, this exclusion shall not apply to a **Claim** for **Retaliation**;
- (u) alleging, arising out of, based upon or attributable to any costs or liability incurred by any **Insured** to modify any building, property or facility to make said building, property or facility more accessible or accommodating to any disabled person as mandated by the Americans With Disabilities Act of 1992, and as amended, or any similar federal, state or local law, regulation or ordinance;
- (v) alleging, arising out of, based upon or attributable to any misappropriation of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right;
- (w) alleging, arising out of, based upon or attributable to any **Wrongful Acts** committed by any **Insured** in the rendering or failure to render professional services in their capacity as architects, engineers, attorneys or accountants;
- (x) alleging, arising out of, based upon, or attributable to the refusal, failure or inability of any **Insured** to pay wages or overtime pay for services rendered (hereinafter "Earned Wages") or for improper payroll deductions taken by any **Insured** from any employee, including but not limited to (i) any unfair business practices **Claim** alleged because of the failure to pay Earned Wages or (ii) any **Claim** seeking Earned Wages because any employee or purported employee was improperly classified or mislabeled as "exempt". However, this exclusion shall not apply to a **Claim** for **Retaliation**.

6. LIMIT OF LIABILITY

- (a) Payment of **Defense Costs** Without Reduction of the Limit of Liability
 - (1) The **Insurer** shall pay **Defense Costs** in excess of the applicable **Deductible** and up to an aggregate amount equal to the amount listed in Item 8. of the Declarations without reduction of the Limit of Liability stated in Item 3. of the Declarations. The total amount of **Defense Costs** payments by the **Insurer** shall be capped at the amount of set forth in Item 8. of the Declarations and is not on a per **Claim** basis.

- (2) Once the **Insurer** has paid the amount set forth in Item 8. of the Declarations in aggregate **Defense Costs** arising from or relating to any and all matters, all further payments by the **Insurer** of **Defense Costs** shall reduce the applicable Limit of Liability.

(b). Limit of Liability

- (1) Except as otherwise stated in Section 6. A, the total liability of the **Insurer** for all **Damages** and **Defense Costs** arising from all **Claims** made against the **Insured** during the **Policy Period** and during the Discovery Period, if applicable, shall not exceed the Limit of Liability stated in Item 3. of the Declarations.
- (2) If additional **Claims** are subsequently made which arise out of, are related to, or are based upon the same **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts** as any **Claims** already made and reported to the **Insurer**, then all such **Claims**, whenever made, shall be considered first made within the **Policy Period** or the Discovery Period in which the earliest **Claim** arising out of, related to or based upon such **Wrongful Act** or series of continuous, repeated or **Interrelated Wrongful Acts** was first made and reported to the **Insurer**, and all such **Claims** shall be subject to one such Limit of Liability.
- (3) Except as stated otherwise in Section 6. A., any payment of **Damages** or **Defense Costs** by the **Insurer** will reduce the Limit of Liability stated in Item 3. of the Declarations.
- (4) **Public Entity Crisis Management Expenses** as provided under Section I. (b) shall be subject to a sublimit of liability of \$??Value (“Crisis Management Sub-Limit of Liability”) shown in Item 3. of the Declarations. No Deductible shall apply to **Crisis Management Expenses**. The Crisis Management Sub-Limit of Liability shall be the **Insurer’s** maximum liability for all **Crisis Events** occurring during the **Policy Period** and such sub-limit shall be part of and not in addition to the Limit of Liability shown in Item 3. of the Declarations.
- (5) Once the Limit of Liability has been exhausted by payments of any **Damages, Defense Costs** or **Crisis Management Expenses**, (regardless of whether the payment by the **Insurer** of **Defense Costs** under Section 6. A. has exhausted, reached or exceeded the amount set forth in Item 8. of the Declarations), the obligations of the **Insurer** under this Policy shall be completely fulfilled and extinguished.

7. DEDUCTIBLE

Subject to the Limit of Liability, exclusions and other terms of this policy, the **Insurer** shall only be liable for those **Damages** and **Defense Costs** which are in excess of the Deductible stated in Items 4(a) or 4(b) of the Declarations. This Deductible shall apply to each **Wrongful Act** or **Employment Practice Violation** or series of continuous, repeated or **Interrelated Wrongful Acts** or **Employment Practice Violations** and shall be borne by the **Public Entity** and remain uninsured. The **Public Entity** shall also be responsible for payment of the Deductible. The **Insurer** may direct the **Public Entity** to make partial or full payment of the Deductible to others. In the event of a **Claim** brought solely against a natural person **Insured(s)** and for which the **Public Entity** is not required or permitted to advance costs or indemnify such natural person **Insured(s)** for **Defense Costs** or **Damages**, no Deductible shall apply.

8. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to the **Insurer** named in Item 6. of the Declarations at the address indicated in Item 6. of the Declarations.

If mailed, the date of the mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice. A **Claim** shall be considered to have been first made against an **Insured** when written notice of such **Claim** is received by any **Insured**, by the **Public Entity** on the behalf of any **Insured** or by the **Insurer**, whichever comes first.

- (a) The **Public Entity** or the **Insureds** shall, as a condition precedent to the obligations of the **Insurer** under this policy, give written notice to the **Insurer** of any **Claim** made against an **Insured** as soon as practicable and either:
 - (1) anytime during the **Policy Period** or during the Discovery Period (if applicable)
 - (2) within forty-five (45) days after the end of the **Policy Period** or Discovery Period (if applicable).
- (b) If written notice of a **Claim** has been given to the **Insurer** pursuant to Clause 8.(a) above, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** arising out of, related to or based upon the facts alleged in the **Claim** for which such notice has been given, or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged in the **Claim** of which such notice has been given, shall be considered made at the time such earlier notice was given.
- (c) If during the **Policy Period** or during the Discovery Period (if applicable) the **Public Entity** or the **Insureds** shall become aware of any circumstances which may reasonably be expected to give rise to a **Claim** being made against the **Insureds** and shall give written notice to the **Insurer** of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to dates, persons and entities involved, then any **Claim** which is subsequently made against the **Insureds** and reported to the **Insurer** arising out of, related to or based upon such circumstances or alleging any **Wrongful Act** which is the same as or related to any **Wrongful Act** alleged or contained in such circumstances, shall be considered made at the time such notice of such circumstances was given.

9. DISCOVERY CLAUSE

- (a) Automatic Discovery Period

If the **Insurer** or the **Public Entity** shall cancel or refuse to renew this policy and the **Public Entity** does not obtain replacement coverage as of the effective date of such cancellation or nonrenewal, the **Public Entity** shall have the right to a period of sixty (60) days following the effective date of such cancellation or non-renewal in which to give written notice to the **Insurer** of any **Claim** made against the **Insured** during said sixty (60) day period for any **Wrongful Act** before the end of the **Policy Period**. This Automatic Discovery Period shall immediately expire upon the purchase of replacement coverage by the **Public Entity**.

- (b) Optional Discovery Period

If the **Insurer** or the **Public Entity** shall cancel or refuse to renew this policy, the **Public Entity** shall have the right, upon payment of an additional premium of one hundred percent (100%) of the annual policy premium (or if the **Policy Period** is other than annual, one hundred percent (100%) of the annualized premium), to a period of twelve (12) months following the effective date of such cancellation or non-renewal in which to give written notice to the **Insurer** of any **Claim** made against the **Insured** during said twelve (12) month period for any **Wrongful Act** before the end of the **Policy Period**. This right shall terminate, however, unless written notice of such election together with the additional premium due is received by the **Insurer** within thirty (30) days after the effective date of cancellation or non-renewal. This clause and the rights contained herein shall not apply to any cancellation resulting from non-payment of premium.

10. CANCELLATION CLAUSE

This policy may be canceled by the **Public Entity** by surrender of this policy or by giving written notice to the **Insurer** stating when thereafter such cancellation shall be effective. This policy may also be canceled by the **Insurer** by mailing to the **Public Entity** by registered, certified, or other first class mail, at the **Public Entity's** address shown in Item 1. of the Declarations, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. However, if the **Insurer** cancels this policy because the **Public Entity** has failed to pay a premium when due, or has failed to reimburse the **Insurer** such amounts as the **Insurer** has paid as **Damages** or **Defense Costs** within the amount of the applicable Deductible, or excess of the Limit of Liability, this policy may be canceled by the **Insurer** by mailing to the **Public Entity** by registered, certified, or other first class mail, at the address shown in Item 1. of the Declarations, written notice stating when, not less than ten (10) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice.

If this policy shall be canceled by the **Public Entity**, the **Insurer** shall retain the customary short rate proportion of the premium hereon. If this policy shall be canceled by the **Insurer**, the **Insurer** shall retain the pro rata proportion of the premium hereon. Payment or tender of any unearned premium by the **Insurer** shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

11. REIMBURSEMENT OF THE INSURER

If the **Insurer** has paid any **Damages** or **Defense Costs** in excess of the Limit of Liability or **Damages** or **Defense Costs** within the applicable Deductible, the **Insureds**, jointly and severally, shall be liable to the **Insurer** for any and all such amounts and, upon demand, shall pay such amounts to the **Insurer**.

12. SUBROGATION

In the event of any payment under this policy, the **Insurer** shall be subrogated to all the **Insured's** rights of recovery against any person or organization, and the **Insured** shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights for the **Insurer**. The **Insured** shall do nothing to prejudice such rights. Any amount recovered in excess of the total payment by the **Insurer** shall be restored to the **Insured**, less the cost to the **Insurer** of recovery.

13. OTHER INSURANCE

Insurance as is provided under this policy shall apply only as excess over any other valid and collectible insurance, self insurance, or indemnification or any similar agreement whether such other insurance or agreement is stated to be primary, pro rata, contributory, excess, contingent or otherwise.

14. NOTICE AND AUTHORITY

By the acceptance of this policy, the **Public Entity** agrees to act on behalf of all **Insureds** with respect to the giving of notice of **Claim**, the giving or receiving of notice of cancellation or non renewal, the payment of premiums, the receiving of any premiums that may become due under this policy, consenting to any settlement and exercising the right to the Discovery Period. All **Insureds** agree that the **Public Entity** shall act on their behalf.

15. ASSIGNMENT

Assignment of interest under this policy shall not bind the **Insurer** until its consent is endorsed hereon; however, subject otherwise to the terms hereof, this policy shall cover the estate, heirs, legal representatives or assigns of the **Insured** in the event of the death, bankruptcy or insolvency of the **Insured** or the **Insured** being adjudged incompetent.

16. ACTION AGAINST THE INSURER

No action shall lie against the **Insurer** unless, as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this policy, nor until the amount of the obligation of the **Insured** to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the **Insurer**.

Any **Insured** or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No **Insured** shall have any right under this policy to join the **Insurer** as a party to any action against other **Insureds** or the **Public Entity** to determine the **Insured's** liability, nor shall the **Insurer** be impleaded by the **Insureds** or the **Public Entity** or their legal representatives. Bankruptcy or insolvency of the **Insured** or the estate of the **Insured** shall not relieve the **Insurer** of any obligation hereunder.

17. REPRESENTATIONS AND SEVERABILITY

In granting coverage under this policy, it is agreed that the **Insurer** has relied upon the statements and representations contained in the **Application** for this policy (including materials submitted thereto and, if this is a renewal **Application**, all such previous policy **Applications** for which this policy is a renewal) as being accurate and complete. All such statements and representations shall be deemed to be material to the risk assumed by the **Insurer**, are the basis of this policy and are to be considered as incorporated into this policy.

With respect to such statements and representations, no knowledge or information possessed by any **Insured** shall be imputed to any other **Insured**, if any person who executed the **Application** knew that such statement or representation was inaccurate or incomplete, such statement shall not be imputed to any **Insured** other than such signator and any other **Insureds** who knew such statement or representation was inaccurate or incomplete.


18. POLICY TERRITORY

This policy applies to **Wrongful Acts** committed anywhere in the world provided the **Claim** is made in the United States of America, its territories or possessions, or Canada.

19. HEADINGS

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

Ironshore Specialty Insurance Company by:



Secretary



President