

Policy No.:
Renewal of Policy No.:

Admiral Insurance Company
(hereinafter called the Company)
c/o Berkley Medical Excess Underwriters, LLC
390 South Woods Mill Road, Suite 125 Chesterfield, MO 63017

HEALTHCARE FACILITY FOLLOW FORM EXCESS LIABILITY INSURANCE

DECLARATIONS

1. **NAMED INSURED:** (Insert Name of **Insured**)
2. **ADDRESS:** (Insert Number, Street, City, State, Zip Code)
3. **POLICY PERIOD:** From: _____ To: _____
(12:01 A.M. Standard Time)
4. **COVERAGE:** Healthcare Facility Follow Form Excess Liability Insurance
5. **COMPANY'S LIMIT OF LIABILITY:**
A. \$ _____ each **Loss Event**
B. \$ _____ Policy Period Aggregate
6. **PREMIUM:** \$ _____
7. **RETROACTIVE DATE:**
If any of the coverages set forth in the Schedule of Underlying are written on a "Claims-Made" basis, then the **Retroactive Date** of this Policy is the same as the **Retroactive Date** contained in the **Underlying Insurance** unless stated herein:

8. **MINIMUM AND FULLY EARNED PREMIUM:** 25%
9. **ENDORSEMENTS:** Refer to Schedule of Forms and Endorsements

Countersignature (in states where applicable)

Authorized Representative

The Declarations, together with the Schedule of Underlying, and applicable coverage forms and endorsements constitute the entire Policy. Terms that appear in " " have special meaning and are defined in the applicable policy provision. Terms that appear in bold faced type also have special meaning and are defined in Section V. DEFINITIONS.

SPECIMEN

Healthcare Facility Follow Form Excess Liability Insurance

Schedule of Forms and Endorsements

This endorsement, effective _____ forms a part of Policy No. _____ issued to _____
by Admiral Insurance Company.

Forms and Endorsements forming a part of this Policy at time of issuance:

DESCRIPTION	FORM NUMBER AND EDITION DATE
Policy Jacket	J1001 (01/02)
Declarations	(Insert Form Number and Edition Date)
Schedule of Underlying	(Insert Form Number and Edition Date)
Healthcare Facility Follow Form Excess Liability Insurance	(Insert Form Number and Edition Date)
Endorsement No. 1	(Insert Form Number and Edition Date)
Endorsement No. 2	
Endorsement No. 3	
Endorsement No. 4	
Endorsement No. 5	

All other terms, conditions, definitions, and exclusions of the Policy remain unchanged.

Schedule of Underlying

This endorsement effective _____ forms a part of Policy No. _____ issued to _____ by Admiral Insurance Company.

UNDERLYING LIMITS OF LIABILITY

- | | | | |
|----|---|----|-------------------------|
| A. | Excess Liability | \$ | Each Loss Event |
| | Which is excess of: | \$ | Policy Period Aggregate |
| B. | Excess Liability
(Governing Underlying) | \$ | Each Loss Event |
| | Which is excess of: | \$ | Policy Period Aggregate |
| C. | Healthcare Facility Professional Liability | \$ | Each Loss Event |
| | | \$ | Policy Period Aggregate |
| D. | Physicians Professional Liability | \$ | Each Loss Event |
| | | \$ | Policy Period Aggregate |
| E. | Healthcare Facility General Liability | \$ | Each Loss Event |
| | | \$ | Policy Period Aggregate |
| F. | Commercial Automobile Liability | \$ | Each Loss Event |
| G. | Employers Liability | \$ | Each Loss Event |
| H. | Helipad Liability | \$ | Each Loss Event |
| I. | Managed Care E&O | \$ | Each Loss Event |
| J. | Employee Benefits Liability | \$ | Each Loss Event |
| K. | Non-Owned Aircraft Liability | \$ | Each Loss Event |

CONTINUING UNDERLYING AMOUNT \$

UNDERLYING POLICIES

Excess Liability
(Governing Underlying)

Carrier:
Policy Number:
Limits:

All other terms, conditions, definitions, and exclusions of the Policy remain unchanged.

HEALTHCARE FACILITY FOLLOW FORM EXCESS LIABILITY INSURANCE

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SPECIMEN

HEALTHCARE FACILITY FOLLOW FORM EXCESS LIABILITY INSURANCE

Certain coverage afforded by this policy is claims-made and applies only to **claims** first made and reported in accordance with the provisions of this policy. Please read the policy carefully

In consideration of the payment of premium and subject to the Insuring Agreements, Definitions, Conditions, Exclusions and other terms contained in this Policy and in reliance upon the statements made in the application and the Declarations, the Company agrees with the **Named Insured** as follows:

I. INSURING AGREEMENT

- A. The Company agrees to indemnify the **Insured** for **Loss** covered by the **Underlying Insurance**. The provisions of the **Underlying Insurance** are incorporated as part of this Policy except for:
1. any provision which applies to or imposes an obligation or duty to defend;
 2. the Limit of Liability; and
 3. any other term or condition which is inconsistent with any term or condition of this Policy. In the event of any inconsistency, the terms and conditions of this Policy will control.
- B. The Company will indemnify the **Insured** for **Loss** covered by the **Underlying Insurance** and this insuring agreement, only after the **Underlying Limits of Liability** and any applicable **Continuing Underlying Amount** have been actually paid.
- C. The Company's obligation to indemnify the **Insured** for **Loss** in excess of the **Underlying Limits of Liability** or any applicable **Continuing Underlying Amount** shall not exceed the Limit of Liability set forth in Item 5. of the Declarations.

II. WHEN A CLAIM IS TO BE CONSIDERED AS FIRST MADE AND REPORTED

- A. For any coverage provided by an **Underlying Insurer**, on a "claims made" basis, there will be coverage under this Policy only where the **Claim** is first made and reported to the Company during the Policy period or any applicable **Extended Reporting Period**. A **Claim** will be considered to have been first made and reported to the Company during the Policy Period, if all of the following requirements have been met:
1. The **Insured** has complied with all of the requirements of the **Governing Underlying Insurance** that apply to determine that the **Claim** has been first made and reported during the Policy Period of the **Governing Underlying Insurance**.
 2. If the **Claim** involves the injuries or adverse outcomes listed under II., A., 2., a. – h., which the **Named Insured's** Risk Management or **Claim** Department believe is reasonably likely to result in a demand for **Damages**, the **Claim** is reported to the Company as soon as practicable, but in no event after the expiration date of the Policy Period or any applicable **Extended Reporting Period**.
 - a. unexpected deaths, suicide, or cardiac/respiratory arrest;
 - b. unanticipated neurological, sensory and/or systemic deficits, brain damage, permanent paralysis, paraplegia and quadriplegia, partial or complete loss of sight or hearing, sepsis or kidney failure;
 - c. birth related injuries, fetal or maternal death, anesthesia related injuries, births with an Apgar score below 5, infant resuscitation, dislocations and fractures;
 - d. thermal, chemical, radiological or electrical burns;

- e. severe internal injuries, organ lacerations, infections, foreign body retention, sensory or reproductive organ injury;
- f. substantial disability, fractures, disfigurement, or amputation;
- g. any **Claim** reserved at \$250,000 or more; or
- h. any other **Claim** likely to result in significant erosion or exhaustion of **Underlying Insurance**.

3. The detailed written report of the injuries or adverse outcomes listed under II., A., 2., a. – h. is received by the Company at the address set out below:

Admiral Insurance Company
c/o Claims Department
Berkley Medical Excess Underwriters, LLC
390 South Woods Mill Road, Suite 125
Chesterfield, MO 63017

4. The detailed written report of the injuries or adverse outcomes listed under II., A., 2., a. – h. is received by the Company during the Policy Period or applicable **Extended Reporting Period** in effect when the **Named Insured's** Risk Management or Claim Department becomes aware that a demand for **Damages** is likely to result from the **Loss Event** and must include:

- a. a description of the **Loss Event**;
- b. the date of the **Loss Event**;
- c. the name of the person who was injured;
- d. the names of the **Insureds** involved in the **Loss Event**; and
- e. any **Suit** papers or written demand for **Damages**.

5. The following shall not be considered as a report of a **Claim** under this Policy:

- a. A report of a Medical Incident or Occurrence that is made as part of an engineering, loss control or risk management program; or
- b. Incident reports.

- B. To meet the requirement that a **Claim** be first made against the **Insured** and reported to the Company during the Policy period, the **Insured** must comply with the provisions of this Section. Nothing contained in this Section shall affect the **Insured's** obligations to comply with the provisions of Section VI, CONDITIONS, J, **INSURED'S DUTIES IN THE EVENT OF CLAIM OR SUITS**.

III. EXCLUSIONS

A. ASBESTOS

This insurance does not apply to any liability based upon or arising out of asbestos, including, but not limited to the:

- 1. manufacture, mining, use, sale, or exposure to asbestos products, fibers or dust;
- 2. transportation, storage or disposal of asbestos or goods or products containing asbestos;

3. removal of asbestos from any goods, products or structures; or
4. inhalation, ingestion or physical exposure to asbestos or goods or products containing asbestos.

B. MOLD

This insurance does not apply to any liability arising out of the actual or threatened growth, release, transmission, migration, dispersal, inhalation, absorption, ingestion, physical contact, or exposure to **Mold, Spores, Fungus, Mildew, Yeast** and/or other **Toxins**, whether or not the **Mold, Spores, Fungus, Mildew, Yeast** and/or other **Toxins** is or was at any time airborne as a particle, located in or on real property, personal property, product, work, premises, site, location, or any other tangible property, transmitted in any fashion or found or contained in any material whatsoever; or to any loss, cost or expense arising directly or indirectly out of any:

1. request, demand or order that any **Insured** or others test for, monitor, sample, clean up, remediate, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of **Mold, Spores, Fungus, Mildew, Yeast** and/or other **Toxins** or products and materials containing one or more of them;
2. **Claim** or **Suit** by or on behalf of a governmental authority for damages because of investigating, testing for, monitoring, sampling, cleaning up, remediation, removing, containing, treating, detoxifying, or neutralizing, or in any way responding to, or assessing the effects of **Mold, Spores, Fungus, Mildew, Yeast** and/or other **Toxins** or products and materials containing one or more of the aforementioned;
3. actual, alleged, possible or threatened **Contamination** of any part of the **Environment**;
4. fines, penalties, or costs or assessments of any kind or for any purpose arising from any **Contamination** which any **Insured** is directed to pay;
5. supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with paragraphs 1., 2., 3., and 4. above;
6. obligation to share damages with or repay someone else who must pay damages because of any injury under paragraphs 1., 2., 3., 4., and 5. above; or
7. devaluation of property or for the taking, use or acquisition or interference with the rights of others in property or air space, in connection with any **Mold, Spores, Fungus, Mildew, Yeast** and/or other **Toxins**.

C. NUCLEAR MATERIAL

This insurance does not apply to any liability resulting directly or indirectly from **Nuclear Materials, Waste Materials, Radioactive Materials**, or the **Hazardous Properties of Nuclear Materials, Radioactive Materials, or Waste Materials**, or from any radiation or **Radioactivity**, unless the liability is a result of a medical professional service for which coverage is afforded under the **Underlying Insurance**.

D. POLLUTION

This insurance does not apply to any liability for:

1. injury or damage arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**:
 - a. at or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any **Insured**;

- b. at or from any premises, site or location which is or was at any time used by or for any **Insured** or others for the handling, storage, disposal, processing or treatment of waste;
- c. which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any **Insured** or any person or organization for whom you may be legally responsible; or
- d. at or from any premises, site or location on which any **Insured** or any contractors or subcontractors working directly or indirectly on any **Insured's** behalf are performing operations:
 - i if the **Pollutants** are brought on or to the premises, site or location in connection with such operations by such **Insured**, contractor or subcontractor; or
 - ii if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of **Pollutants**.

Subparagraph a. does not apply to bodily injury that is sustained within a building owned or leased by an **Insured** that is caused by fumes, smoke vapor or soot from equipment used to heat or cool the building.

Subparagraphs a. and d. do not apply to bodily injury or physical damage to the tangible property of others arising out of heat, smoke or fumes from a "hostile fire". As used in this exclusion, a "hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.

- 2. any loss, cost or expense arising out of any:
 - a. request, demand or order 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
 - b. **Claim** or **Suit** by or on behalf of a governmental authority for damages 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**.

E. PRIOR ACTS

This insurance does not apply to:

- 1. any **Claim** that the **Named Insured's** Risk Management or Claim Department is aware of prior to the effective date of this Policy set forth in Item 3. of the Declarations;
- 2. any **Claim** arising out of a **Loss Event** which took place prior to the **Retroactive Date** set forth in Item 7. of the Declarations; or
- 3. any **Claim** that was reported to the Company or any other insurer prior to the effective date of the Policy Period set forth in Item 3. of the Declarations.

F. "TERRORISM"

- 1. This insurance does not apply to any liability caused by, contributed to or in any way arising directly or indirectly out of or in connection with "Terrorism" including, but not

limited to, any contemporaneous or ensuing injury or damage caused by fire, looting or theft.

2. "Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.
3. "Terrorism" shall also include any act which is verified or recognized by the United States Government as an act of "Terrorism."

G. WAR

This insurance does not apply to any liability of an **Insured** due to war, whether or not declared, civil war, insurrection, rebellion, act of revolution or to any act or condition incident to any of the foregoing.

IV. LIMITS OF LIABILITY

The Limits of Liability under this Policy will be reduced by **Loss and Expenses, Costs and Interest** except when the Company exercises its right under Section VI. CONDITIONS, C, APPEALS, in which case the Company will pay **Expenses, Costs and Interest** directly attributable to the appeal. Expenses directly attributable to an appeal undertaken by CONDITIONS, C, will be in addition to and will not reduce the Limit of Liability.

Except as provided in the preceding paragraph relating to Appeals, the total liability of the Company for **Loss and Expenses, Costs and Interest** will not exceed the Limit of Liability set forth in Item 5. of the Declarations. The Limit of Liability will not be affected or increased by the number of persons or organizations who qualify as **Insureds** or the number of **Claims** made or **Suits** brought.

- A. The Each **Loss Event** Limit of Liability found in Item 5.A. of the Declarations is the most the Company will pay as **Loss and Expenses, Costs and Interest** as the result of one **Loss Event** or related **Loss Events**.
- B. Subject to paragraph A. above, the Policy Period Aggregate Limit of Liability found in Item 5.B. of the Declarations, is the most the Company will pay as **Loss and Expenses, Costs and Interest** as the result of all **Loss Events** covered under this Policy.

V. DEFINITIONS

- A. **Claim** has the meaning provided in the **Governing Underlying Insurance** and includes a demand for money or services.
- B. **Contamination** means any unclean, unsafe, damaging, injurious or unhealthful condition arising out of the presence of **Mold, Spores, Fungus, Mildew, Yeast and/or other Toxins** or products and materials containing one or more of them, whether permanent or transient, in the **Environment**.
- C. **Continuing Underlying Amount** is the amount shown on the Schedule of **Underlying Insurance** for which the **Named Insured** will continue to be liable following exhaustion of the **Underlying Insurance**.

- D. **Damages** means amounts an **Insured** is legally obligated to pay to compensate others by law because of a **Loss Event**. **Damages** does not include fines, penalties or amounts that are uninsurable under applicable law.
- E. **Environment** means and includes all persons; any manmade object, building, or feature; animals, crops, vegetation, land, bodies of water, water table, water table supplies, air and any feature of the earth or its atmosphere, whether or not altered, developed, or cultivated, or any part thereof.
- F. **Expenses, Costs and Interest** means:
1. all expenses incurred in the investigation, adjustment, settlement and/or adjudication of any **Claim** or **Suit** covered by this Policy that is brought against the **Insured** including, but not limited to legal expenses, prejudgment interest; attorneys fees, court costs, premium on appeal bonds, bonds to release attachments and direct or indirect expenses paid to others for any service involving a **Claim** or **Suit**; and
 2. that portion of the post judgment interest attributable to the amount of the judgment for which the Company is responsible which accrues after the entry of the judgment and before the Company pays or offers to pay that portion of the judgment for which the Company is responsible.
- G. **Extended Reporting Period** means the time after the end of the Policy Period for reporting **Claims** arising from a **Loss Event**.
- H. **Governing Underlying Insurance** means the insurance identified as **Governing Underlying Insurance** in the Schedule of Underlying Insurance.
- I. **Hazardous Properties** means radioactive, toxic or explosive properties of **Nuclear Materials, Radioactive Materials** and/or Waste Materials.
- J. **Insured** means the **Named Insured** and any individual or entity qualifying as an **Insured** in the **Underlying Insurance** for liability covered by the **Underlying Insurance**.
- K. **Loss** means the amounts paid as **Damages** net of all recoveries and salvages, in settlement of **Claims** or **Suits** in satisfaction of awards or judgments, incurred as a result of a **Loss Event** for which this Policy provides coverage. **Loss** does not include salaries of the **Insured's** employees, or fees and expenses of independent adjusters, third party administrators and attorneys hired by the **Insured**. **Loss** does not include amounts paid or incurred by the **Insured** or **Underlying Insurer** in excess of the **Underlying Insurance** or **Continuing Underlying Amount** without the Company's prior written consent.
- L. **Loss Event** means the incident, offense or Occurrence resulting in liability for injury or damage to which the **Underlying Insurance** and this Policy apply.
- M. **Mold, Spores, Fungus, Mildew, Yeast and/or other Toxins** means any mold, spores, mildew, yeast and/or other toxins of any type or nature whatsoever that can cause or threaten harm to any living organism (including human health or human welfare, or the health or welfare of any animal or plant) or can cause or threaten physical damage, deterioration, loss of use, and/or of value or marketability, to any tangible property whatsoever. This includes any type of mold, spores, fungus, mildew, yeast and/or other toxins that is harmful or potentially harmful to health or welfare, or that is damaging or potentially damaging to tangible property or that can otherwise cause or threaten to cause injury or damage of any kind whatsoever.
- N. **Named Insured** means the entity or entities named in Item 1. of the Declarations and any other entity that qualifies as a **Named Insured** in the **Underlying Insurance**.

- O. **Nuclear Materials** means "Source Material", "Special Nuclear Material" and "Byproduct 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.
- P. **Other Insurance** includes, but is not limited to, coverage or benefits provided by insurance, self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, inter-insurance exchanges, mutual insurance companies, stock insurance companies, risk retention groups, reciprocal exchanges, mutual benefit or assistance programs, or any other plan or agreement of risk assumption.
- Q. **Pollutants** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and "Waste". "Waste" means materials to be recycled, reconditioned or reclaimed, including but not limited to medical paraphernalia, drugs, blood and blood products and animal tissue.
- R. **Radioactive Materials** means any materials which are radioactive or caused by or exhibit Radioactivity.
- S. **Radioactivity** means the property possessed by some elements of spontaneously emitting alpha or beta rays and sometimes also gamma rays by the disintegration of the nuclei of atoms.
- T. **Retroactive Date** means the date found or referred to in item 7 of the Declarations.
- U. **Suit** means a civil action seeking **Damages**.
- V. **Terrorism** means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in connection with any organization, government, power, authority or military force, when the effect is to intimidate or coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy. **Terrorism** shall also include any act which is verified or recognized by the United States Government as an act of **Terrorism**.
- W. **Underlying Insurance** means the insurance set forth in the Schedule of Underlying. Except as described in the Insuring Agreement, this Policy incorporates the terms and conditions of the Policy or policies identified in the Schedule of Underlying Insurance as the **Governing Underlying Insurance**.
- X. **Underlying Insurer** means the insurer(s) providing the **Underlying Limits of Liability** of the **Underlying Insurance** set forth in the Schedule of Underlying.
- Y. **Underlying Limits of Liability** means the limits of liability of the **Underlying Insurance** set forth in the Schedule of Underlying.

VI. CONDITIONS

A. ACTION AGAINST THE COMPANY

1. No action shall lie against the Company unless, as a condition precedent, there has been full compliance with all of the terms of this Policy by all **Insureds**, nor until the amount of the **Insured's** obligation to pay has been finally determined, through a written agreement signed by the Company or a judgment against the **Insured** after actual trial. Any person or organization, or his legal representative, who has secured such a judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent, but only to the extent, the **Loss** is covered by this Policy.

2. No person or organization shall have any right under this Policy to join the Company as a third party to take any action against the **Insured** to determine the liability of the **Insured**, nor shall the Company be impleaded by any **Insured** or its legal representative. The bankruptcy or insolvency of an **Insured** or its estate shall not relieve the Company of any of its obligations under this Policy.

B. **AGENCY OF NAMED INSURED**

By acceptance of this Policy, the **Named Insured** agrees to act on behalf of all **Insureds** with respect to the giving and receiving of notices to and from the Company as required by the Policy related to: the exercise of any **Extended Reporting Period**; the cancellation of the Policy in whole or in part; the payment of premiums and deductibles when due; and the receipt of any return premiums that may become due under this Policy. In addition, all **Insureds** agree that the **Named Insured** shall have authority to act on their behalf and that notice provided to the **Named Insured** shall serve as notice to all **Insureds**.

C. **APPEALS**

If the **Named Insured** or an **Underlying Insurer** elect not to appeal an award or judgment which exceeds the **Underlying Limits of Liability**, the Company has the right to undertake the appeal. In the event of an appeal pursuant to this paragraph, the Company's liability on such an award or judgment shall not exceed the Limit of Liability set forth in Item 5. of the Declarations, plus all **Expenses, Costs and Interest** incidental to the appeal. If the award or judgment is decreased on appeal, the **Named Insured** shall reimburse the Company for the **Expenses, Costs and Interest** incurred by the Company in the appeal, up to the amount the **Named Insured** or **Underlying Insurer** would have paid in **Damages** had there been no appeal.

D. **ASSIGNMENT**

Assignment of interest under this Policy shall not bind the Company unless it consents to the assignment in writing.

E. **ASSISTANCE AND COOPERATION**

The **Insured** shall cooperate fully in all matters pertaining to any **Claim, Suit** or proceeding. The Company shall not be called upon to assume charge of the defense or settlement of any **Claim, Suit** or proceeding instituted against the **Insured**. The Company shall have the right, but not the obligation, to associate with the **Insured** and the **Underlying Insurer** in the defense and control of any **Claim, Suit** or proceeding which, in the sole opinion of the Company, may exhaust the **Underlying Insurance**. Any **Expenses, Costs or Interest** incurred by the Company in exercising its right to associate in the defense of a **Claim or Suit** will reduce the applicable limit of liability.

Any obligation assumed, payment made or expenses incurred in excess of the **Underlying Insurance** without the Company's prior, written consent are the sole responsibility of the **Insured**. The Company has no obligation to reimburse or indemnify the **Insured** or any **Underlying Insurer** for any amount paid or incurred in excess of the **Underlying Insurance** or **Continuing Underlying Amount** without the prior written consent of the Company.

F. **CANCELLATION**

1. The **Named Insured** may cancel this Policy by mailing or delivering advance written notice of intent to cancel.
2. The Company may cancel this Policy by mailing or delivering to the **Named Insured** at the address shown in the Declarations, written notice of intent to cancel:
 - a. Ten (10) days before the effective date of cancellation, if the Company cancels for non-payment of premium; or

- b. Sixty (60) days before the effective date of cancellation, if the Company cancels for any other reason.
3. The Company will mail or deliver its notice of cancellation to the **Named Insured** named in Item 1. of the Declarations, at the last mailing address known to the Company.
4. The notice of cancellation will state the effective date of cancellation. The Policy will end on that date, which shall become the expiration date of this Policy.
5. If this Policy is canceled, the Company will send the **Named Insured** any premium refund due. If the Company cancels, any refund will be pro rata. If the **Named Insured** cancels, any refund will be short rate. If the Policy is canceled by the **Named Insured**, the Policy is subject to the Minimum and Fully Earned Premium set forth in Item 8. of the Declarations. Cancellation will be effective even if the refund has not been tendered.
6. If notice of cancellation is mailed, proof of mailing will be sufficient proof of notice.

G. COMPANY'S RIGHTS AND OBLIGATIONS

1. The Company shall not assume the obligations of the **Insured** or any **Underlying Insurer**. The Company's obligations shall not be altered or increased, nor shall the Company pay any third party on behalf of the **Insured** or any **Underlying Insurer**, irrespective of the willingness or inability of the **Underlying Insurer(s)** to pay for any reason including but not limited to bankruptcy, insolvency, financial impairment, or any regulatory or judicial intervention due to the financial condition of the **Named Insured** or any **Underlying Insurer**. The Company's obligation to indemnify the **Insured** for **Loss** in excess of the **Underlying Limits of Liability** or any **Continuing Underlying Amount** applies only after the **Underlying Limits of Liability** and/or any **Continuing Underlying Amounts** have been actually paid in full by or on behalf of the **Named Insured**.
2. Where liability of the **Insured** is reasonably clear and the amount demanded in settlement of a **Claim** is in excess of the **Underlying Insurance** or the **Continuing Underlying Amount**, the Company has the right to discharge its obligation to pay any **Loss** associated with the **Claim** by paying to the **Named Insured** the difference between the amount demanded in settlement and the available limits of liability of the **Underlying Insurance** or **Continuing Underlying Amount**.

H. **EXTENDED REPORTING PERIOD OPTION FOR COVERAGE PROVIDED ON A "CLAIMS-MADE" BASIS**

1. Where **Underlying Insurance** applies on a "claims-made" basis and this Policy is cancelled or non-renewed for any reason other than non-payment of premium, the Company will offer the **Named Insured** the option of purchasing an **Extended Reporting Period** if the following requirements have been met:
 - a. The **Named Insured** confirms in writing that the time for reporting claims under the **Underlying Insurance** has been extended through the purchase of an **Extended Reporting Period**; and
 - b. The **Named Insured** advises the Company of the terms and conditions of the **Extended Reporting Period** that applies to the **Underlying Insurance**, including but not limited to the term of the **Extended Reporting Period** and the limits of liability that will apply to **Claims** reported during the **Extended Reporting Period**.
2. The exercise of any **Extended Reporting Period** option will not reinstate or increase the Company's Limit of Liability.

3. The **Extended Reporting Period** option does not extend the Policy Period or change the scope of coverage provided. If the **Underlying Amounts** contain an aggregate, the Company has the right to provide the **Extended Reporting Period** option in excess of **Underlying Amounts** which apply to each and every **Loss Event** (without an aggregate) or to provide the **Extended Reporting Period** option in excess of **Underlying Amounts** which have an increased aggregate.

I. INSPECTION AND AUDIT

1. The Company shall be permitted, but not obligated, to inspect the **Insured's** premises and operations at any time. Neither the Company's right to make inspections nor the performance of an inspection shall constitute an undertaking on behalf of or for the benefit of the **Insured** or others to determine or warrant that such property or operations are safe or healthful or are in compliance with any law, rule or regulation.
2. The Company may examine and audit the books and records of an **Insured** at any time during the Policy Period and extensions of the Policy Period and within three years after the final termination of this Policy as far as they relate to the subject matter of this insurance.

J. INSURED'S DUTIES IN THE EVENT OF CLAIM OR SUITS

1. In the event of a **Loss Event** the **Insured** must, as a condition to coverage under this Policy:
 - a. Give written notice to the Company, as soon as practicable of any **Claim** reasonably likely to result in significant erosion or exhaustion of the **Underlying Insurance**, including but not limited to:
 - i. any **Claim** which any **Insured** or any representative of any **Insured**, or any insurer, evaluates as having a settlement or judgment value equal to or exceeding \$250,000; or
 - ii. any **Claim** where the demand for **Damages** is equal to or exceeds \$250,000.
 - b. Provide quarterly **Loss** reports listing all closed and outstanding **Claims**. Such reports shall include the: Claimant's name; date of the **Loss Event**; date the **Insured's** Risk Management or Claim Department became aware of the **Claim**; description of the injury or damage; the names of defense and plaintiff attorneys; where applicable, indemnity and expense reserves and the paid indemnity and expense. These quarterly reports must be received by the Company at the following address:

Admiral Insurance Company
c/o Claims Department
Berkley Medical Excess Underwriters, LLC
390 South Woods Mill Road, Suite 125
Chesterfield, MO 63017
 - c. Immediately forward to the Company a complete copy of every demand, notice, summons or other process received individually or through a representative in connection with any **Suit** or **Claim** seeking **Damages** reasonably believed to be in excess of \$250,000.
 - d. Cooperate with the Company, and upon the Company's request, assist in making settlements, in the conduct of a **Suit** and in enforcing any right of contribution or indemnity against any person or organization that may be liable to an

Insured because of injury or damage with respect to which insurance is or may be afforded under this Policy. Attend all hearings and trials and assist in securing and giving evidence and obtaining witnesses.

e. Not incur any financial obligation in excess of the **Continuing Underlying Amount** or **Underlying Insurance** without the Company's prior written consent.

2. Reports of **Loss Events** made by an **Insured** to the Company as part of an engineering, **Loss** control or risk management program do not constitute compliance with this Condition or determine when a **Claim** has been first made or reported in compliance with Section II.

K. **OTHER INSURANCE**

If **Other Insurance** not afforded by the Company is available to the **Insured** covering a **Loss Event** that is also covered by this Policy, the insurance afforded by this Policy will be excess of, and not contribute with, such **Other Insurance**.

L. **PREMIUM**

1. **The Named Insured:**

- a. is responsible for the payment of all premiums;
- b. if the premium is not financed, will be the payee for any return premium; and
- c. if the premium is financed, the **Named Insured** authorizes the Company to pay any return premium to the premium finance company.

2. The premium for this Policy is subject to the Minimum and Fully Earned Premium set forth in Item 8. of the Declaration.

M. **REPRESENTATIONS, DECLARATIONS AND ENDORSEMENTS**

1. The **Insureds** agree that the statements contained in the application and underwriting information submitted during the application process are their representations, that these representations are material to the risk undertaken by the Company and that this Policy is issued and continues in force in reliance upon the accuracy of the representations.

2. The **Insureds** agree that this Policy will be void and the Company will be relieved of its obligations under the contract if there has been a misrepresentation or omission of a material fact in applying for the insurance or if there has been an attempt to mislead or defraud the Company either before or after a **Loss Event**.

3. By acceptance of this Policy, by the **Named Insured**, it is agreed that this Policy and the declarations and endorsements attached embody all agreements existing between all **Insureds** and the Company.

N. **SEVERABILITY OF INTERESTS**

1. The term **Insured** is used severally and not collectively except with respect to Section VI. CONDITIONS, K. **OTHER INSURANCE**.

2. The inclusion in this Policy of more than one **Insured** shall not operate to increase the Company's total liability for all **Insureds** covered by this Policy beyond the limits set forth in Item 5. of the Declarations.

O. SUBROGATION; TRANSFER OF RIGHTS OF RECOVERY

1. If an **Insured** has rights to recover all or part of any payment the Company has made under this Policy, those rights shall be transferred to the Company. An **Insured** shall do nothing to impair such rights. At the Company's request, the **Insured** will bring a legal action to enforce the rights or transfer its rights to the Company and assist the Company in enforcing such rights.
2. Any amount recovered under this condition shall be apportioned as follows: Any person or organization (including an **Insured**) who has paid an amount in excess of the Limit of Liability under this Policy shall be first reimbursed to the extent of such actual payment; the Company shall next be reimbursed to the extent of its actual payment; any balance remaining in the amount of recovery shall be paid to the **Insured**. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries except:
 - a. In proceedings conducted solely by the Company where there is no recovery, the Company shall bear all of the expenses.
 - b. In proceedings conducted solely by the **Insured**, the **Insured** shall bear all of the expenses.

IN WITNESS WHEREOF, the Company has caused this Policy to be signed by its President and Secretary, but this Policy shall not be valid unless completed by the attachment hereto of a Declarations, Schedule of Underlying, applicable Coverage Forms and Endorsements and countersigned on the aforesaid Declarations by a duly authorized representative of the Company.