



CONTRACTOR ENVIRONMENTAL AND PROFESSIONAL COVERAGE

Occurrence Contractor Environmental and Claims-Made Professional Liability Coverage

CERTAIN SECTIONS OF THIS POLICY INCLUDE CLAIMS-MADE AND REPORTED COVERAGE. CLAIMS-MADE AND REPORTED COVERAGE REQUIRES CLAIMS TO BE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD.

OTHER SECTIONS OF THIS POLICY PROVIDE COVERAGE FOR CONTAMINATION THAT IS DISCOVERED BY THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD.

DEFENSE EXPENSE REDUCES THE LIMITS OF INSURANCE AND IS INCLUDED WITHIN THE SELF-INSURED RETENTION. READ THE ENTIRE POLICY CAREFULLY TO DETERMINE YOUR RIGHTS, DUTIES, AND WHAT IS OR IS NOT COVERED.

Throughout this policy, the words “you” and “your” refer to the **named insured** shown in the Declarations. The words “we,” “us” and “our” refer to the Company providing this insurance. Other words and phrases that appear in **bold** have special meaning. Refer to Section **II. DEFINITIONS**.

In consideration of the premium paid and in reliance upon the statements that you provided to us in the application and any other supplemental information provided in connection with the application, all of which are incorporated and made a part of this policy, we agree to provide coverage as shown in the Declarations and described as follows:

I. INSURING AGREEMENTS

A. Claims Made – Professional Liability

1. We will pay on behalf of the **insured** for **professional loss** in excess of the **self-insured retention** that the **insured** becomes legally obligated to pay as a result of a **claim** caused by an actual or alleged negligent act, error or omission in the performance of **your professional services** provided:
 - a. Such **claim** is first made against the **insured** and reported to us, in writing, during the **policy period**, or as expressly provided for in the **extended reporting period**, if applicable; and
 - b. Such **claim** is not covered under Coverage **B. Contracting Environmental Liability** below; and
 - c. **Your professional services** were first rendered on or after the Professional Liability Retroactive Date listed at ITEM 9.a. in the Declarations, and prior to expiration of the **policy period**.
2. We will reimburse the **insured** for reasonable attorney fees, costs and expenses incurred in responding to a **disciplinary proceeding**, provided:

- a. A **disciplinary proceeding** is commenced during the **policy period** against you, by reason of any negligent act, error or omission in the performance of **your professional services**;
- b. **Your professional services** that are subject to such **disciplinary proceeding** are first rendered for others on or after the Professional Liability Retroactive Date listed at ITEM 9.a. in the Declarations and before expiration of the **policy period**; and
- c. The **insured** reports the actual or alleged negligent act, error or omission to us during the **policy period** and prior to such **disciplinary proceeding**.

The maximum amount payable, regardless of the number of **disciplinary proceedings** or the number of **insureds**, shall be \$10,000 per **policy period**. The **self-insured retention** shall not apply to this provision; however, any payments made by us under this provision will erode the applicable Limit of Insurance and are not in addition thereto. The Company will not be obligated to defend, or pay any fine, penalty or award resulting from any **disciplinary proceeding**.

B. Occurrence – Contracting Operations Environmental Liability Coverage

We will pay on behalf of the **insured** for **loss** or **remediation expense** in excess of the **self-insured retention** that the **insured** becomes legally obligated to pay as a result of **contamination** caused by **your contracting operations, completed operations or transportation**, provided that:

1. The **loss** or **remediation expense** is the result of: (i) a **claim** for **bodily injury, property damage or environmental damage**; or (ii) **contamination** that caused the **insured** to incur **emergency expense**; and
2. The **bodily injury, property damage or environmental damage** first occurs during the **policy period**; and
3. The **bodily injury, property damage or environmental damage** is caused by an **occurrence**.

C. Claims Made – Non-Owned Location Liability Coverage

We will pay on behalf of the **insured** for **loss** or **remediation expense** in excess of the **self-insured retention** that the **insured** becomes legally obligated to pay as a result of **contamination** on, at, under or migrating beyond the legal boundaries of a **non-owned location**, provided that:

1. The **loss** or **remediation expense** is the result of: (i) a **claim** for **bodily injury, property damage or environmental damage** that is first made against the **insured** and reported to us during the **policy period**, or as expressly provided for in the **extended reporting period**, if applicable; or (ii) **contamination** that caused the **insured** to incur **emergency expense** during the **policy period**; and
2. Such **contamination** first commences on or after the Non-Owned Location Retroactive Date shown in ITEM 9.b. in the Declarations, and before expiration of the **policy period**.

D. Claims Made – Your Insured Location Liability

We will pay on behalf of the **insured** for **loss** or **remediation expense** in excess of the **self-insured retention** that the **insured** becomes legally obligated to pay as a result of

contamination on, at, under or migrating beyond the legal boundaries of **your insured location**, provided that:

1. Such **contamination** first commences during the **policy period**;
2. Such **contamination** ceases fully within ten (10) days of its commencement; and
3. The **loss** or **remediation expense** is the result of: (i) a **claim** for **bodily injury, property damage** or **environmental damage** that is first made against the **insured** and reported to us during the **policy period**, or as expressly provided for in the **extended reporting period**, if applicable; or (ii) **contamination** that caused the **insured** to incur **emergency expense** during the **policy period**.

E. Image Restoration Coverage

We will reimburse you for **image restoration expenses** incurred because of **contamination** or an actual or alleged negligent act, error or omission in the performance of your professional services reported to us during the **policy period** or as expressly provided for in the **extended reporting period**, if applicable, and that results in **bodily injury, property damage**, or **environmental damage** covered under Insuring Agreements **I. A., B., C.** or **D.**, as applicable. Reimbursement is limited to the costs of restoring your reputation and consumer confidence through image consulting, is subject to the **self-insured retention** for the applicable coverage part, and will in no event exceed the amount shown in ITEM 5. E. in the Declarations.

II. DEFINITIONS

A. Additional insured means:

1. Any individual, organization or entity scheduled to this policy as an **additional insured** by an endorsement, but solely for their liability specified in such endorsement; or
2. Solely with regard to Coverage **B. – Contracting Operations Environmental Liability**, any entity required to be an **additional insured** under this policy in a written contract or agreement for **your contracting operations**, provided that such contract or agreement was fully executed prior to the date that **your contracting operations** first commenced. However such entities are included as an **additional insured** under this policy solely to the extent:
 - a. That the entity is liable for **loss** or **remediation expense** to which this insurance applies as a result of **your contracting operations** performed by or on behalf of an **insured** other than the entity; and
 - b. Up to and not exceeding any specified limits of insurance as required by the written contract with you or subject to the applicable Coverage **B. Contracting Operations Environmental Liability Coverage** Limit of Insurance, whichever is less.

The entity is not provided any coverage under this policy for any portion of its own negligence or legal liability.

B. Bodily injury means:

1. Physical injury, sickness or disease including associated medical or environmental monitoring; and
2. Mental anguish, emotional distress or shock sustained by any person;

Including death resulting there from.

- C. **Claim** means a written demand, notice, or assertion of a legal right seeking a remedy or alleging liability or responsibility on the part of you or any **insured**. Such demand, notice, or assertion of a legal right includes, but is not limited to legal actions, orders, petitions or governmental or regulatory actions, filed against you or any **insured**.
- D. **Completed operations** means work from **your contracting operations** that have been completed.

Your contracting operations will be deemed completed at the earliest of the following times:

1. When all of **your contracting operations** to be performed in the contract are complete;
2. When all of **your contracting operations** to be done at a **project site** have been completed; or
3. When that part of **your contracting operations** at a **project site** has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project.

Your contracting operations that may need service, maintenance, correction, repair or replacement, but are otherwise complete, will be deemed complete.

- E. **Contaminant** means any solid, liquid, gaseous or thermal irritant or pollutant, including but not limited to smoke, vapor, odors, soot, fumes, acids, alkalis, toxic chemicals, hazardous substances, petroleum hydrocarbons, legionella, electromagnetic fields, **mold**, and waste materials including but not limited to municipal, industrial, medical, pathological, and **low level radioactive waste and materials**.
- F. **Contamination** means:
 1. The discharge, dispersal, release or escape of any **contaminants** into or upon land, or any structure on land, the atmosphere or any watercourse or body of water, including groundwater, caused directly by **your professional services, your contracting operations, completed operations, or transportation**, or that originates at a **non-owned location** or at **your insured location**, provided such contaminants are not naturally present in the environment or are not present on, at or within any structure, as applicable, in the amounts or concentrations discovered;
 2. The presence of **contaminants** that have been disposed of or abandoned at **your insured location** or a **project site** in violation of applicable **law** by parties other than an **insured** provided that prior to the **inception date** no **insured** or **additional insured** knew or reasonably should have known of such presence, disposal or abandonment; or
 3. The presence of **mold** on, at or within buildings or structures.
- G. **Conveyance** means motor vehicle, trailer, semi-trailer, aircraft, rolling stock or watercraft, but only if the operator and the conveyance are properly permitted and licensed to transport its cargo, and in the business of transporting such cargo.

- H. Defense expense** means reasonable and necessary legal fees and expenses incurred (i) in the defense, investigation or adjustment of any **claim** to which this insurance applies; or (ii) as a direct result of your discovery of any **contamination** to which this insurance applies. **Defense expense** does not include salaries, wages, overhead or benefit expenses incurred by the **insured**, including but not limited to **employees** or **responsible individual** or monitoring counsel, or legal fees or expenses incurred in connection with any dispute, disagreement or controversy arising out of the formation, interpretation, alleged breach, termination, or invalidity of this policy, or as to any other issue regarding the respective duties and responsibilities of us or any **insured** regarding this policy.
- I. Disciplinary proceeding** means any proceeding by a regulatory official or disciplinary agency to investigate charges made by a client or former client alleging professional misconduct in rendering or failing to render **your professional services**.
- J. Emergency expenses** means reasonable and necessary expenses incurred to contain, control or mitigate **contamination** covered under this insurance and that is an imminent and substantial endangerment to:
1. Public health, safety or welfare; or
 2. The environment;
- Provided that: (i) the **insured** discovers such **contamination** within seventy-two (72) hours of the **contamination** first commencing; and (ii) incurs such **emergency expenses** within seven (7) days after the **contamination** first commenced; and (iii) the **emergency expenses** are incurred pursuant to **laws** that require an immediate response to **contamination**.
- K. Employee** includes temporary and leased staff working on behalf of and under direct supervision and control by you, but only while acting within the scope of performing **your contracting operations, your professional services, completed operations, or transportation**, as applicable.
- L. Environmental damage** means direct physical damage to soil, plant or animal life, surface water or groundwater, building or structures, or indoor air caused by **contamination** and resulting in **remediation expense**. **Environmental damage** does not include **property damage**.
- M. Environmental professional** means an individual chosen by us, in consultation with the **insured**, who possesses at least certain minimal levels of education and training and experience, holds valid and applicable licensing, certifications and qualifications to assess and remediate the **contamination**, and who maintains certain minimal levels of applicable insurance.
- N. Extended reporting period** means either:
1. Automatic **extended reporting period** under Section **IX. EXTENDED REPORTING PROVISIONS**, Paragraph **A.**; or
 2. Supplemental extended reporting period under Section **IX. EXTENDED REPORTING PROVISIONS**, Paragraph **B.**;

Whichever is applicable, following termination of coverage, as described in Section **IX. EXTENDED REPORTING PROVISIONS**, in which to report a **claim** that was first made against the **insured** during the **policy period**.

- O. Image restoration expenses** means reasonable and necessary expenses incurred for services rendered by an image restoration firm, exclusive of any salaries, wages, overhead or benefit expenses incurred by an **insured**, or any expenses that are covered under any other insurance, including any applicable deductibles or self-insured retention amounts of such other insurance.
- P. Inception date** means: (i) the first date shown in ITEM 4. in the Declarations; or (ii) with respect to any endorsement the Company issues after the first date shown in ITEM 4. in the Declarations, the effective date listed in such endorsement.
- Q. Insured** means:
1. The **named insured**;
 2. Any past or present director, officer, partner, member, or **employee** of the **insured**, but only while acting within the scope of his or her employment as such; or
 3. Any joint venture in which you participate as a member or co-venturer, but solely with regard to your liability as arising out of **your contracting operations** or **your professional services** provided in such joint venture. **Insured** does not include the legal entity itself, the joint venture itself or any other entity that is part of either the legal entity or joint venture.
 4. Any entity newly formed or acquired by the **Insured** during the **policy period** provided that: (i) you have greater than fifty percent (50%) ownership, control, or beneficial interest in such entity; (ii) such entity performs operations and services consistent with **your contracting operations** and **your professional services**, and (iii) you notify us in writing of the formation or acquisition within 30 days thereof. Coverage will be provided only for **loss, professional loss or remediation expense** caused by **your professional services** or **your contracting operations** that are performed on or after the date of formation or acquisition. This coverage will expire within 90 days of such formation or acquisition or the end of the **policy period**, whichever is earlier. No such entity will continued to be an **insured** under this policy beyond the 90 days of formation or acquisition unless the following conditions precedent to coverage are fully satisfied::
 - a. Within 90 days of formation or acquisition, you must provide us with all relevant particulars regarding such entity, including but not limited to any formation, acquisition or operational agreements or other documents that we may reasonably request from you;
 - b. We must issue an endorsement to this policy expressly naming such entity as an **insured**;
 - c. The **insured** must pay the additional premium, if any, any agree to any amendment of the provisions of this policy by reason of such formation or acquisition.
- R. Law** means any federal, state, provincial or local statutes, rules, regulations, ordinances, **Voluntary Clean Up or Risk Based Corrective Action Standards** and judicial or

administrative orders and directives, and all amendments thereto, that apply to the **insured's** liability or responsibility for **contamination**.

- S. Loss** means monetary awards or settlements, previously agreed to in writing by us, of compensatory damages and, where allowable by law, punitive, exemplary, or multiplied damages, civil fines, penalties and assessments for **bodily injury** or **property damage**, together with related **defense expense** to which this policy applies. **Loss** does not include any non-pecuniary or injunctive relief, the return or withholding of fees or charges for services rendered by or on behalf of the **insured**, costs to correct, re-perform or complete any work, or any **insured's** or **additional insured's** overhead, profit or mark up.
- T. Low level radioactive waste and materials** means: (i) waste as defined in 10 CFR § 61.2; and/or (ii) material regulated by the U.S. Nuclear Regulatory Commission or an Agreement State under a Type A, B or C Specific License of Broad Scope as defined in 10 CFR § 33.11.
- U. Mold** means mold, mildew or any type or form of fungus including mycotoxins, spores, microbial volatile organic compounds or any other by-products produced by or released by fungi.
- V. Named insured** means the individual or entity named in ITEM 1. in the Declarations and responsible for acting on behalf of all other **insureds**, if any, under this policy as described in **X. GENERAL CONDITIONS, L. Sole Agent**.
- W. Natural resource damage** means physical injury to or destruction of, including the resulting loss of value of, and assessment of such physical injury to or destruction of: land, fish, wildlife, biota, air, water, groundwater, drinking water supplies, and other such resources belonging to, managed by, held in trust by, appertaining to, or otherwise controlled by the United States (including the resources of the fishery conservation zone established by the Magnuson-Stevens Fishery Conservation and Management Act (16 U.S.C. §1801a et seq.)), any state or local government, any foreign government, any Indian tribe, or, if such resources are subject to a trust restriction on alienation, any member of an Indian tribe.
- X. Non-owned location** means:
1. A site or location that is not owned, leased, managed or operated by the **insured**, or its respective parents, subsidiaries or affiliates, and that is listed in a schedule to this policy utilizing the Non-Owned Location Schedule; or
 2. A facility used for the recycling, treatment, storage or disposal of waste or materials generated by **your contracting operations** or **your professional services** or **your insured location**, but only if at the time the waste is accepted by the facility, the facility:
 - a. Is not owned, managed, operated or leased by the **insured** or its respective parents, subsidiaries or affiliates;
 - b. Possesses valid permits and/or licenses and operating in substantial compliance with the applicable regulations or **laws** to accept, store or process such materials or waste;
 - c. Is not subject to any proceeding or litigation under CERCLA, RCRA or an equivalent state, local or provincial **law**;

- d. Is not or has not ever been listed or proposed for listing on the Federal National Priorities List or state or provincial equivalent (State Superfund or Hazardous Site List); or
 - e. Is not insolvent or in bankruptcy; or
- Y. **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.
- Z. **Policy period** means the period set forth in ITEM 4. in the Declarations, or any shorter period arising as a result of:
- 1. Cancellation of this policy; or
 - 2. With respect to any of **your insured location(s)** or **non-owned location(s)**, the deletion of any such location(s) from this policy by us at your written request.

AA. Professional loss means:

- 1. A monetary judgment, award or settlement of compensatory damages;
- 2. Only where insurance coverage is allowable by law for:
 - a. Civil fines and penalties assessed against a third party other than an **insured** for which the **insured** is legally liable;
 - b. Civil fines and penalties assessed against the **insured**; and
 - c. Punitive, exemplary or multiplied damages for which the **insured** is legally liable; and
- 3. **Defense expense** associated with Subsections 1. and 2. of this definition as referenced above.

Professional loss does not include:

- a. Injunctive or equitable relief;
- b. The return of fees or charges for services rendered;
- c. Costs and expenses incurred by the **insured** to redo, change, supplement or fix the **insured**'s work or services, including redesign, unless we have previously agreed, in writing, to such costs as part of a **claim** settlement; or
- d. Any of the **insured**'s overhead, mark-up, general conditions, or profit.

BB. Project site means:

- 1. A site or location at which **your contracting operations** are performed; or
- 2. A site which is rented or leased by you and utilized in the direct support of **your contracting operations** for a specific contract or project.

Project site does not include any of the following:

- a. Any location used for the recycling, treatment, storage or disposal of any waste or materials generated by **your contracting operations**;
- b. **Your insured location**; or
- c. Any location owned, leased or rented by you or any subsidiary, affiliate or joint venture of yours other than a location rented or leased by you or any subsidiary, affiliate or joint venture of yours and utilized in the direct support of **your contracting operations** for a specific contract or project.

CC. Property damage means:

- 1. Physical injury to or destruction of tangible property of parties other than the **insured** including the resulting loss of use and diminution in value thereof;
- 2. Loss of use, and diminution in value of tangible property of parties other than the **insured** that has not been physically injured or destroyed; and
- 3. **Natural resource damage.**

Property damage does not include **remediation expense** or **environmental damage.**

DD. Remediation expense means:

- 1. Reasonable and necessary expenses incurred for investigation, removal, abatement, disposal, treatment, clean-up or neutralization, including associated monitoring, of **contaminants**:
 - a. To the extent required by **law** or, in the absence of applicable **law**, to the extent recommended by an **environmental professional** taking into account the zoning, land use, geographic conditions, and use restrictions, if any, of the location where the **contamination** occurred; or
 - b. That have been actually incurred by any government department or agency in accordance with applicable **law**;
- 2. Monetary awards or settlements, previously agreed to in writing by us, of compensatory damages that the **insured** is legally obligated to pay for investigation, removal, abatement, disposal, treatment, clean-up or neutralization, including associated monitoring, of **contaminants**; and
- 3. Where allowable by law, punitive, exemplary, or multiplied damages, civil fines, penalties and assessments for **environmental damage** to which this policy applies;
- 4. Includes **restoration expense** and **emergency expense**; and
- 5. Includes related **defense expense** to which this policy applies.

However, **remediation expense** does not include **property damage**, or any non-pecuniary or injunctive relief, the return or withholding of fees or charges for services rendered by or on behalf of the **insured**, costs to correct, re-perform or complete any work, or any **insured's** or **additional insured's** overhead, profit, general conditions or mark up.

EE. Responsible individual means:

1. Any officer, director, partner or project manager of the **insured**; and
2. The manager or supervisor of the **insured** who is responsible for environmental, health and safety affairs, compliance or risk management.

FF. Restoration expense means reasonable and necessary costs incurred to repair, replace or restore real or personal property to substantially the same general condition it was in prior to being physically damaged provided that:

1. Except with regard to **Your Insured Location**; such real or personal property is not owned by an **insured**; and
2. Such physical damage was directly caused by work performed in responding to **contamination** to which this insurance applies.

However, **restoration expense** does not include any costs associated with betterments or improvements to, or depreciation of, such real or personal property.

GG. Self-Insured Retention means the amount stated in the Declarations that is primary to any liability or obligation by us under this policy and can only be satisfied by your payment of covered **loss, professional loss or remediation expense**, including related **defense expense**. The **self-insured retention** amount must be borne by you and cannot be insured. Your bankruptcy, insolvency or inability to pay the **self-insured retention** will not increase our liability under this policy.

HH. Transportation means the movement of goods, materials, product or waste to or from a **project site or your insured location** by **conveyance** in support of or in the performance of **your contracting services**. **Transportation** does not include loading or unloading of such goods, materials, product or waste except at a **project site**.

II. Underground storage tank means any tank (including underground pipes connected thereto) that has at least ten (10) percent of its volume below ground and includes any ancillary and connected pumps, sumps and equipment.

JJ. Voluntary Clean Up or Risk Based Corrective Action Standards means those minimum standards adopted by the federal, state, provincial or local regulatory agency (the "Regulatory Authority") having jurisdiction over the **contamination** and applied in consideration of the applicable zoning, land use, geographic conditions, and use restrictions, if any, of the location where the **contamination** occurred for purposes of obtaining a no further action letter, closure or similar approval from the Regulatory Authority.

KK. Your contracting operations means only those contracting activities and services stated in the application for this policy, or as scheduled to this policy via endorsement, and performed for third parties by you or on your behalf at a **project site**.

LL. Your insured location means any property or location approved by us and shown in ITEM 3. in the Declarations or in Your Insured Location Schedule endorsed to this policy. **Your insured location** does not include a **project site**.

MM. Your professional services mean only those services:

1. Stated in ITEM 10. in the Declarations; or

2. Stated in Your Professional Services Schedule endorsed to this policy.

In addition to the foregoing, if **your professional services** stated in subparagraph 1. or 2., above, includes construction management services, for purposes of this policy, **construction management services** means:

1. Only those services performed pursuant to a written contract or agreement to manage, control or coordinate construction means and methods at risk on behalf of a project owner; or
2. During the design phase, only those services performed as a manager or coordinator; or
3. During the construction phase, only those services that consist of value engineering, field changes to design, constructability reviews, design-assist or selection, scheduling or sequencing of your subcontractors or sub consultants;

provided that such services arise out of a vocation, calling, occupation, or employment involving specialized knowledge, labor, or skill, and the labor or skill involved is predominantly mental or intellectual, rather than physical or manual and are performed by you or on your behalf .

III. LIMITS OF INSURANCE AND SELF-INSURED RETENTION

The Limits of Insurance shown in ITEMS 5. and 6. in the Declarations, the **self-insured retention** shown in ITEM 7., and the rules below fix the most we will pay regardless of the number of **your insured locations, non-owned location(s), insureds, contamination incidents, occurrences, negligent acts, errors, omissions, claims** or claimants:

- A. The Total Policy Aggregate Limit shown in ITEM 6. in the Declarations is the most we will pay for the sum of all **loss, professional loss, remediation expense** or other coverage afforded under this policy.
- B. Subject to the Total Policy Aggregate Limit, the most we will pay for the sum of all **loss, professional loss, remediation expense** or other coverage afforded under this policy arising from any single **contamination** incident or any single negligent act, error or omission in **your professional services**, under any Insuring Agreement or endorsement is the applicable Limit of Insurance shown in ITEM 5. in the Declarations, or on the applicable endorsement. If no Limit of Insurance is shown for a particular Insuring Agreement in the Declarations, then no coverage is provided under that particular Insuring Agreement.
- C. The same, related, similar or continuous **contamination** shall be deemed to be a single **contamination** incident.
- D. All **professional loss** arising out of the same, related or continuous negligent acts, errors or omissions in rendering or failure to render **your professional services** shall be deemed to arise out of a single negligent act, error or omission.
- E. Two or more **claims** arising out of or resulting from the same, related, similar or continuous **contamination** or the same, related, similar or continuous negligent act, error or omission in **your professional services**, as applicable, will be deemed to: (i) be a single **claim**; (ii) have been first made at the time the first such **claim** was made against an **insured**; and (iii) be subject to only one Limit of Insurance shown in ITEM 5.

in the Declarations or applicable endorsement subject to Paragraph III. F., below, if applicable. The same, related, similar or continuous **contamination** is **contamination** that is based upon, arises out of, is the result of or is logically or causally connected to the same, similar or related facts, circumstances, or situations. The same, related, similar or continuous negligent act, error or omission is a negligent act, error, or omission that is based upon, arises out of, is the result of, or is logically or causally connected to the same, similar or related facts, circumstances, or situations.

- F. If we or an arbitration panel determine that more than one Insuring Agreement applies to any single **contamination** incident or any single negligent act, error or omission in **your professional services**, the following conditions will apply:
1. Only one Limit of Insurance shown in ITEM 5. in the Declarations or applicable endorsement, together with the corresponding **self-insured retention**, will apply to such **contamination** incident or such negligent act, error or omission, as applicable.
 2. If one of the applicable Limits of Insurance shown in ITEM 5. in the Declarations or applicable endorsement exceed the amount of any of the other applicable Limits of Insurance, then only the highest such Limit of Insurance and corresponding **self-insured retention** will apply to such **contamination** incident or such negligent act, error or omission, as applicable.
 3. In no event will more than one Limit of Insurance shown in ITEM 5. in the Declarations, or applicable endorsement, apply to any single **contamination** incident or negligent act, error or omission in **your professional services**.
- G. If the same, related, similar or continuous **contamination** results in **bodily injury, property damage or environmental damage** which occurs during policy periods of different Contractors Environmental And Professional Coverage policies that we or an affiliated company have issued to the **named insured**, all such **bodily injury, property damage or environmental damage** will be deemed to have occurred only on the date of first exposure to such **contamination** and only the policy in force on the date of such exposure shall apply. All resulting **loss or remediation expense** shall be subject to the Limit of Insurance shown in ITEM 5. in the Declarations, as applicable and **self-insured retention** shown in ITEM 7. as applicable to such policy. For **bodily injury**, the date of first exposure is the date any individual is first exposed to **contamination**. For **environmental damage or property damage**, the date of first exposure is the date the **contaminants** were first discharged, dispersed, released or escaped. If the date of first exposure is prior to the first Contractors Environmental and Professional Coverage policy issued to you by us or an affiliated company, or cannot be determined, and the **bodily injury, property damage or environmental damage** continues to occur during policy periods of more than one Contractors Environmental and Professional Coverage policies, then such **bodily injury, property damage or environmental damage** will be deemed to have occurred only on the effective date of the first applicable Contractors Environmental and Professional Coverage policy issued by us.
- H. We will not pay for **loss, professional loss, remediation expense, defense expense** or other coverage afforded under this policy unless the amount of **loss, professional loss, remediation expense, defense expense** or other coverage afforded under this policy exceeds the applicable **self-insured retention**.

IV. EXCLUSIONS

This policy does not apply to **claims, loss, professional loss**, defense expense, **remediation expense** or any other coverage afforded under this policy:

A. Asbestos/Lead

Based upon or arising from any asbestos, asbestos products or any substance or material containing asbestos, or any lead, lead products or any substance or material containing lead at **your insured location**. This exclusion does not apply to asbestos or asbestos containing materials or lead based paint in soil or in any watercourse or body of water, including groundwater, except for asbestos, asbestos products or any substance or material containing asbestos, or any lead-based paint that is or had been installed in or applied to any building or other structure at **your insured location**.

B. Bankruptcy

Based upon or arising out of bankruptcy or insolvency of an **insured** or of any other individual, firm or organization.

C. Contractual Liability

Based upon or arising out of the **insured's**:

1. Liability of others assumed under any contract or agreement; or
2. Breach of contract or agreement.

This exclusion does not apply to liability:

- a. That the **insured** would have in the absence of such contract or agreement;
- b. For actual or alleged negligent acts, errors or omissions in the performance of **your professional services**; or
- c. Solely with regard to **your contracting operations**, assumed in a written contract or agreement for **your contracting operations**, provided that the **bodily injury, property damage or environmental damage** occurs subsequent to the execution of such contract or agreement and does not arise from the client's sole negligence.

D. Criminal Fines

Based upon or arising out of any criminal fines, assessments, or penalties.

E. Damage to Insured's Product

Based upon or arising out of **property damage** or **environmental damage** to the **named insured's** product or work. However, this exclusion does not apply to **completed operations** or a **claim** for **environmental damage**.

F. Damage to Insured's Property

Based upon or arising out of physical injury to or destruction of property owned by an **insured** leased, rented, or loaned to an insured including property in the **insured's** care, custody and control. This exclusion applies solely with respect to **claims** for **property damage** and does not apply to:

1. A **project site**; or
2. A client who qualifies as an **additional insured**;

G. Discrimination

Based upon or arising out of discrimination by an **insured** on the basis of race, creed, national origin, disability, age, marital status, sex, or sexual orientation.

H. Divested Property Limitation

Based upon or arising out of **contamination** that first begins after **your insured location** has been divested, sold, abandoned, given away, taken by eminent domain or condemned.

I. Employers Liability

Based upon or arising out of **bodily injury** to any **employee**, partner or member of any **insured**, or by anyone who has a right to make a **claim** against any **insured** because of any employment, blood, marital or any other relationship with such **employee**, partner or member. This exclusion applies:

1. Whether the **insured** may be responsible as an employer or in any other capacity; or
2. To any obligation to share damages with or repay someone else who must pay damages because of **claims**.

J. Fiduciary Liability

The **insured's** services and/or capacity as:

1. An officer, director, partner, trustee or **employee** of an organization not identified in ITEM 1. of the Declarations, or charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust; or
2. A fiduciary pursuant to the Employee Retirement Income Security Act of 1974 and its amendments, or any regulation or order issued pursuant thereto; or any other employee benefit plan.

K. Hostile Acts

Based upon or arising out of any consequence of, whether direct or indirect, war, invasion, act of a foreign enemy, hostilities whether declared or not, civil war, rebellion, revolution, insurrection, military or usurped power, or any covert military action.

L. Insurance and Suretyship

Based upon or arising out of the requiring, obtaining, procuring, purchasing, maintaining, advising as to, or the failure to require, obtain, procure, purchase, maintain or advise as to any form of insurance, suretyship or bond, either with respect to any **insured** or any other individual or organization.

M. Insured versus Insured

Based upon or arising out of a **claim** by any **insured** against any other **insured** under this policy. This exclusion does not apply to a **claim** made by an entity as defined in Section II. **DEFINITIONS, A. Additional Insured**, Subparagraph 2.

N. Material Change at Your Insured Location

Based upon or arising out of any material change in the use or operations at **your insured location** from the use or operations stated by you in the application or information submitted to us that forms the basis of coverage.

O. Known Conditions/Known Circumstances

Based upon or arising out of any:

1. **Contamination**, including any subsequent dispersal, movement or migration of such **contamination**;
2. Actual or alleged negligent act, error or omission in **your professional services**; or
3. fact, circumstance, event or situation that could reasonably be expected to give rise to a **claim** under this policy;

any of which was in existence prior to the applicable **inception date** and known by or reasonably should have been known by any **responsible individual**.

This exclusion, does not apply to **contamination** at a **project site** provided such **contamination** was in existence prior to the **named insured** first performing **your contracting operations** or **your professional services** at such **project site** and was caused or exacerbated by **your contracting operations**.

P. Nuclear Liability

Based upon or arising out of radioactive, toxic, or explosive properties of Source Materials, Special Nuclear Material or By-Product Material, as defined in the Atomic Energy Act, and for which the United States Department of Energy or any other governmental authority or agency has indemnified the **insured**, or for which the Price Anderson Act provides protection for the **insured**.

Q. Personal Injury

Based upon or arising out of the false arrest, humiliation, harassment, detention, imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution, abuse of process, libel, slander, harassment, or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

R. Prior Reported Claims

Based upon or arising from **claims** or circumstances reported or required to be reported by you or on your behalf under any other insurance that: (i) was in effect prior to the applicable **inception date**; and (ii) was not issued by us or one of our affiliates.

S. Property Damage to Conveyance

Based upon or arising out of **property damage** to any **conveyance** utilized during **transportation**. This exclusion does not apply to **claims** made by third party carriers, utilized during **transportation**, for such **property damage** caused by the **insured's** negligence.

T. Products Liability

Based upon or arising out of goods or products designed, manufactured, sold, handled or distributed by the **insured** or others trading under the **insured's** name, after physical possession of such goods or products has been relinquished by the **insured** or others trading under their names, unless such **claim, loss, professional loss, remediation expense** or any other coverage afforded under the policy arises out of the assembly, fabrication or installation of such product as part of **your contracting operations**. This exclusion does not apply to such products while within the legal boundaries of **your insured location** or during **transportation**.

- U. Process Improvements** – Based upon or arising out of any costs or expenses incurred to install, upgrade, modify or improve any processes, operations, equipment, machinery, or real or personal property at **your insured location**, however, this exclusion will not apply to any **loss or remediation expense** that is directly caused by such installation, upgrade, modification or improvement activities at **your insured location**.

V. Related Entities

Based upon or arising out of an **insured's** involvement: (i) in **your professional services or your contracting operations** performed by, or on behalf of, any organization, or subsidiary or affiliate thereof, not named in the Declarations, which an **insured** controls, manages, operates or holds more than a 25% ownership interest in, or which controls, manages, operates or holds more than a 25% ownership interest in an **insured** or (ii) as a partner, officer, director, stockholder, employer or **employee** of a business enterprise not named in the Declarations..

W. Securities Violations

Based upon or arising out of any violation of the Securities Act of 1933 as amended or the Securities Exchange Act of 1934 as amended or any state Blue Sky or securities law or similar State, Federal, or other governmental law, statute, regulation or order issued pursuant to any of the foregoing statutes.

X. Separately Insured Project

Based upon or arising out of any project that is insured under a valid and collectible project specific insurance policy, including but not limited to a project specific policy, owner protective insurance policy, owner controlled insurance program, contractor controlled insurance program, wrap-up policy or other similar policy or program, under which an **insured** is provided coverage similar to this policy. This exclusion does not apply to projects specifically scheduled as an Insured Project in an endorsement to this policy.

Y. Underground Storage Tank

Based upon or arising out of **contamination** resulting directly or indirectly from an **underground storage tank**, the existence of which is known by or which reasonably should have been known by a **responsible individual** and which is located on **your insured location** unless such **underground storage tank** is scheduled on the policy by endorsement.

This exclusion does not apply to any **underground storage tank** that is:

1. A process or septic tank located partially in the ground; or
2. Located on or above the floor of structures built below the ground surface such as vaults or subsurface floors of buildings; or
3. Prior to the **inception date**, deemed closed or removed by the regulatory body having jurisdiction over the **underground storage tank** and where such regulatory body has made a determination that no further action or remediation related to such **underground storage tank** is required in accordance with **law**.

Z. Vehicles

Based upon or arising out of the ownership, use, maintenance or operation of an automobile, aircraft, watercraft, rolling stock or other **conveyance**. This exclusion shall not apply to the ownership, use, maintenance or operation of an automobile, aircraft, watercraft, rolling stock or other **conveyance** at a **project site** or **your insured location** or during **transportation**.

AA. Warranties and Guarantees

Based upon or arising out of any express warranty or guarantee. This exclusion does not apply to a warranty or guarantee by the **insured** that **your contracting operations** and **your professional services** conform to generally accepted standards or a legal obligation that you would have in absence of such warranty or guarantee.

BB. Workers Compensation/Employment Practices

Based upon or arising out of:

1. The Merchant Marine Act of 1920 (Jones Act) or any workers compensation, unemployment compensation, disability, employee benefits, profit sharing, ERISA law or similar or related laws; or
2. Any type of employment relationship, terms of conditions of employment, or law relating to the employment of any person, including but not limited to: (i) termination of employment; (ii) refusal to employ; or (iii) any employment-related practices, policies, procedures, acts or omissions.

CC. Willful Non-Compliance and Dishonest Acts

Based upon, arising out of or attributable to:

1. A **responsible individual's** intentional, willful or deliberate noncompliance with or intentional disregard of any **law** or any other statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order, or instruction of any governmental agency or body; or
2. Actual or alleged fraudulent, dishonest, knowingly wrongful or malicious conduct by or at the direction of the **responsible individual**.

V. POLICY TERRITORY

This policy is applicable only in the United States, its territories or possessions or Canada, but only if your responsibility is determined in:

- A.** A proceeding on the merits conducted in the United States or its territories or possessions; or

B. A settlement agreed to by us.

All premiums, limits, **self-insured retentions, loss, professional loss** and other amounts under this policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **loss** under this policy is stated in a currency other than United States dollars, payment under this policy shall be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon, or the other element of **loss** or **professional loss** is due, respectively.

This policy shall not apply in any situation that would be in violation of the **laws** of the United States of America or Canada, as applicable, including but not limited to, United States of America economic or trade sanction laws or export controls laws administered by the United States Treasury Office of Foreign Assets Control.

VI. DEFENSE AND SETTLEMENT

- A.** We shall have the right and duty to defend any **insured** against any **claim** to which this insurance applies, even if such **claim** is groundless, false or fraudulent. For any **claim** we defend or for any **loss** or **remediation expense** to which this insurance applies, we will pay **defense expense** in excess of the **self-insured retention**: (i) for the investigation or defense of such **claim**; or (ii) incurred in connection with the payment of such **loss** or **remediation expense**, as applicable. **Defense expense** is included within and will erode the Limits of Insurance and is included within the **self-insured retention** shown in ITEM 7. in the Declarations, or applicable endorsement. Our duty to defend and to pay **defense expense** ends once the applicable Limit of Insurance is exhausted or tendered into a court of applicable jurisdiction or once the **insured** refuses a settlement offer as provided in Paragraph **VI.D.** below. We shall have no duty to defend any **claim**, or to pay **defense expense** for any **loss** or **remediation expense**, to which this insurance does not apply.
- B.** We shall have the right to select counsel for the investigation, adjustment and defense of **claims** to which this insurance applies. The **insured** shall have the right to propose such counsel and we will consult with the **insured** on the selection. If more than one **insured** is involved in a **claim** to which this insurance applies, we may, in our sole discretion, appoint separate counsel for one or more of such **insureds** if there is a material (actual or potential) conflict of interest among any such **insureds**.
- C.** In the event that by mutual agreement or by applicable law the **insured** is entitled to select independent counsel to defend a **claim** to which this insurance applies, the **defense expense** we must pay to such counsel is limited to the rates we would actually pay to counsel that we retain in the ordinary course of business in the defense of similar **claims** in the venue where the **claim** arose or is being defended. We have the right to require that such counsel have certain minimum qualifications with respect to competency, including experience in defending **claims** similar to the one pending against the **insured**, and to require that such counsel have acceptable limits of errors and omissions insurance coverage. The **insured** agrees that such counsel will timely respond to our requests for information regarding any **claim**. Notwithstanding the foregoing, the **insured** may at any time, by its written consent, freely and fully waive any right to select independent counsel. This paragraph C. applies to **defense expense** both within and excess of any **self-insured retention**.
- D.** We reserve the right, but not the duty, to at any time, with the **insured's** consent, settle any **claim** to which this insurance applies as we deem expedient. If with respect to any **claim** to which this insurance applies, the **insured** refuses to consent to the first settlement acceptable to the claimant which we recommend to the **insured** in writing, and elects to further contest such **claim**, then our liability for such **claim** shall not exceed the amount for

which such **claim** could have been settled, including legal expenses incurred, up to the date of such refusal, plus fifty (50) percent of covered **loss, professional loss, remediation expense** or other coverage afforded under this policy in excess of such first settlement amount. It being a condition precedent of this insurance that the remaining fifty (50) percent of such **loss, professional loss, remediation expense** or other coverage afforded under this policy in excess of the first settlement amount is uninsured and shall be borne by the **insured** at the **insured's** own risk. Notwithstanding the foregoing, this paragraph shall not apply until the settlement amount exceeds the **self-insured retention** amount stated in ITEM 7. in the Declarations or applicable endorsement. In addition, if we recommend a first settlement of a **claim** to which this insurance applies within the policy's applicable Limit of Insurance that is acceptable to the claimant, and the **insured** consents to such settlement, then the **insured's** applicable **self-insured retention** for such **claim** shall be retroactively reduced by ten (10) percent. It shall be a condition precedent to such reduction that you must consent to the first settlement amount within thirty (30) days after the date we recommend to the **insured** such first settlement amount, or in the case of a first settlement amount which arises from a first settlement offer by the claimant, then within the time permitted by the claimant to accept such first settlement offer, but in all events no later than thirty (30) days after we recommend to the **insured** such first settlement offer. If the **insured** does not consent to the first settlement within the time prescribed above, the applicable **self-insured retention** amount shall remain the respective amount set forth in ITEM 7. in the Declarations or applicable endorsement, even if consent is given to a subsequent settlement.

VII. NOTICE AND CLAIM REPORTING PROVISIONS

A. Notice as required under this policy must be given by you, or on your behalf:

In writing to us at:

One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950
ATTN: Claims – Environmental

By fax at: 1 (800) 685-9238; or

By telephone at: 1 (800) 765-9749.

For claims-made coverage afforded by this policy, as a condition precedent to our obligations under this policy, the **insured** must give written notice to us as soon as practicable during the **policy period** or **extended reporting period**, if applicable, of any **claim** made against the **insured** for **loss, professional loss, remediation expense** or other coverage afforded under the policy. Oral notification must be followed with a written notice to us as soon as practicable during the **policy period** or **extended reporting period**, if applicable. For occurrence-based coverage afforded by the policy, the **insured** must give notice to us as soon as practicable of any **occurrence** that reasonably may result in a **claim** under the policy. Oral notification must be followed with a written notice to us as soon as practicable.

B. If during the **policy period**, the **insured**: (i) first becomes aware of any: (a) **contamination** (b) negligent act, error or omission in **your professional services**, (c) or other **occurrence**, or (ii) incurs **emergency expense**, any of which could reasonably be expected to give rise to a **claim, remediation expense** or other coverage under this policy, the **insured** must give written notice to us regarding all particulars of such incident. Notice must be provided to us as soon as practicable after the **insured** discovers such **contamination**, or **occurrence**, or incurs such **emergency expense**, but in no event later than the expiration of the **policy period**. Oral notification must be followed with a written notice to us as soon as practicable, but in no event later than the expiration of the **policy period**. Such notice of any **contamination** or **occurrence**, or **emergency expense** must include:

1. The particulars of the specific **contamination**, or **occurrence**, negligent act error or omission, or **emergency expense**;
 2. The circumstances by which the **insured** first became aware of such **contamination**, or **occurrence**, negligent act error or omission, or **emergency expense**; and
 3. The **claim, loss, professional loss** or **remediation expense** or other coverage afforded under this policy which has or may result from such **contamination**, or **occurrence**, negligent act, error or omission, or **emergency expense**.
- C. In the event that the **named insured** continuously maintains Contractors Environmental and Professional Coverage with the Company and in the event we determine that the **insured** fully complied with the notice provision set forth in Paragraph **VII. B.**, then for a period not to exceed five (5) years from the expiration of this policy, any **claim, remediation expense, loss, professional loss** or other coverage afforded under this policy that subsequently arises out of such **contamination** or **occurrence**, or such negligent act, error or omission, as applicable, will be considered to have been first made under the policy in effect at the time the **insured** discovers such **contamination** or **occurrence**, or such negligent act, error or omission.

VIII. DUTIES IN THE EVENT OF A CLAIM OR REMEDIATION EXPENSE OR DISCOVERY OF CONTAMINATION

A. The Insured's Duties

As a condition precedent to our obligations under this policy, in the event of a **claim, loss, professional loss, remediation expense**, other coverage afforded under this policy or the discovery of **contamination**, and pursuant to **VII. NOTICE AND CLAIM REPORTING PROVISIONS** above, the **insured** shall:

1. Give notice containing particulars sufficient to identify the **insured**, time, place and underlying circumstances to us;
2. Immediately forward to us every demand, notice, summons, or other process received by the **insured** or **insured's** representatives;
3. Take reasonable measures to protect their interests. We shall not be liable for **loss, professional loss, remediation expense, defense expense** or any other coverage afforded under this policy admitted by the **insured** without our prior written consent;
4. Admit no liability, make no payments, assume no obligation and incur no expense related to such **claim**, or **remediation expense** without our prior written consent;
5. Fully cooperate with us and, upon our request, assist in investigations, making settlements and in the conduct of defense of **claims**. The **insured** shall, at the **insured's** cost, attend inquires, interviews, hearings, trials and depositions and shall assist in securing and giving evidence and in obtaining the attendance of witnesses and employees; and
6. Not demand or agree to arbitration of any **claim** or any part of your responsibilities for **remediation expense, loss, or professional loss**, or other coverage afforded or **contamination** without our prior written consent. Such consent shall not be unreasonably withheld.

B. Rights and Duties Concerning Contamination

1. The **insured** shall have the right and duty to retain an **environmental professional**, subject to our consent, to associate with the **insured's** investigation or remediation of **contamination** covered by this insurance after the **insured** discovers and notifies us of the existence of such **contamination**. We have the right, but not the duty, to review and approve all aspects of any such investigation or remediation.
2. In the event of **emergency expense**, the **insured** may select an **environmental professional** without our prior consent. Except for **emergency expense**, any costs incurred without our consent will not be covered under this policy or credited against the **self-insured retention**. As a condition precedent for coverage of **emergency expense** under this policy, the **insured** must notify us as soon as practicable, but in no event after expiration of the **policy period**, of such **emergency expense**.
3. In addition, we shall retain the right but not the duty to investigate or remediate **contamination** on behalf of the **insured** after receipt of notice of such **contamination**. Any expenses incurred in such investigation or remediation shall be deemed to be incurred by the **insured** and applied against the Limits of Insurance and credited against the **self-insured retention**.
4. Subject to Paragraph **VIII. B.2.**, above, in the event that the **insured**, subject to our prior consent, retains a remediation contractor to investigate and remediate **contamination** to which this policy applies, the **remediation expense** we must pay to such remediation contractor is limited to the unit rates and material costs we would actually pay to remediation contractors that we retain in the ordinary course of business in the investigation or remediation of similar **contamination** in the location where the **contamination** took place. We have the right to require that such remediation contractors have certain minimum qualifications with respect to competency, including experience in investigation and remediation **contamination** similar to the **contamination** at issue, and to require that such remediation contractors have acceptable limits of errors and omissions insurance coverage. The **insured** warrants that such remediation contractors will timely respond to our requests for information regarding any **contamination**.
5. Subject to Paragraph **VIII. B.2.**, above, in the event that the **insured**, subject to our prior consent, directly undertakes the investigation and remediation of **contamination** resulting directly or indirectly from **your contracting operations** to which this policy applies, the **remediation expense** we must pay to such **insured** is limited to the unit rates and material costs we would actually pay to remediation contractors that we retain in the ordinary course of business in the investigation or remediation of similar **contamination** in the location where the **contamination** took place, but in no event will we be obligated to pay the **insured** for any element of overhead or profit with respect to any **remediation expense** it incurs under this subparagraph.

IX. EXTENDED REPORTING PROVISIONS

The provisions of this Section **IX. EXTENDED REPORTING PROVISIONS** shall apply only to coverage provided by this policy that is on a Claims-Made and Reported Basis.

A. Automatic Extended Reporting Period

1. If you cancel or refuse to renew this policy or, if we cancel or refuse to renew this policy for reasons other than non-payment of premium or fraud or material misrepresentation on your part, we will provide to you a ninety (90) day automatic **extended reporting period**, at no additional charge.

2. The automatic **extended reporting period** will apply to any **claim** first made against you and reported to us in writing during the ninety (90) day extension period, but only with respect to:
 - a. A negligent act, error or omission in **Your Professional Services**, provided that **Your Professional Services** are otherwise covered by this policy; or
 - b. **Contamination** that the **named insured** discovers during the **policy period** and reports to us in writing during the **policy period**; or
 - c. Solely with respect to **contamination** that the **named insured** discovers within twenty-four (24) hours prior to the termination of the policy and reports to us in writing during the five (5) days immediately following the termination of the policy;

Provided that such **contamination** is otherwise covered by this policy.

3. If you purchase replacement coverage for this policy or a supplemental **extended reporting period** under **B.** below, the ninety (90) day automatic extension period will end on the effective date of the replacement coverage or on the effective date of the supplemental **extended reporting period**, whichever is earliest.

B. Supplemental Extended Reporting Period

1. If you cancel or refuse to renew this policy or, if we cancel or refuse to renew this policy for reasons other than non-payment of premium or fraud or material misrepresentation on your part, you shall have the right to purchase a supplemental **extended reporting period** of three (3) years for a premium of not more than two hundred and fifty percent (250%) of the expiring policy premium.
2. The supplemental **extended reporting period** will apply to any **claim** first made against you and reported to us in writing during the supplemental **extended reporting period** but only with respect to:
 - a. A negligent act, error or omission in **Your Professional Services**, provided that **Your Professional Services** are otherwise covered by this policy; or
 - b. **Contamination** that the **named insured** discovers during the **policy period** and reports to us in writing during the **policy period**; or
 - c. Solely with respect to **contamination** that the **named insured** discovers within twenty-four (24) hours prior to the termination of the policy and reports to us in writing during the five (5) days immediately following the termination of the policy;

Provided that such **contamination** is otherwise covered by this policy.

3. You must apply for this extension in writing, accompanied by payment of premium, prior to the expiration of the ninety (90) day automatic **extended reporting period** under **A.** above.

C. Extended Reporting Periods

The **extended reporting periods** are subject to the following conditions, as applicable:

1. All premium paid with respect to a supplemental **extended reporting period** shall be deemed to be fully earned as of the first day of the extension period.

2. The supplemental **extended reporting period** described herein shall commence upon the day that the automatic **extended reporting period** terminates.
3. For the purpose of any **extended reporting period**, any change in premium, **self-insured retention**, Limits of Insurance or other terms or conditions at renewal is not a refusal to renew.
4. Limits of Insurance available during any **extended reporting period** shall not exceed the balance of the Limits of Insurance in effect at the time the policy terminated.
5. In the event similar insurance is in force covering any **claims** first made during the automatic **extended reporting period**, there is no coverage under this policy.
6. In the event similar insurance is in force covering any **claims** first made during the supplemental **extended reporting period**, coverage provided by this policy shall be excess over any such other insurance, including any applicable deductible or self-insured retention amounts of such other insurance. For purposes of this provision, other insurance includes all types of self-insurance, indemnification or other funding arrangement or program that is available to compensate an **insured** for liability.
7. Any **extended reporting period** does not extend the **policy period**. Any **claim** first made against you during an **extended reporting period** will be deemed to have been first made during the last day of the **policy period**.

X. GENERAL CONDITIONS

A. Subrogation

If we pay any amount under this policy, we shall be subrogated to the **insured's** rights of recovery against any person, firm or organization. The **insured** shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. The **insured** shall not waive or prejudice such rights subsequent to when a **claim** is first made or when the **insured** discovers **contamination**.

Any recovery as a result of a subrogation proceeding arising out of payment of a **professional loss, loss or remediation expense** covered under this insurance shall accrue first to you to the extent of any payments in excess of the Limits of Insurance; then to us to the extent of our payment under the policy; and then to you to the extent of your deductible. Expenses incurred in such subrogation proceedings will be apportioned among the interested parties in the recovery, in the proportion that each interested party's share in the recovery bears to the total recovery.

Notwithstanding the foregoing, we hereby waive our right of subrogation against your client and any entity where required by written contract provided that such contract is fully executed prior to the first commencement of **contamination** or prior to the rendering or failure to render **your professional services**, as applicable to which this insurance applies.

B. Changes

Notwithstanding anything to the contrary, no provision of this policy may be amended, waived or otherwise changed except by endorsement issued by us to form part of this policy.

C. Action Against Us

No person or organization has a right under this insurance:

1. To join us as a party or otherwise bring us into a **claim**; or
2. To sue us under this insurance unless all of its terms have been fully complied with.

A person or organization may sue us to recover on a fully executed settlement agreement or on a final judgment against the **insured** obtained after an actual trial; but we will not be liable for **loss** that is not payable under the terms of this insurance or that is in excess of the applicable Limits of Insurance.

D. Bankruptcy

Your bankruptcy or insolvency, or that of your successors in interest, shall not relieve us of our obligations under this policy.

E. Cancellation or Non-Renewal

You may cancel this policy by surrendering it to us or one of our authorized agents or by mailing written notice to us and providing to us a future date when cancellation shall be effective. If you cancel this policy, we shall retain the customary short-rate portion of the premium less the minimum earned premium, if applicable.

We may cancel the policy by mailing to you at the address stated ITEM 2 in the Declarations written notice stating when, not less than ninety (90) days thereafter; or ten (10) days in the case of cancellation for non-payment of premium or **self-insured retention**, such cancellation shall become effective. If we cancel the policy, earned premium shall be computed pro-rata. The mailing of Notice of Cancellation as aforementioned shall be sufficient notice of the intent to cancel. The effective date of cancellation specified in the notice shall terminate this **policy period**.

This policy may only be cancelled by us for:

1. Non-payment of premium or **self-insured retention**;
2. Change in your operations that materially increase risks covered under this policy;
3. Fraud or material misrepresentation by you; or
4. Your failure to comply with terms and conditions or your contractual obligations under this policy. You shall have a period of sixty (60) days from the date of notice of cancellation to remedy such non-compliance. If the remedy is satisfactory to us, we shall rescind such notice in writing and the policy shall remain in force. Notwithstanding the foregoing, if the policy is cancelled due to non-payment of premium, at the Company's option, upon receipt of all outstanding premium payments, the policy may be reinstated, but only from the date we receive such outstanding premium payments.

F. Assignment

Assignment of interest under this policy shall not bind us and such assignment is void unless our consent is endorsed hereon.

G. Authorization Clause

By acceptance of this policy, you warrant that:

1. The statements in the Declarations, your application, and any other supplemental information thereto are complete and accurate;
2. The statements in your application and any other supplementary information thereto are your representations and warranties and that those representations and warranties are material;
3. This policy is issued in reliance upon the truth and accuracy of such representations and warranties;
4. The statements in your application and any other supplemental information thereto are incorporated into this policy. This policy embodies all existing agreements between you and us relating to this insurance;
5. Breach of those representations or warranties will result, at our election, forfeiture of coverage for any **claim** reported to us under the policy, or voiding of the policy from inception.

H. Other Insurance

If other valid and collectible insurance is available to the **insured** for coverage granted under this policy, our obligations are limited as follows:

1. This insurance is primary, and our obligations are not affected unless any other insurance is also primary. In that case, we will share with all such other insurance by the method described in Paragraph 2. below, or this insurance will be primary and non-contributory when Paragraph 3. below applies; and
2. If all of the other insurance permits contribution by equal shares, we will also follow this method. In this approach each insurer 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. In contribution by limits, each insurer's share is based upon the ratio its applicable limit of insurance bears to the total applicable limits of insurance of all insurers.
3. This insurance is primary and non-contributory with other valid and collectible insurance, but only if: (i) the **named insured** has a written contract or agreement requiring this insurance to be primary and non-contributory; and (ii) such contract or agreement was executed prior to the date that **your contracting operations** or **your professional services**, as applicable first commenced.

For purposes of this provision, other insurance includes all types of self-insurance, indemnification or other funding arrangement or program that is available to compensate an **insured** for liability.

I. Headings

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

J. Consent

Where consent by us or an **insured** is required under this policy, such consent shall not be unreasonably withheld, delayed, conditioned or denied.

K. Access and Inspection

In connection with underwriting of this insurance or with our defense or adjustment of any **loss, professional loss, claim, remediation expense** or any other coverage afforded under this policy, we shall be allowed, but not obligated to, conduct inspections, surveys, audits or reviews of your location, operations, books or other information deemed pertinent by us. Such inspections, surveys, audits or reviews could involve the taking of samples, interviewing of **employees**, physical access to locations or access to materials or information concerning your operations, structure or financials of your company.

The **insured** agrees to cooperate with us, and provide us with access to locations, information, and employees for such inspections, surveys, audits, or reviews, whether or not you deem such location or information relevant to the underwriting of this insurance, or with our defense or adjustment of any **claim, loss, remediation expense** or any other coverage afforded under this policy.

Neither our right to conduct such inspections, surveys, audits or reviews nor the results or conclusions of such actual inspections, surveys, audits or reviews shall warrant, in any way, that the operations or location are safe, healthful or compliant with or conform to applicable **laws**, standards or accepted practices. This condition applies to any agents or representatives that we allow to conduct such inspections, surveys, audits or reviews on our behalf.

L. Sole Agent

You shall act on behalf of all other **insureds**, if any, for the payment or return of any premium, payment of any **self-insured retention**, receipt and acceptance of any endorsement issued to form a part of the policy, giving and receiving notices, including notices of cancellation or non-renewal, the exercise of the rights provided in the **extended reporting period**, and the receipt and acceptance of any payment required to be made by us under the policy.

M. Severability

Except with respect to Limits of Insurance, **self-insured retention**, Exclusion **M. Insured versus Insured**, Cancellation or Non-Renewal and any rights and duties assigned in this policy to you, this insurance applies as if each **insured** were the only **insured** and separately to each **insured** against whom a **claim** is made. Any misrepresentation, act, or omission that is in violation of a term, duty or condition under this policy by one **insured** shall not prejudice another **insured** under this policy. This condition shall not apply to an **insured** who is a parent, subsidiary or affiliate of the **insured** which committed the misrepresentation, act, or omission referenced above.

N. Shared Limits

You and all other **insureds** understand, agree and acknowledge that this policy contains an Aggregate Limit that is applicable to and shared by all **insureds** who are or may become an **insured**. As such all **insureds** understand and agree that the limits of this policy may be depleted or exhausted by payments to other **insureds**.

O. Arbitration

Any dispute, disagreement or controversy arising out of the formation, interpretation, alleged breach, termination, or invalidity of this policy, or as to any other issue regarding the respective duties and responsibilities of us or any **insured** regarding this policy, shall be

resolved through binding arbitration. Except with respect to the selection of the arbitration panel, the arbitration will be conducted in accordance with the rules of the American Arbitration Association ("AAA") that are in effect as of the date a party first provides notice of its demand for arbitration to the other party in accordance with the policy's notice provisions. The panel will consist of one arbitrator selected by the **insured**; one selected by us; and a third independent arbitrator will be selected by the first two arbitrators. If the first two arbitrators cannot agree on the selection of a third independent arbitrator within thirty (30) days of such notice, the third arbitrator will be selected by the AAA.

The arbitration proceeding will take place in the state shown in ITEM 2. in the Declarations or in the domicile of the entity seeking relief from us or from whom we are seeking relief. The arbitrators must give due consideration to the general principles of the law of the state shown in ITEM 2. in the Declarations in construing and interpreting this policy; provided however, that the terms, conditions, provisions and exclusions of this policy are to be construed in an evenhanded fashion as between the parties. Where the language of this policy is alleged to be ambiguous or otherwise unclear, the issue will be resolved in the manner most consistent with the relevant terms, conditions, provision or exclusions of the policy (without regard to the authorship of the language, the doctrine of reasonable expectations of the parties and without any presumption or arbitrary interpretation or construction in favor of either party or parties, and in accordance with the intent of the parties).

The written decision of the arbitrators will be binding on all parties, must set forth its reasoning and basis in law and fact, and must be provided to all parties simultaneously. The arbitrators' award shall not include attorney fees or other costs of arbitration. Judgment on the award may be entered in any court of competent jurisdiction. Each party shall bear the costs and expenses of arbitration equally.

Notwithstanding any language to the contrary, the parties hereby agree that: the Underlying Award may be appealed pursuant to the AAA's Optional Appellate Arbitration Rules ("Appellate Rules"); and that the Underlying Award shall not be considered final until after the time for filing the notice of appeal pursuant to the Appellate Rules has expired. Appeals must be initiated within thirty (30) days of a party's receipt of an Underlying Award, as defined by Rule A-3 of the Appellate Rules, by filing a Notice of Appeal with any AAA office and simultaneously serving such Notice on the other party. Following the appeal process the decision rendered by the appeal tribunal may be entered in any court having jurisdiction thereof.

IN WITNESS WHEREOF, WE HAVE CAUSED THIS POLICY TO BE SIGNED BY OUR PRESIDENT AND SECRETARY. THIS POLICY SHALL NOT BE VALID UNLESS SIGNED ON THE DECLARATIONS PAGE BY OUR DULY AUTHORIZED REPRESENTATIVE