



Policy No: 0313-7437
Company Reference: Allied World
Specialty Insurance Company

**FOLLOWING FORM EXCESS LIABILITY POLICY
DECLARATIONS**

- Item 1. a) Named Insured: City of Austin
and as more fully set forth in the Lead Underlying Policy
 - b) Address of Named Insured: 5202 E Ben White BLVD
Suite 500
Austin, TX 78741
 - Item 2. a) Lead Underlying Policy No: 140000976
 - b) All other Underlying Policy No(s): As per Endorsement No 1., "SCHEDULE OF UNDERLYING INSURANCE"
 - c) Lead Underlying Insurer: N/A
 - d) All other Underlying Insurer(s): As per Endorsement No 1., "SCHEDULE OF UNDERLYING INSURANCE"
 - Item 3. Limit of Liability: a) USD\$5,000,000 each Occurrence
(Insuring Agreement 2): b) USD \$5,000,000 aggregate
 - Item 4. Underlying Limits: a) USD\$5,000,000 each Occurrence
(Insuring Agreement 2): b) USD\$5,000,000 aggregate
- Which in turn is excess of any applicable limits and/or retentions as more fully set forth in the Lead Underlying Policy
- Item 5. Policy Period: From: April 3, 2023 to April 3, 2029 both days at 12.01 am standard time at the address of the Named Insured.

Item 6. Notice to: (Conditions 5. and 3., respectively)

a) Notices of Occurrence:

To:
ALLIED WORLD SPECIALTY INSURANCE COMPANY
ATTN: CLAIMS DEPARTMENT
199 WATER STREET, 24TH FLOOR
NEW YORK, NY 10038
FACSIMILE: 646-794-0811

b) All other Notices:

To:

City of Austin
5202 E Ben White BLVD
Suite 500
Austin, TX 78741

To:

ALLIED WORLD SPECIALTY INSURANCE COMPANY
ATTN: GENERAL CASUALTY
199 WATER STREET, 24TH FLOOR
NEW YORK, NY 10038
FACSIMILE: 646-794-0611

Item 7. a) Premium: USD (100% Flat Annual)

Item 8. Policy Form:
Endorsements
1. XSFF 00003 00 (09/2016) Schedule of Underlying Insurance
2. XSFF 00002 00 (07/2014) US Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to PolicyHolders
3. XSFF 00004 00 (07/2014) Asbestos Exclusion
4. XSFF 00008 00 (07/2014) Non-Followed Terms and Conditions Amendatory Endorsement
5. XSFF 00012 42 (09/2016) Texas Amendatory Endorsement
6. XSFF 00013 00 (10/2016) Adjustable Premium - Total Cost

HERETO: 100% part of 100% of the Limit of Liability and Premium stated above.

IN WITNESS WHEREOF, on July 12, 2023 the Company has caused this policy to be executed and attested, but this Policy shall not be valid unless countersigned by a duly authorized representative of the Company.



President



Asst. Secretary



AUTHORIZED REPRESENTATIVE

Policy Number: 0313-7437

Named Insured: City of Austin

Effective Date: April 3, 2023

12:01 A.M., Standard Time

SCHEDULE OF FORMS AND ENDORSEMENT

The following forms and endorsements are made a part of this Policy:

<u>Endorsement Number</u>	<u>Form # / Edition</u>	<u>Title</u>
	XSFF 00061 00 (09/16)	Marsh XSellence Following Form Excess Liability Policy Declarations
	XSFF 00019 42 (01/15)	Texas Disclosure Notice
1	XSFF 00003 00 (09/16)	Schedule of Underlying Insurance
2	XSFF 00002 00 (07/14)	US Treasury Department's Office of Foreign Assets Control ("OFAC") Advisory Notice to Policyholders
3	XSFF 00004 00 (07/14)	Asbestos Exclusion
4	XSFF 00008 00 (07/14)	Non-Followed Terms and Conditions Amendatory Endorsement
5	XSFF 00012 42 (09/16)	Texas Amendatory Endorsement
6	XSFF 00013 00 (10/16)	Adjustable Premium - Total Cost
	XSFF 00009 00 (01/15)	Policyholder Disclosure Statement Under the Terrorism Risk Insurance Act
	XSFF 00001 00 (09/16)	Marsh XSellence Following Form Excess Liability Policy

Figure: 28 TAC §1.601(a)(2)(B)

Have a complaint or need help?

If you have a problem with a claim or your premium, call your insurance company or HMO first. If you can't work out the issue, the Texas Department of Insurance may be able to help.

Even if you file a complaint with the Texas Department of Insurance, you should also file a complaint or appeal through your insurance company or HMO. If you don't, you may lose your right to appeal.

Allied World Specialty Insurance Company

To get information or file a complaint with your insurance company or HMO:

**Call: Karen Colonna, Senior Vice President & Deputy
General Counsel at (646) 794-0576**

Toll-free: (877) 873-6374

Online: www.awac.com

Email: Karen.Colonna@AWAC.com

Mail: 199 Water Street, 24th Floor
New York, 10038

The Texas Department of Insurance

To get help with an insurance question or file a complaint with the state: Call with a question: 1-800-252-3439

File a complaint: www.tdi.texas.gov

Email: ConsumerProtection@tdi.texas.gov

Mail: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

¿Tiene una queja o necesita ayuda?

Si tiene un problema con una reclamación o con su prima de seguro, llame primero a su compañía de seguros o HMO. Si no puede resolver el problema, es posible que el Departamento de Seguros de Texas (Texas Department of Insurance, por su nombre en inglés) pueda ayudar.

Aun si usted presenta una queja ante el Departamento de Seguros de Texas, también debe presentar una queja a través del proceso de quejas o de apelaciones de su compañía de seguros o HMO. Si no lo hace, podría perder su derecho para apelar.

Allied World Specialty Insurance Company

Para obtener información o para presentar una queja ante su compañía de seguros o para o HMO:

Llame a: Karen Colonna, Senior Vice President & Deputy

General Counsel al (646) 794-0576

Teléfono gratuito: (877) 873-6374

En línea: www.AWAC.com

Correo electrónico: Karen.Colonna@AWAC.com

Dirección postal: 199 Water Street, 24th Floor
New York, NY 100308

El Departamento de Seguros de Texas

Para obtener ayuda con una pregunta relacionada con los seguros o para presentar una queja ante el estado:

Llame con sus preguntas al: 1-800-252-3439

Presente una queja en: www.tdi.texas.gov

Correo electrónico: ConsumerProtection@tdi.texas.gov

Dirección postal: MC 111-1A, P.O. Box 149091, Austin, TX 78714-9091

TEXAS DISCLOSURE FORM

Allied World National Assurance Company acknowledges that the terms, conditions, and coverages provided in this policy have been negotiated in good faith with you, the insured. The **insured** has agreed to accept such terms, conditions, and coverages.

The following additional exclusions and/or limitations, which may have not been in the **insured's** previous policy, are included in this policy:

Type of Coverage Limited or Excluded:

Endorsement Number	Form Number	Title
3	XSFF 0004 00 (07/2014)	Asbestos Exclusion

Other insurance companies may or may not have these exclusions and/or limitations in their current policy.



Signature of Insurer or Authorized Representative

President, North American Casualty Division

Title

July 12, 2023

Date

Endorsement No.: 1

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

SCHEDULE OF UNDERLYING INSURANCE

<u>Type of Coverage</u>	<u>Insurer</u> <u>Policy Number</u> <u>Policy Period</u>	<u>Limits of Insurance</u>
General Liability	LM Insurance Corporation TB5-661-067424-023 April 3, 2023 - April 3, 2029	US\$2,000,000 Each Occurrence US\$4,000,000 General Aggregate US\$4,000,000 Products-Completed Operations Aggregate US\$2,000,000 Each Occurrence Personal & Advertising Injury
Defense costs: <input type="checkbox"/> Erode <input checked="" type="checkbox"/> Do Not Erode The Limits of Insurance listed in the policy above.		
Excess Follow Form with Limitations – Followed Policy	QBE Specialty Insurance Company 140000976 April 3, 2023 - April 3, 2029	US\$5,000,000 Each Occurrence US\$5,000,000 Aggregate
Defense costs: <input type="checkbox"/> Erode <input checked="" type="checkbox"/> Do Not Erode The Limits of Insurance listed in the policy above.		

The policies listed above are in excess of the underlying insurances and/or self-insured retentions listed in the schedule(s) of underlying policies and/or self-insured retentions attached to the Lead Underlying Policy.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:

A handwritten signature in black ink, appearing to read "J Cellura", with a horizontal line extending to the right from the end of the signature.

Joseph Cellura

Title: President, North American Casualty Division

Date: July 12, 2023

Endorsement No.: 2

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

**U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN
ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of this Policy.

This Notice provides information concerning the possible impact on this Policy's coverage due to directives issued by The Office of Foreign Assets Control (OFAC). **Please read this Notice carefully.**

OFAC administers and enforces sanctions, based on Presidential declarations of "national emergency". OFAC has identified and listed numerous:

- Foreign agents;
- Front organizations;
- Terrorists;
- Terrorist organizations; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that the Named Insured or any other insured, or any person or entity claiming the benefits of this Policy has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this Policy will be considered a blocked or frozen contract and all provisions of this Policy are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments or premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:

A handwritten signature in black ink, appearing to read "J Cellura", with a horizontal line extending to the right from the end of the signature.

Joseph Cellura

Title: President, North American Casualty Division

Date: July 12, 2023

Endorsement No.: 3

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

ASBESTOS EXCLUSION

It is agreed that this Policy does not provide coverage for:

- A. Any liability, loss, cost or expense based upon, resulting directly, or indirectly, from, arising in whole, or in part, out of or in any way involving the mining, manufacture, distribution, sale, installation, removal, utilization, ingestion, inhalation or existence of, or exposure to, asbestos in any form or any products or materials containing asbestos; or
- B. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to or assessing the effects of, asbestos in any form or any products or materials containing asbestos, by any Insured or by any other person or organization.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:



Joseph Cellura

Title: President, North American Casualty Division

Date: July 12, 2023

Endorsement No.: 4

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

**NON-FOLLOWED TERMS AND CONDITIONS AMENDATORY
ENDORSEMENT**

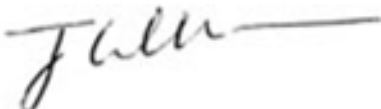
Notwithstanding any other provision of this Policy, it is agreed that in no event will this Policy follow the terms and conditions listed below that are contained in, or endorsed to, the Lead Underlying Policy or any other Underlying Policy(ies):

1. Liberalization clause, condition or endorsement;
2. State amendatory or state specific endorsement;
3. Service of suit clause, condition or endorsement;
4. Crisis management or crisis response endorsement;
5. Accidental death & dismemberment clause or endorsement;
6. Uninsured/underinsured motorists (UM/UIM) endorsement; or
7. Any coverage that is subject to a sublimit of liability, unless coverage for such sublimit is specifically endorsed to this Policy.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:



Joseph Cellura

**Title: President, North American Casualty
Division**

Date of Issuance: July 12, 2023

Endorsement No.: 5

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

TEXAS AMENDATORY ENDORSEMENT

It is agreed that **CONDITIONS**, Paragraph 3. **CANCELLATION** - is deleted in its entirety and replaced by the following:

3. CANCELLATION -

- A. The first Named Insured designated in Item 1. a) of the Declarations may cancel this Policy by mailing or delivering to the Company, at the address stated in Item 6. b) of the Declarations, advance written notice stating when such cancellation is to take effect.
- B. The Company may cancel this Policy by delivering to the first Named Insured, or by mailing to the first Named Insured (by registered, certified, or other first class mail), at the address stated in Item 1. b) of the Declarations, written notice, not less than thirty (30) days [or ten (10) days in the event any premium is not paid when due], in advance of the cancellation date. Proof of mailing of such notice to the first Named Insured at the address stated in Item 1. b) of the Declarations will be sufficient proof of notice. The Company may not cancel this Policy solely on the fact that the insured is an elected official.
- C. If this Policy has been in effect for more than sixty (60) days or is a renewal Policy, the Company may only cancel this Policy for the following reasons:
 - 1) Fraud in obtaining coverage;
 - 2) Failure to pay premiums when due;
 - 3) An increase in hazard within the control of the Insured that would produce a rate increase;
 - 4) Loss of the Company's reinsurance covering all or part of the risk covered by the Policy;
or
 - 5) The Company is placed in supervision, conservatorship, or receivership and the cancellation is approved or directed by the supervisor, conservator, or receiver.
- D. The Policy Period of this Policy will end on the date and hour specified in the cancellation notice.
- E. If the Insured cancels this Policy, the Company will be due the greater of either:
 - 1) The sum of:
 - i. The earned amount of the Premium stated in Item 7. a) of the Declarations; plus
 - ii. 10% of the unearned amount of the Premium stated in Item 7. a) of the Declarations; or
 - 2) The Minimum Earned Premium, if any.

After deduction of the amount due the Company as determined above, the remaining amount of any unearned premium previously paid to the Company will be returned to the first Named Insured.

- F. If this Policy is cancelled by the Company, then the Company shall return the pro rata portion of any unearned premium, previously paid to the Company, to the first Named Insured.
- G. Payment or tender of any unearned premium by the Company will not be a condition precedent to the effectiveness of cancellation, but the Company shall make such payment as soon as practicable. The Company's check or its representative's check, mailed or delivered to the first Named Insured, will be sufficient tender of any refund due any Insured.
- H. Any of these provisions that conflict with a law that controls the cancellation of this Policy is changed by this paragraph to comply with that law.

It is agreed that the following conditions are added to **CONDITIONS**:

PREMIUM –

- A. At the beginning of the Policy Period, stated in Item 5. of the Declarations of this Policy, the first Named Insured must pay the Company the Premium stated in Item 7. a) of the Declarations for this Policy.
- B. The Premium is subject to adjustment if:
 - 1) The premium of the Lead Underlying Policy is adjusted;
or
 - 2) An endorsement describing such adjustment is attached to this Policy.
- C. In no event, however, will the adjusted premium be less than the greater of:
 - 1) The Premium for this Policy stated in Item 7. a) of the Declarations; or
 - 2) The Minimum Earned Premium, if any.

NONRENEWAL –

The Company may nonrenew this Policy, by delivering to the first Named Insured, or by mailing to the first Named Insured (by registered, certified, or other first class mail), at the address stated in Item 1. b) of the Declarations, written notice of nonrenewal at least sixty (60) days before the end of the Policy Period. The mailing of such notice shall be sufficient notice of nonrenewal and delivery of such notice shall be equivalent to mailing. If notice of nonrenewal is delivered or mailed later than the sixtieth (60th) day before the date this Policy expires, this Policy's coverage will remain in effect until the sixty-first (61st) day after the date on which the notice is mailed or delivered.

The Company may not nonrenew this Policy solely on the fact that the Insured is an elected official.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:

A handwritten signature in black ink, appearing to read "J Cellura", with a horizontal line extending to the right from the end of the signature.

Joseph Cellura

**Title: President, North American Casualty
Division**

Date of Issuance: July 12, 2023

Endorsement No.: 6

This endorsement, effective: April 3, 2023
(at 12:01 A.M. prevailing time at the address stated in Item 1. b) of the Declarations)
forms a part of Policy No.: 0313-7437
Issued to: City of Austin
By: Allied World Specialty Insurance Company

**ADJUSTABLE PREMIUM –
TOTAL COST**

It is agreed that the Premium shown in Item 7. a) of the Declarations is minimum and adjustable based on "Total Cost".

Rate of Adjustment:
per \$1,000 of "Total Cost" in excess of the Estimated "Total Cost" listed below.

Estimated "Total Cost".

No later than sixty (60) days following expiration or cancellation of this Policy, the Named Insured shall submit a report to the Company stating the actual "Total Cost".

If the actual "Total Cost" exceeds the Estimated "Total Cost" stated above, then:

- A. The actual "Total Cost" that is in excess of the Estimated "Total Cost" stated above will be divided by 1,000 and then multiplied by the Rate of Adjustment stated above; and
- B. The Named Insured shall remit the additional premium, which is the product of the calculation in paragraph A. above, to the Company with its report.

"Total Cost" means:

The total cost of all work let or sublet in connection with all projects including:

- 1. The cost of all labor, materials and equipment furnished, used or delivered for use in the execution of the work; and
- 2. All fees, bonuses or commissions made, paid or due.

However, "Total Cost" will not include the cost of finished equipment installed, but not furnished, by a contractor or subcontractor if the contractor or subcontractor does no other work on, or in connection with, such equipment.

All other terms and conditions of this Policy remain unchanged.

Allied World Specialty Insurance Company

By:

A handwritten signature in black ink, appearing to read "J Cellura", with a horizontal line extending to the right from the end of the signature.

Joseph Cellura

Title: President, North American Casualty Division

Date: July 12, 2023

**POLICYHOLDER DISCLOSURE STATEMENT
UNDER THE
TERRORISM RISK INSURANCE ACT**

The Insured is hereby notified that under the federal Terrorism Risk Insurance Act, as amended, (the "Act"), the Insured has a right to purchase insurance coverage for losses arising out of an Act of Terrorism, as defined in Section 102(1) of the Act: The term "act of terrorism" means any act that is certified by the Secretary of the Treasury in consultation with the Secretary of Homeland Security and the Attorney General of the United States to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside of the United States in case of certain air carriers or vessels or the premises of a United States. mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. The Insured should read the Act for a complete description of its coverage. The decision to certify or not to certify an event as an Act of Terrorism covered by this law is final and not subject to review.

The Insured should know that where coverage is provided by this policy for losses caused by a Certified Act of Terrorism may be partially reimbursed by the United States Government under a formula established by federal law. However, the insured's policy may contain other exclusions that might affect coverage, such as an exclusion for nuclear events. Under the formula, the United States generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible that must be met by the Insurer, and which deductible is based on a percentage of the Insurer's direct earned premiums for the year preceding the Act of Terrorism

Be advised that the Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap on all losses resulting from Certified Acts of Terrorism. If aggregate insured losses attributable to Certified Acts of Terrorism exceed \$100 billion in a calendar year the United States Government shall not make any payment for any portion of the amount of such loss that exceeds \$100 billion. If aggregate insured losses attributable to Acts of Terrorism exceed \$100 billion in a Program Year and the Insurer has met its deductible under the Act, the Insurer shall not be liable for payment of any portion of the losses that exceeds \$100 billion, and in such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage for "insured losses" as defined in the Act is subject to the coverage terms, conditions, amounts and limits in this policy applicable to losses arising from events other than Acts of Terrorism.

Please indicate the selection of the Insured below.

_____ The Insured hereby elects to purchase coverage in accordance with the Act for a premium of \$

_____ The Insured hereby rejects coverage and accepts reinstatement of the exclusion in accordance with the Act.

Signature of Insured

Print/Title

Date



FOLLOWING FORM EXCESS LIABILITY POLICY

INSURING AGREEMENTS

1. COVERAGE -

The Company hereby agrees, subject to the terms, definitions, exclusions and conditions contained in this Policy, to pay those sums which the Insured shall be legally obligated to pay as damages by reason of the liability covered by and as more fully defined in the Lead Underlying Policy (as stated in Item 2. a) of the Declarations and hereinafter referred to as "Lead Underlying Policy"); provided always however, that this Policy shall not apply until the Insured and/or the Underlying Insurers (as stated in Items 2. c) and 2. d) of the Declarations and hereinafter referred to as "Underlying Insurers") have paid or have been held liable to pay the full amount of the Underlying Limits for damages covered by the Lead Underlying Policy in accordance with Insuring Agreement 2.

The Company agrees that, except as may otherwise be endorsed to this Policy, this Policy will follow:

1. the same terms, definitions, exclusions and conditions as are, at inception hereof, contained in the Lead Underlying Policy, and;
2. all subsequent changes made to the terms, definitions, exclusions and conditions of the Lead Underlying Policy that do not broaden the scope of the coverage already provided.

Notwithstanding the foregoing, the following changes to the Lead Underlying Policy made after inception hereof shall not be binding upon the Company unless otherwise agreed in writing by the Company:

- (a) any change which is subject to an additional premium charge,
- (b) the inclusion of an additional coverage extension endorsement,
- (c) any change to the terms, definitions, exclusions and conditions that broadens the scope of the coverage already provided.

It is, however, specifically agreed that if any of the Underlying Policy/ies stated in Item 2. b) of the Declarations exclude or limit any part of the coverage provided by the Lead Underlying Policy stated in Item 2. a) of the Declarations, then this Policy shall not drop down to apply in the place of such excluded or limited coverage and the Insured shall be considered as a self insurer to the extent that there is no other available insurance to cover the deficit.

2. LIMIT OF LIABILITY -

The Company shall be liable only to pay sums up to:

USD (as stated in Item 3. a) of the Declarations)

in respect of each Occurrence - subject to a limit of

USD (as stated in Item 3. b) of the Declarations)

in the aggregate as applicable per the Lead Underlying Policy, and then such aggregate(s) to apply hereon in an identical manner to the Lead Underlying Policy

in excess of Underlying Limits as follows:

USD (as stated in Item 4. a) of the Declarations)

in respect of each Occurrence, but

USD (as stated in Item 4. b) of the Declarations)

in the aggregate as applicable per the Lead Underlying Policy

which in turn is excess of any applicable limits and/or retentions as more fully set forth in the Lead Underlying Policy.

In the event of reduction or exhaustion of the applicable aggregate Underlying Limits by reason of sums paid thereunder as damages, whether by an Underlying Insurer or the Insured, then this Policy, subject to its terms, definitions, exclusions and conditions shall:-

1. in the event of reduction, pay in excess of such reduced Underlying Limits;
2. in the event of exhaustion, continue in force as Lead Underlying Insurance.

Defense costs and expenses shall operate in an identical manner to the Lead Underlying Policy as respects whether defense costs and expenses are included within the limits of liability or are in addition to the limits of liability.

CONDITIONS

1. MAINTENANCE OF UNDERLYING INSURANCE -

It is a condition of this Policy that the Underlying Policy/ies (as stated in Items 2. a) and 2. b) of the Declarations and hereinafter referred to as "Underlying Policy/ies") shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment of any sums covered by the Lead Underlying Policy. In the event of the Insured's failure to maintain the Underlying Policy/ies in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

2. ASSISTANCE & CO-OPERATION AND DUTY TO DEFEND -

A. The Company shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured. However, the Company shall have the right and shall be given the opportunity to associate with the Insured in the defense of any claim, suit or proceeding relative to an Occurrence where the claim, suit or proceeding involves, or appears reasonably likely to involve the Company, in which event

the Insured and the Company shall co-operate in all things in the defense, investigation and settlement of such claim, suit or proceeding.

- B. Notwithstanding the foregoing, the Company will have the right and duty to defend any claim made, suit brought or proceeding instituted against the Insured to which this Policy applies, if;
- i. The Lead Underlying Insurer as stated in Item 2. c) of the Declarations has the right and duty to defend any claim, suit or proceeding in accordance with the terms of the Lead Underlying Policy as stated in Item 2. a) of the Declarations, and;
 - ii. The applicable Underlying Limits as stated in Item 4. of the Declarations have been exhausted in accordance with Insuring Agreement 1. COVERAGE

The Company shall not be obligated to defend any claim, suit or proceeding after the applicable Limits of Liability of this Policy have been exhausted.

3. **CANCELLATION** -

The Named Insured or the Company hereon shall have the right to cancel this Policy in accordance with the cancellation provisions of the Lead Underlying Policy. Such notice shall be sent to the entity stated in Item 6. b) of the Declarations.

4. **OTHER INSURANCE** -

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance.

5. **NOTICE OF OCCURRENCE** -

Whenever the Insured has information from which it may reasonably conclude that an Occurrence covered hereunder involves injuries or damages which are likely to involve this Policy, notice shall be sent to the entity stated in Item 6. a) of the Declarations as soon as practicable.