



California Premium:	<u>\$49,885.00</u>
Filing Fee:	<u>N/A</u>
Fees:	<u>N/A</u>
Surplus Lines Tax:	<u>\$1,496.55</u>
Stamping Fee:	<u>\$124.71</u>

POLICY NUMBER: ELU734212/01/2012

RENEWAL OF: ELU734212/01/2011

EXCESS LIABILITY POLICY DECLARATIONS

COMPANY:
AXIS SURPLUS INSURANCE COMPANY
303 WEST MADISON
SUITE 500
CHICAGO, IL 60606

BROKER:
AMWINS INS BROKERAGE OF CALIFORNIA, LLC
19867 PRAIRIE STREET
SUITE 250
CHATSWORTH, CA 91311

This insurance is issued pursuant to the CA INS s 1760 through CA INS s 1780 and is placed in an insurer or insurers not holding a Certificate of Authority from or regulated by the California Insurance Commissioner.

Item 1. NAMED INSURED:	AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY (ANAHEIM, PALO ALTO AND SANTA MONICA)
MAILING ADDRESS:	100 PINE STREET, 11TH FLOOR SAN FRANCISCO, CA 94111-2702
Item 2. POLICY PERIOD:	FROM <u>07/01/2012</u> TO <u>07/01/2013</u> AT 12:01 A.M. TIME AT YOUR MAILING ADDRESS SHOWN ABOVE

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

Item 3. LIMITS OF INSURANCE	
EACH OCCURRENCE LIMIT:	<u>\$12,500,000</u>
COMPLETED OPERATIONS AGGREGATE LIMIT:	<u>\$12,500,000</u>
PART OF:	
EACH OCCURRENCE LIMIT:	<u>\$25,000,000</u>
COMPLETED OPERATIONS AGGREGATE LIMIT:	<u>\$25,000,000</u>

Item 4. DESCRIPTION OF BUSINESS	
FORM OF BUSINESS:	
<input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> JOINT VENTURE <input type="checkbox"/> TRUST	
<input type="checkbox"/> LIMITED LIABILITY COMPANY <input checked="" type="checkbox"/> CORPORATION OTHER <input type="checkbox"/> : _____	
BUSINESS DESCRIPTION: <u>CALIFORNIA MUNICIPAL JOINT POWERS AUTHORITY</u>	

Item 5. POLICY PREMIUM			
INSURED PURCHASED TRIA TERRORISM COVERAGE <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO			
MINIMUM & DEPOSIT PREMIUM:		\$ <u>49,885</u>	
FLAT PREMIUM: <input checked="" type="checkbox"/> or ADJUSTABLE PREMIUM: <input type="checkbox"/>			
(check flat or adjustable)		MINIMUM EARNED PREMIUM	<u>25 %</u>
If Adjustable: N/A			
Rate: FLAT (EXCEPT FOR ACQUISITIONS)			
Per: N/A		Basis: N/A	
AUDIT PERIOD (IF APPLICABLE)	<input type="checkbox"/> ANNUALLY	<input type="checkbox"/> SEMI-ANNUALLY	<input checked="" type="checkbox"/> NOT AUDITABLE
Item 6. RETROACTIVE DATE: N/A			

Item 7. ENDORSEMENTS ATTACHED TO THIS POLICY:
--

- | | |
|---------------------|--|
| XDEC-0001-10-04(CA) | EXCESS LIABILITY POLICY DECLARATIONS |
| XLP-0001-01-03 | EXCESS LIABILITY POLICY |
| SLN-CA (09-11) | NOTICE TO POLICYHOLDER |
| A. MAN-1117-01-04 | CALIFORNIA DISCLOSURE NOTICE |
| B. MAN-1662-07-11 | DESIGNATED ENTITY COVERAGE |
| C. XLX-4006-01-03 | AMENDMENT – LIMITS OF INSURANCE |
| D. XLX-4054-06-04 | AUTO NO-FAULT AND SIMILAR LAWS EXCLUSION |
| E. XLX-4059-01-05 | SILICA EXCLUSION |
| F. XLE-5006-01-03 | EXCLUSION - VIOLATION OF STATUTES THAT GOVERN E-MAILS, FAX, OR PHONE CALLS |
| G. XLE-5014-02-04 | MINIMUM EARNED PREMIUM ENDORSEMENT |
| H. SOS-CA (11-06) | PARTICIPATING PROVISION ENDORSEMENT - QUOTA SHARE INSURANCE |
| CLM-0001-09-02 | SERVICE OF SUIT CLAUSE - CALIFORNIA |
| LI-FS 001 0411 | CLAIM NOTICE |
| | STATE FRAUD STATEMENTS |

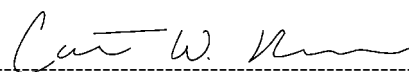
Item 8. SCHEDULE A. - UNDERLYING INSURANCE			
Carrier, Policy Number, Period	Type of Policy	Applicable Limits or Amounts of Insurance	
First Underlying Insurance			
Lexington Insurance Company Policy # 62785165 07/01/2012 to 07/01/2013	Excess Liability (Occurrence)	\$25,000,000 \$25,000,000	Each Occurrence Aggregate Where Applicable Defense Expense: Inclusive of Limits
Arch Insurance Company Policy # UXP0022782-05 07/01/2012 to 07/01/2013	Excess Liability (Occurrence)	\$12,500,000 \$12,500,000	Each Occurrence Aggregate Where Applicable Part of: \$25,000,000 Each Occurrence \$25,000,000 Aggregate Where Applicable Defense Expense: Inclusive of Limits
AXIS Surplus Insurance Company Policy # ELU720681/01/2012 07/01/2012 to 07/01/2013	Excess Liability (Occurrence)	\$12,500,000 \$12,500,000	Each Occurrence Aggregate Where Applicable Part of: \$25,000,000 Each Occurrence \$25,000,000 Aggregate Where Applicable Defense Expense: Inclusive of Limits

THESE DECLARATIONS, TOGETHER WITH THE COMMON POLICY CONDITIONS AND COVERAGE FORM(S) AND ANY ENDORSEMENT(S), COMPLETE THE ABOVE NUMBERED POLICY. PLEASE SEE ATTACHED FORMS AND ENDORSEMENTS SCHEDULE.

Countersigned:

(Date)

By:



(Authorized Representative)

NOTICE TO POLICYHOLDER

This policy is composed of various forms explaining the insurance coverage provided. It may also include one or more endorsements. Endorsements are documents that change the policy. Endorsements may provide additional coverage to the policy. Endorsements can also restrict or remove coverage provided in the policy. **THE POLICY SHOULD BE READ CAREFULLY TO DETERMINE WHAT IS AND WHAT IS NOT COVERED.**

NOTICE:

- 1. THE INSURANCE POLICY THAT YOU HAVE PURCHASED IS BEING ISSUED BY AN INSURER THAT IS NOT LICENSED BY THE STATE OF CALIFORNIA. THESE COMPANIES ARE CALLED “NONADMITTED” OR “SURPLUS LINE” INSURERS.**
- 2. THE INSURER IS NOT SUBJECT TO THE FINANCIAL SOLVENCY REGULATION AND ENFORCEMENT THAT APPLY TO CALIFORNIA LICENSED INSURERS.**
- 3. THE INSURER DOES NOT PARTICIPATE IN ANY OF THE INSURANCE GUARANTEE FUNDS CREATED BY CALIFORNIA LAW. THEREFORE, THESE FUNDS WILL NOT PAY YOUR CLAIMS OR PROTECT YOUR ASSETS IF THE INSURER BECOMES INSOLVENT AND IS UNABLE TO MAKE PAYMENTS AS PROMISED.**
- 4. THE INSURER SHOULD BE LICENSED EITHER AS A FOREIGN INSURER IN ANOTHER STATE IN THE UNITED STATES OR AS A NON-UNITED STATES (ALIEN) INSURER. YOU SHOULD ASK QUESTIONS OF YOUR INSURANCE AGENT, BROKER, OR “SURPLUS LINE” BROKER OR CONTACT THE CALIFORNIA DEPARTMENT OF INSURANCE AT THE FOLLOWING TOLL-FREE TELEPHONE NUMBER: 1-800-927-4357. ASK WHETHER OR NOT THE INSURER IS LICENSED AS A FOREIGN OR NON-UNITED STATES (ALIEN) INSURER AND FOR ADDITIONAL INFORMATION ABOUT THE INSURER. YOU MAY ALSO CONTACT THE NAIC’S INTERNET WEB SITE AT WWW.NAIC.ORG.**
- 5. FOREIGN INSURERS SHOULD BE LICENSED BY A STATE IN THE UNITED STATES AND YOU MAY CONTACT THAT STATE’S DEPARTMENT OF INSURANCE TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.**
- 6. FOR NON-UNITED STATES (ALIEN) INSURERS, THE INSURER SHOULD BE LICENSED BY A COUNTRY OUTSIDE OF THE UNITED STATES AND SHOULD BE ON THE NAIC’S INTERNATIONAL**

INSURERS DEPARTMENT (IID) LISTING OF APPROVED NONADMITTED NON-UNITED STATES INSURERS. ASK YOUR AGENT, BROKER, OR “SURPLUS LINE” BROKER TO OBTAIN MORE INFORMATION ABOUT THAT INSURER.

**7. CALIFORNIA MAINTAINS A LIST OF APPROVED SURPLUS LINE INSURERS. ASK YOUR AGENT OR BROKER IF THE INSURER IS ON THAT LIST, OR VIEW THAT LIST AT THE INTERNET WEB SITE OF THE CALIFORNIA DEPARTMENT OF INSURANCE:
WWW.INSURANCE.CA.GOV.**

8. IF YOU, AS THE APPLICANT, REQUIRED THAT THE INSURANCE POLICY YOU HAVE PURCHASED BE BOUND IMMEDIATELY, EITHER BECAUSE EXISTING COVERAGE WAS GOING TO LAPSE WITHIN TWO BUSINESS DAYS OR BECAUSE YOU WERE REQUIRED TO HAVE COVERAGE WITHIN TWO BUSINESS DAYS, AND YOU DID NOT RECEIVE THIS DISCLOSURE FORM AND A REQUEST FOR YOUR SIGNATURE UNTIL AFTER COVERAGE BECAME EFFECTIVE, YOU HAVE THE RIGHT TO CANCEL THIS POLICY WITHIN FIVE DAYS OF RECEIVING THIS DISCLOSURE. IF YOU CANCEL COVERAGE, THE PREMIUM WILL BE PRORATED AND ANY BROKER’S FEE CHARGED FOR THIS INSURANCE WILL BE RETURNED TO YOU.

POLICY NUMBER:
ELU734212/01/2012

AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY
(ANAHEIM, PALO ALTO AND SANTA MONICA)

ENDORSEMENT
A

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DESIGNATED ENTITY COVERAGE

This insurance applies only with respect to injury or damage arising from operations conducted by or on behalf of the entity designated in the schedule below:

CITY OF ANAHEIM
CITY OF PALO ALTO
CITY OF SANTA MONICA

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

AMENDMENT – LIMITS OF INSURANCE

It is agreed that Section IV. LIMITS OF INSURANCE, of this policy is deleted in its entirety and replaced by the following:

IV. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay, regardless of the number of:
 - a. Insureds;
 - b. Claims made or suits brought; or
 - c. Persons or organizations making claims or bringing suits.
2. If there is a limit stated in Item 3. of the Declarations for a Completed Operations Hazard Aggregate Limit, that amount is the most that we will pay under this insurance for any injury and damage included within the Completed Operations Hazard Limit coverage as defined in the scheduled underlying policy number 62785165 provided "First Underlying Insurance" applies each respective limit in the same manner.
3. Subject to Paragraphs 2. above, the Each Occurrence Limit stated in Item 3. of the Declarations is the most we will pay for:
 - (1) any injury and damage arising out of one occurrence or offense, or
 - (2) any wrongful act, error or omission.
4. If the applicable limits of insurance of the "underlying insurance" are reduced or exhausted by payments of damages from one or more occurrences covered by this policy, the limits of insurance of this policy will apply in excess of such reduced or exhausted limits.
5. If any Supplementary Payments made under this policy do not reduce the limits of insurance of the "underlying insurance", those payments will not reduce the limits of insurance of this policy. If any Supplementary Payments made under this policy do reduce the limits of insurance of the "underlying insurance", those payments will also reduce the limits of insurance of this policy.

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

POLICY NUMBER:
ELU734212/01/2012

AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY
(ANAHEIM, PALO ALTO AND SANTA MONICA)

ENDORSEMENT
C

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Auto No-Fault and Similar Laws Exclusion

This insurance does not apply to any liability imposed by law under any auto no-fault, uninsured or underinsured motorists or similar laws or statutes.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SILICA EXCLUSION

This insurance does not apply to any actual, alleged or threatened past, present or future claims for any liability or damage related to or arising in whole or in part, either directly or indirectly, out of the manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, exposure to, inhalation of, ingestion of, contact with, existence of, testing for or failure to disclose the presence of, failure to warn or advise of silica, products containing silica, or products designed or used to protect from the inhalation, ingestion, contact with or any other exposure to silica, whether or not the silica is or was at any time air-borne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion or found in any form whatsoever.

It is further agreed that this insurance does not apply to any loss, cost or expense including, but not limited to, payment for investigation or defense, fines, penalties, interest and other costs or expenses, arising out of or related to any:

- (1) Clean up or removal of silica or products and materials containing silica;
- (2) Such actions as may be necessary to monitor, assess and evaluate the release or threat of same, of silica or products and material containing silica;
- (3) Disposal of silica substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize or mitigate damage to the public health or welfare or to the environment, which may otherwise result;
- (4) Compliance with any law or regulation regarding silica;
- (5) Existence, storage, handling or transportation of silica;
- (6) Any supervision, instructions, recommendations, warranties (express or implied), warnings or advice given or which should have been given; or
- (7) Any obligation to share damages with or repay someone else who must pay damages because of silica.

It is further agreed that for any claim made or suit brought which is excluded under the terms of this endorsement, the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, attorney fees or adjustment arising out of such claims.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUSION – VIOLATION OF STATUTES THAT GOVERN E-MAILS,
FAX, OR PHONE CALLS**

This insurance does not apply to any liability or damage arising directly or indirectly out of any action or omission that violates or is alleged to violate:

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
3. Any statute, ordinance, or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.

POLICY NUMBER:
ELU734212/01/2012

AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY
(ANAHEIM, PALO ALTO AND SANTA MONICA)

ENDORSEMENT
F

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

Minimum Earned Premium Endorsement

Condition 12. Premium Computation is amended to include the following paragraph:

However, in no event shall we retain less than 25% of the premium set forth in item 5. of the Declarations.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**Participating Provision Endorsement –
Quota Share Insurance**

This policy shall apply subject to the following additional provisions:

A. Limits of Insurance

The limits of insurance of this policy apply on a quota share basis based on the following:

\$12,500,000 each occurrence part of \$ 25,000,000 each occurrence – “Quota Share Basis”

\$12,500,000 aggregate where applicable part of \$ 25,000,000 aggregate where applicable –
“Quota Share Basis”

B. Insuring Agreements I. 1. and I. 2. are deleted in their entirety and replaced by the following:

1. The coverage provided by this policy is excess quota share insurance and, except as otherwise stated in this policy, follows the terms, conditions, exclusions, and endorsements of the “first underlying insurance” as shown in Item 8. of the Declarations and any “other quota share insurance”. Further, this policy will follow any additional exclusions included in any other “underlying insurance”. Under no circumstances will this coverage be broader than any “underlying insurance” or any “other quota share insurance”.
2. We will pay those sums on a “quote share basis” in excess of the “underlying insurance” that you become legally obligated to pay as damages because of injury or damage to which this insurance applies, provided that the “underlying insurance” also applies, or would have applied but for the exhaustion of the applicable Limits of Insurance.

C. Section II. DEFENSE AND DEFENSE EXPENSES, Subparagraph 2.b., is deleted in its entirety and replaced by the following:

2.b. Defense expense payments will be made as follows:

- (1) When defense expense payments of the “first underlying insurance” or any “other quota share insurance” do not reduce the limits of insurance provided by this policy, then any such expense payments made under this policy will not reduce the limits of insurance as stated in Item 3. of the Declarations.
- (2) When defense expense payments of the “first underlying insurance” or any “other quota share insurance” do reduce the limits of insurance provided by this policy, then any such expense payments made under this policy will reduce the limits of insurance as stated in Item 3. of the Declarations.

D. For the purposes of this endorsement, the following additional definitions apply:

1. “Other quota share insurance” means the policy or policies shown in Section G. of this endorsement.
2. “Quota share basis” means the proportion that our limits of insurance bears to the total quota share insurance, whether any “other quota share insurance” is collectible or not.

E. Condition 9. Maintenance of Underlying Insurance is deleted in its entirety and replaced by the following:

9. The "underlying insurance" listed in the Schedule of Underlying in the Declarations and any "other quota share insurance" shall remain in effect throughout the policy period except the reduction of the aggregate limits due to payment of damages.

Failure to maintain "underlying insurance" or "other quota share insurance" will not invalidate this insurance. However, this insurance will apply as if the "underlying insurance" or the "other quota share insurance" were in full effect.

You must notify us as soon as practicable when any "underlying insurance" is no longer in effect.

F. Condition 1. Bankruptcy is amended to include the following provision:

1. c. Bankruptcy of any Other Quota Share Insurance

Bankruptcy or insolvency of any "other quota share insurance" will not relieve us of our obligations under this policy. However, this insurance will not replace the "other quota share insurance" in the event of bankruptcy or insolvency of any "other quota share insurance". This insurance will apply as if the otherwise applicable limits of insurance of such "other quota share insurance" were available and in full effect. It shall be your sole responsibility to provide other insurance or self-insurance (including the corresponding defense obligations) to replace such "other quota share insurance".

G. Schedule of Other Quota Share Insurance:

- (1) Company: Arch Insurance Company
Policy Number: UXP0008113-07
Policy Term: 7/1/2012 - 7/1/2013
Limits of Insurance:
\$12,500,000 each occurrence part of \$25,000,000 each occurrence
\$12,500,000 aggregate where applicable part of \$25,000,000 aggregate where applicable

POLICY NUMBER:
ELU734212/01/2012

AUTHORITY FOR CALIFORNIA CITIES EXCESS LIABILITY
(ANAHEIM, PALO ALTO AND SANTA MONICA)

ENDORSEMENT
H

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE – CALIFORNIA

All lawful process may be served in any action, suit or proceeding instituted in California by or on behalf of any Insured or beneficiary under this Policy against the Company arising out of this Policy, upon the Company's registered agent at the following address:

Ms. Karen Harris
2730 Gateway Oaks Drive
Suite 100
Sacramento, CA 95833

In the event the Commissioner of Insurance of the state of California receives service of process on behalf of the Company, said service shall be forwarded to the Company at:

AXIS U.S. Insurance
Attn: Claims Administrator
11680 Great Oaks Way
Suite 500
Alpharetta, GA 30022

AXIS
EXCESS LIABILITY POLICY

PLEASE READ YOUR POLICY CAREFULLY

TABLE OF CONTENTS

DECLARATIONS

- Item 1. - Named Insured and Address
- Item 2. - Policy Period
- Item 3. - Limits of Insurance
- Item 4. - Description of Business
- Item 5. - Premium
- Item 6. - Retroactive Date
- Item 7. - Endorsements Attached
- Item 8. - Schedule A. - Schedule of Underlying Insurance

INTRODUCTION

- I. INSURING AGREEMENT
- II. DEFENSE AND DEFENSE EXPENSE
- III. EXCLUSIONS
- IV. LIMITS OF INSURANCE
- V. CONDITIONS
- VI. DEFINITIONS
- VII. EXTENDED REPORTING PERIOD OPTION

INTRODUCTION

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

Throughout this policy, the words "you", "your" and "Named Insured" refer to the "Named Insured" shown in Item 1. of the Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section VI. DEFINITIONS.

I. INSURING AGREEMENT

1. The coverage provided by this policy is excess insurance and, except as otherwise stated in this policy, follows the terms, conditions, exclusions, and endorsements of the "first underlying insurance" as shown in Item 8. of the Declarations. Further, this policy will follow any additional exclusions included in any other "underlying insurance". Under no circumstances will this coverage be broader than any "underlying insurance".
2. We will pay those sums in excess of the "underlying insurance" that you become legally obligated to pay as damages because of injury or damage to which this insurance applies, provided that the "underlying insurance" also applies, or would have applied but for the exhaustion of the applicable Limits of Insurance.
3. The amount we will pay as damages shall not exceed the Limits of Insurance stated in Item 3. of the Declarations. In certain instances, as further specified in Section IV. LIMITS OF INSURANCE, the amount we will pay as damages and defense expenses shall not exceed the Limits of Insurance as stated in Item 3. of the Declarations.
4. If the "first underlying insurance" applies on a claims-made basis, this insurance will also apply on a claims-made basis. Any extended reporting periods that may be endorsed to any "underlying insurance" shall not apply to this insurance. For any supplemental extended reporting period to apply to this insurance, such extended reporting period must be requested by you, negotiated with us and endorsed to this policy.
5. We have no other obligations or liabilities to pay sums or perform services, except as described in Section II. DEFENSE AND DEFENSE EXPENSE.
6. Where any terms of this policy conflict with any terms of any "underlying insurance", the terms of this policy will apply.
7. Settlement of any claim or suit for an amount in excess of any "underlying insurance" shall not be binding on us unless we consent in writing.

II. DEFENSE AND DEFENSE EXPENSES

1. Defense

We shall not be called upon to assume charge of the settlement or defense of any claim made, suit brought, or proceeding instituted against you. However, we will have the right and opportunity to associate with you in the defense and control of any claim, suit, or proceeding we reasonably think likely will involve us.

2. Defense Expense

If all "underlying insurance" has been exhausted by payment of damages, then we will pay the necessary defense expenses for other such claims, suits or proceedings to which this insurance applies.

a. Our obligation to pay defense expenses is subject to the following limitations and conditions:

(1) At our election, we will have the right and opportunity, but not the obligation, to assume charge of the defense and control of any claim, suit or proceeding.

(2) You must obtain our written consent before any defense expense is incurred.

(3) We have no obligation to pay for defense expenses incurred by you where any "underlying insurance" is not available or collectible because of the bankruptcy or insolvency of any underlying insurer or you, for any reason. Further, we have no obligation to pay for defense expenses if you are unable or have failed to comply with the terms, conditions or obligations of any "underlying insurance" or this policy.

b. Defense expense payments will be made as follows:

(1) When defense expense payments of the "first underlying insurance" do not reduce the limits of insurance provided by that policy, then any such expense payments made under this policy will not reduce the limits of insurance as stated in Item 3. of the Declarations.

(2) When defense expense payments of the "first underlying insurance" reduce the limits of insurance provided by that policy, then any such expense payments made under this policy will reduce the limits of insurance as stated in Item 3. of the Declarations.

c. We will not pay any defense expense or participate in any claim, suit, or proceeding after we have exhausted the limits of liability shown in Item 3. of the Declarations.

For the purposes of this policy, defense expenses include, but are not limited to, legal and other expenses incurred in the investigation or defense of claims or suits to which this insurance applies, including court costs and interest on judgments. Defense expense does not include salaries and expenses of our employees or your employees.

III. EXCLUSIONS

Any exclusions applicable to the "first underlying insurance" and to any other "underlying insurance" also apply to this insurance. In addition, this insurance does not apply to:

1. Pollution

a. Any liability or damages arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

(1) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured;

(2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

(3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

(a) Any insured; or

(b) Any person or organization for whom any insured may be legally responsible.

(4) At or from any premises, site or location on which any insured or any contractors or subcontractors are working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to the premises, site or location in connection with such operations by such insured, contractor or subcontractor.

(5) At or from any premises, site or location on which any insured or any contractors or subcontractors are working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".

b. Any loss cost or expense arising out of any:

(1) Request, demand, order, or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or

(2) Claim or suit by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of "pollutants".

Subparagraph 1. a. (1) does not apply to the extent that "underlying insurance" exists for, or would have existed but for the exhaustion of the limits of insurance of the "underlying insurance" for:

(1) Injury if sustained within a building owned, rented or occupied by the insured and caused by smoke, fumes, vapors or soot caused by equipment used to heat the building; or

(2) Injury or damage arising out of heat, smoke or fumes from a "hostile fire".

Subparagraph 1. a. (4) does not apply to the extent that "underlying insurance" exists for, or would have existed but for the exhaustion of the limits of insurance of the "underlying insurance" for:

- (1) Injury or damage sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
- (2) Injury or damage arising out of heat, smoke or fumes from a "hostile fire".

2. Asbestos

- a. Any liability or damages arising, directly or indirectly, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of asbestos, asbestos fibers, or any other form of asbestos regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to any injury or damage;
- b. Any loss, cost or expenses 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, asbestos fibers or any other form of asbestos by any insured or by any other person or entity;
- c. Any supervision, instructions, recommendations, warnings, or advice given or which should have been given in connection with 2. a. or b. above; or
- d. Any obligation to share damages with or repay someone else who must pay damages because of asbestos.

3. War or Terrorism

Any liability or damages arising, directly or indirectly, out of:

- a. War, including undeclared or civil war;
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents;
- c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
- d. "Terrorism", including any action taken in hindering or defending against an actual or expected incident of "terrorism", regardless of any other cause or event that contributes concurrently or in any sequence to any injury or damage.

4. Fungi or Bacteria

- a. Any liability or damages arising, directly or indirectly, out of the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to any injury or damage.
- b. Any loss, cost or expenses 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, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

5. Cyber Liability

- a. Any liability or damages arising, directly or indirectly, out of the loss of or alteration of any electronic data, electronic information, computer applications software, computer operations software or any other similar data, information or software in any computer hardware, computer system, computer network, or the Internet; or
- b. Any liability or damages arising, directly or indirectly, out of damage to any computer hardware, computer system, computer network, or the Internet as a result of 5.a. above.

IV. LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay, regardless of the number of:

- a. Insureds;
- b. Claims made or suits brought; or
- c. Persons or organizations making claims or bringing suits.

2. If there is a limit stated in Item 3. of the Declarations for the General Aggregate Limit (Other than Products-Completed Operations), that amount is the most that we will pay for all damages under this insurance, except for: (1) injury and damage included within the products-completed operations hazard and (2) coverage included in the "underlying insurance" for automobile liability.

3. If there is a limit stated in Item 3. of the Declarations for the Products-Completed Operations Aggregate Limit, that amount is the most that we will pay under this insurance for any injury and damage included within the products-completed operations hazard.

4. If there is a limit stated in Item 3. of the Declarations for the Combined Aggregate Limit, that amount is the most we will pay under this insurance for all coverage except coverage included in the "underlying insurance" for automobile liability.

5. Subject to Paragraphs 2., 3., and 4. above, the Each Occurrence Limit stated in Item 3. of the Declarations is the most we will pay for:

- (1) any injury and damage arising out of one occurrence or offense, or
- (2) any wrongful act, error or omission.

6. If the applicable limits of insurance of the "underlying insurance" are reduced or exhausted by payments of damages from one or more occurrences covered by this policy, the limits of insurance of this policy will apply in excess of such reduced or exhausted limits.

7. If any Supplementary Payments made under this policy do not reduce the limits of insurance of the "underlying insurance", those payments will not reduce the limits of insurance of this policy. If any Supplementary Payments made under this policy do reduce the limits of insurance of the "underlying insurance", those payments will also reduce the limits of insurance of this policy.

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

V. CONDITIONS

1. Bankruptcy:

a. Bankruptcy of Insured:

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

b. Bankruptcy of Underlying Insurer:

Bankruptcy or insolvency of any underlying insurer will not relieve us of our obligations under this policy. However, this insurance will not replace the "underlying insurance" in the event of bankruptcy or insolvency of any underlying insurer. This insurance will apply as if the otherwise applicable limits of insurance of such "underlying insurance" were available and in full effect. It shall be your sole responsibility to provide other insurance or self-insurance (including the corresponding defense obligations) to replace such "underlying insurance".

2. Cancellation:

a. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance notice of cancellation.

Such advance notice of cancellation should be mailed or delivered to the following address:

AXIS U.S. Insurance
11680 Great Oaks Way, Suite 500
Alpharetta, GA 30022

b. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:

- (1) 10 days before the effective date of cancellation, if we cancel for non-payment of premium; or
- (2) 30 days before the effective date of cancellation, if we cancel for any other reason.

c. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.

d. Notice of cancellation will state the effective date of cancellation and will be effective for all insureds. All coverage will end on the effective date of cancellation.

e. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the premium refund will be pro rata. If the first Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a premium refund.

f. If notice of cancellation is mailed, proof of mailing shall be considered sufficient proof of notice.

3. Changes:

This policy (including the Declarations, Schedules and any endorsements attached hereto) contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations may request changes in the terms of this policy. This policy's terms and conditions can be amended or waived only by endorsement issued by us and made a part of this policy.

4. Duties in the Event of Occurrence, Offense, Wrongful Act, Error, Omission, Claim or Suit:

a. You must see to it that we are notified as soon as practicable of an occurrence, offense, wrongful act, error or omission, regardless of the amount, which may result in a claim or suit. To the extent possible, notice should include:

- (1) How, when and where the occurrence, offense, wrongful act, error or omission took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage arising out of the occurrence, offense, wrongful act, error or omission.

b. If a claim is made or suit is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or suit and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or suit as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or suit;
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the suit; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

5. Examination of Your Books and Records:

We may examine and audit your books and records as they relate to this policy at any time during the policy period and for up to three years afterward.

6. Inspection and Surveys:

We have the right, but are not obligated, to:

- a. Make inspections and surveys at any time;
- b. Give you reports on the conditions we find; and
- c. Recommend changes.

Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public.

We do not warrant that conditions are safe or healthful or comply with laws, regulations, codes or standards.

This condition applies not only to us, but also to any rating, advisory, rate service or similar organization that makes insurance inspections, surveys, reports or recommendations.

7. Legal Action Against Us:

No person or organization has a right under this policy:

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

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

8. Loss Payable:

- a. Liability under this policy shall not apply unless and until the insured and the underlying insurer has become obligated to pay the amount of the "underlying insurance". Such obligation by the underlying insurer and us to pay damages shall have been previously determined by a final settlement or judgment after an actual trial or written agreement between the insured, the claimant or the claimant's legal representative, the underlying insurer and us.
- b. If we are obligated to indemnify the insured for any payment of judgments or settlements, the insured must make a written claim within 12 months of:
 - (1) actually paying any amount in excess of the "underlying insurance";
 - (2) The insured's liability being made certain by:
 - i. the final written judgment of a trial; or
 - ii. the written agreement of the insured, the claimant, the underlying insurer and us.

If any later payments are made by the insured for the same occurrence, offense, wrongful act, error, or omission, written claim for these payments must likewise be made. We will reimburse you for these payments within 30 days of confirming that they are payable by this policy.

9. Maintenance Of Underlying Insurance:

The "underlying insurance" listed in the Schedule of Underlying in the Declarations shall remain in effect throughout the policy period except for the reduction of the aggregate limits due to payment of damages.

Failure to maintain "underlying insurance" will not invalidate this insurance. However, this insurance will apply as if the "underlying insurance" were in full effect.

You must notify us as soon as practicable when any "underlying insurance" is no longer in effect.

10. Unimpaired Aggregates of Underlying Insurance:

If an aggregate limit of any "underlying insurance" has been reduced below the aggregate amount shown in the Schedule of Underlying Insurance for that "underlying insurance" as a result of losses occurring prior to the inception date of this policy or as a result of losses not covered by this insurance, we will apply all insurance provided by this policy as if the aggregate of the "underlying insurance" had not been reduced below the limit amount shown in the Schedule of Underlying Insurance.

This condition does not apply to losses subject to claims-made coverage and occurring after the retroactive date of this policy (if any).

11. Other Insurance:

This insurance is excess over, and shall not contribute with any other insurance, whether primary, excess, contingent or on any other basis. This condition will not apply to insurance specifically written as excess over this policy.

12. Premium Computation:

The rate, rating basis and estimated units of exposure for the Policy Period will be stated in Item 5. of the Declarations. We will compute the premium for this policy by applying the rate to each unit of exposure of the rating basis. The estimated units of exposure will be used to determine the advance premium. The actual units of exposure will be used to determine the earned premium.

When this policy expires or if it is cancelled, we will compute the earned premium. If the earned premium is more than the advance premium, you will pay us the additional premium immediately. If the earned premium is less than the advance premium, we may return the excess premium to you (subject to the minimum premium). Regardless of the earned premium, the minimum premium stated in the Declarations will apply.

13. Representations or Fraud:

By accepting this policy, you agree:

- a. The statements in the Application and the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us;
- c. We have issued this policy in reliance upon your representations: and
- d. This policy is void in any case of fraud by you as it relates to this policy or any claim under this policy.

14. Transfer of Rights of Recovery Against Others to Us:

If the insured has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring suit or transfer those rights to us to help us enforce them.

VI. DEFINITIONS

1. "First underlying insurance" means the policy or policies of insurance listed in the Declarations under the Schedule of Underlying Insurance and identified as the "First Underlying Insurance", including any self-insured retentions or deductibles that are a part of such policies.
2. "Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents, or byproducts produced or released by fungi.
3. "Hostile fire" means a fire which becomes uncontrollable or breaks out from where it was intended to be.
4. "Pollutants" means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
5. "Terrorism" means activities against persons, organizations or property of any nature:
 - a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence;
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
 - b. When one or both of the following applies:
 - (1) The effect of such activities is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent of such activities is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
6. "Underlying insurance" means the policy or policies of insurance listed in the Declarations under the Schedule of Underlying Insurance, including any self-insured retentions or deductibles that are a part of such policies.

VII. EXTENDED REPORTING PERIOD OPTION

1. We will provide an Extended Reporting Period, as described below, if:
 - a. This policy is cancelled or non-renewed by us; or
 - b. We renew or replace this policy with insurance that:
 - (1) Does not apply on a claims-made basis; or
 - (2) Has a retroactive date later than the date shown in the Declarations applying to this policy.
2. Any Extended Reporting Period included within or endorsed to this policy applies only as respects excess insurance over "underlying insurance" written on a claims-made basis.

3. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for injury or damage caused by an occurrence which occurs after the retroactive date and before the end of the policy period. For this insurance to apply, claims must be first made within the applicable Extended Reporting Period.

Once in effect, Extended Reporting Periods may not be cancelled, except as a result of non-payment of premium.

4. If also provided in the "underlying insurance", a Basic Extended Reporting Period is automatically provided without an additional premium charge. This period starts with the end of the policy period and lasts for sixty (60) days.

The Basic Extended Reporting Period does not apply to claims that are covered under any subsequent insurance that you purchase, or that would be covered but for the exhaustion of the amount of insurance applicable to such claims.

5. A Supplemental Extended Reporting Period of up to three (3) years duration is available, but only by endorsement to this policy and for an additional premium charge. This Supplemental Extended Reporting Period starts when the Basic Extended Reporting Period, set forth in Subparagraph VII.3. above, ends.

You must provide us with a written request for the Supplemental Extended Reporting Period within thirty (30) days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due. The additional premium for the Supplemental Extended Reporting Period will be due within sixty (60) days after the end of the policy period. If the additional premium for the Supplemental Extended Reporting Period is not paid promptly when due, the Supplemental Extended Reporting Period will be cancelled flat.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- (a) The exposures insured;
- (b) Previous types and amounts of insurance;
- (c) Limits of insurance available under the policy for future payment of damages; and
- (d) Any other factors deemed by us to be related the additional premium charge.

The additional premium for the Supplemental Extended Reporting Period will not exceed 200% of the total annual premium for this policy. The additional premium for the Supplemental Extended Reporting Period will be fully earned when the endorsement takes effect.

This endorsement shall define the terms, not consistent with this section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first made during such period is excess over any other valid insurance available under policies in force after the Supplemental Extended Reporting Period takes effect.

6. The Basic Extended Reporting Period and the Supplemental Extended Reporting Period, if any, do not reinstate or increase the limits of insurance of this policy.

NUCLEAR ENERGY LIABILITY EXCLUSION

This insurance does not apply to:

1. Any liability or damage:

- a. With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, or the Nuclear Insurance Association of Canada, or would be an insured under such policy but for its termination upon exhaustion of its limits of insurance; or
- b. Resulting from the "hazardous properties" of "nuclear material" with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had its policy not been issued, would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

2. Any liability or damage resulting from the "hazardous properties" of "nuclear material", if:

- a. The "nuclear material": (1) is at any "nuclear facility" owned by, or operated by or on behalf of, any insured, or (2) has been discharged or dispersed there from;
- b. The "nuclear material" is contained in "spent fuel" or "waste" at any time processed, handled, used, processed, stored, transported, or disposed of by or on behalf of an insured; or
- c. The injury, sickness, disease, death, destruction or loss arising out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this Subparagraph c. applies only to injury to or destruction of or loss of property at such "nuclear facility".

As used in this exclusion:

- 1. "Hazardous properties" includes radioactive, toxic or explosive properties;
- 2. "Nuclear facility" means:
 - a. any "nuclear reactor";
 - b. any equipment or device designed or used for: (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing "spent fuel", or (3) handling, processing, or packaging "waste".
 - c. any equipment or device used for processing, fabricating, or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or
 - d. any structure, basin, excavation, premises, place prepared or used for the storage or disposal of "waste"; and includes the site on which any of the foregoing is located, all operations conducted on site and all premises used for such operations;
- 3. "Nuclear material" means "source material", "special nuclear material" or "by-product material". "Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

4. "Nuclear reactor" means any apparatus designed or used to sustain nuclear fission self-supporting chain reaction or to contain critical mass of fissionable material;

5. "Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor";

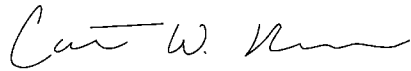
6. "Waste" means any waste material: (1) containing by-product material, and (2) resulting from the operation by any person or organization of any "nuclear facility" included within the definition of "nuclear facility".

With respect to injury to or destruction of or loss of property, the word "injury" or "destruction" or "loss" includes all forms of radioactive contamination of property.

All other terms and conditions of this policy remain unchanged.

IN WITNESS WHEREOF, the Company has caused the facsimile signatures of its President and Secretary to be affixed hereto, and has caused this policy to be signed on the Declarations Page by an authorized representative of the Company.

Axis Surplus Insurance Company



Carlton W. Maner
President



Andrew Weissert
Secretary



CLAIM NOTICE

Please notify:

AXIS U.S. INSURANCE

During business hours of 8:30 am est. to 4:30 pm EST.

Mailing Address

**PO Box 4470
Alpharetta, GA 30023**

Shipping Address

**11680 Great Oaks Way
Suite 500
Alpharetta, GA 30022**

PH (678) 746-9400

FAX (678) 746 9315

EMAIL USClaimNoticeATL@axiscapital.com

STATE FRAUD STATEMENTS

THIS ENDORSEMENT CHANGES YOUR POLICY. PLEASE READ IT CAREFULLY.

Applicable in Arkansas

Arkansas Fraud Statement

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in Colorado

Colorado Fraud Statement

“It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.”

Applicable in District of Columbia

District of Columbia Fraud Statement

“Warning: It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.”

Applicable in Florida

Florida Fraud Statement

“Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete or misleading information is guilty of a felony of the third degree.”

Applicable in Kansas

Kansas Fraud Statement

“Any person who knowingly and with intent to defraud any insurance company or another person files an application for the issuance of, or the rating of, an insurance policy or statement of claim or any written statement containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime and subjects the person to criminal penalties.”

Applicable in Kentucky

Kentucky Fraud Statement

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information, or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.”

Applicable in Louisiana and New Mexico

Louisiana and New Mexico Fraud Statement

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.”

Applicable in Maine

Maine Fraud Statement

“It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.”

Applicable in Maryland

Maryland Fraud Statement

“Any person who knowingly and willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly and willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in New Jersey

New Jersey Fraud Statement

“Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.”

Applicable in New York

New York Fraud Statement

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.”

Applicable in Ohio

Ohio Fraud Statement

“Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.”

Applicable in Oklahoma

Oklahoma Fraud Statement

“Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.”

Applicable in Oregon

Oregon Fraud Statement

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in Pennsylvania

Pennsylvania Fraud Statement

“Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.”

Applicable in Puerto Rico

Puerto Rico Fraud Statement

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation with the penalty of a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

Applicable in Rhode Island

Rhode Island Fraud Statement

“Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.”

Applicable in Tennessee, Virginia and Washington

Tennessee, Virginia and Washington Fraud Statement

“It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.”