

IMPORTANT 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 toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. 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 visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 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. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**
- 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 (LASLI).” Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.**
- 8. If you, as the applicant, required that the insurance policy you have purchased be effective 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,**



RE: City of Newport Beach
TO: AON RISK INSURANCE SERVICES NORTHEAST,
INC.
Binder for:
Ironshore Environmental® - SPILLS Select
May 22, 2023

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.

D-2 (Effective January 1, 2020)



**RE: City of Newport Beach
 TO: AON RISK INSURANCE SERVICES NORTHEAST,
 INC.
 Binder for:
 Ironshore Environmental® - SPILLS Select
 May 22, 2023**

Jonathan Leavens
 AON RISK INSURANCE SERVICES NORTHEAST, INC.
 425 Market Street
 28th Floor
 San Francisco, CA 94105

RE: SPILLS SELECT BINDER

Named Insured & Mailing Address: **City of Newport Beach
 100 Civic Center Drive
 Newport Beach, CA 92663**

Dear Jonathan:

We are pleased to offer the following binder confirmation for the above captioned named insured.

POLICY PERIOD: April 17, 2023 **To:** April 17, 2026

POLICY NUMBER: ISPILLSCRXIK001

RENEWAL OF: New

POLICY FORM: IE.COV.SPILLS.SEL.001 (1121) Select Coverage Form

INSURER: **Ironshore Specialty Insurance Company**
 A non-admitted carrier with an A.M. Best rating of A (Excellent) Class XIV

POLICY AGGREGATE LIMIT: 10,000,000

COVERAGES, COVERAGE GRANT LIMITS & DEDUCTIBLES:

<u>Coverage</u>	<u>Deductible – Each Incident</u>	<u>Each Incident Limit</u>	<u>Coverage Aggregate Limit</u>
A.1.a. (Remediation Expenses – Onsite Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
A.1.b. (Remediation Expenses – Onsite New Conditions)	\$25,000	\$1,000,000	\$10,000,000
A.2.a. (Remediation Expenses – Offsite Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
A.2.b. (Remediation Expenses – Offsite New Conditions)	\$25,000	\$1,000,000	\$10,000,000
B. (Emergency Response Expenses)	\$25,000	\$1,000,000	\$10,000,000
C.1.a. (Third Party Claims – Onsite Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
C.1.b. (Third Party Claims – Onsite New Conditions)	\$25,000	\$1,000,000	\$10,000,000



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C.2.a. (Third Party Claims – Offsite Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
C.2.b. (Third Party Claims – Offsite New Conditions)	\$25,000	\$1,000,000	\$10,000,000
D.1. (Transportation – Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
D.2. (Transportation – New Conditions)	\$25,000	\$1,000,000	\$10,000,000
E. (Waste Disposal Activities)	\$25,000	\$1,000,000	\$10,000,000
G. Disinfection Expenses	\$100,000	\$25,000	\$25,000
H. Image Restoration Expenses	\$25,000	\$250,000	\$250,000

Coverage	Deductible (Days)	Business Interruption (Days) Limit	Business Interruption (\$) Limit
F.1. (Business Interruption – Pre-Existing Conditions)	Not Offered	Not Offered	Not Offered
F.2. (Business Interruption – New Conditions)	3	365	\$1,000,000

Premium:	<i>Plus all applicable Taxes, Fees and Surcharges:</i>	
Premium:	\$65,999.00	
Terrorism Coverage (TRIA):	Rejected	
Total Amount Due:	\$65,999.00	
	<i>See Invoice for the date Premium is due and payable. Failure to pay the premium in full may result in voidance of coverage.</i>	

The Premium amount(s) stated above does not include any applicable surplus lines tax and fees. Surplus lines taxes, fees and filings are the sole responsibility of the broker.

- COMMISSION:** 15%
- MINIMUM EARNED PREMIUM:** 25%
- INTENDED USE:** Marinas
- COVERED PROPERTY(IES):** See Schedule of Covered Properties endorsement
- WASTE DISPOSAL ACTIVITIES RETROACTIVE DATE:** 4/17/2017
- SEPARATION DATE BETWEEN PRE AND NEW CONDITIONS COVERAGE:** 4/17/2017

- THE FOLLOWING ENDORSEMENTS WILL BE ATTACHED TO THE POLICY:**
1. IE.PN.ALL.002 (1019) Claim and Notice Reporting
 2. ADM-OFAC-0419 - Sanction Limitation and Exclusion Clause
 3. Service of Suit Clause - California - SC-7 (11_19)
 4. ISIC CN001 CA (Ed. 01 20) California – Cancellation and Nonrenewal
 5. TRIA-ENV-E002-0315 Exclusion of Certified Acts of Terrorism



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- 6. IE.END.SPILLS.ALL.047 (0520) COVID-19 Exclusion
- 7. IE.END.SPILLS.ALL.001 (0122) Additional Insured
- 8. IE.END.SPILLS.ALL.009 (0521) Defense Costs – 25% Outside the Limits Endorsement
- 9. IE.END.SPILLS.SEL.031 (0521) Named Insured
- 10. IE.END.SPILLS.SEL.030 (0521) Schedule of Covered Properties
- 11. IE.END.SPILLS.SEL.036 (0521) Schedule of Covered Properties with Separation Date Between Pre and New Conditions Coverage Amendatory Endorsement
- 12. MANUSCRIPT: Site Specific Deductible Amendatory Endorsement
- 13. MANUSCRIPT: Site Specific Voluntary Site Investigation Exclusion
- 14. MANUSCRIPT: Pollutants Definition Amendatory Endorsement

THIS BINDER IS SUBJECT TO THESE CONDITIONS:

None

In order to complete the underwriting process, we require that you send us the additional information requested above. We have agreed to bind coverage for a period of 10 days subject to our receipt, review and underwriting approval of the above information. Such binding of coverage shall be void ab initio ("from the beginning") if we have not received, reviewed and approved in writing such materials within 10 days from the effective date of the binder. Payment of premium shall not operate to extend the binding period or nullify the automatic voiding as described above, and such automatic voiding shall not require any notice from the Company. The Company, in its sole discretion, may extend or waive via written notice such automatic voiding at any time, regardless of whether such waiver is made prior or subsequent to the expiration of the 10 day period set forth above. Further, the Company reserves the right to amend or restrict coverage in the event any such information is provided post-binding and such information is material to the risk covered hereunder.

Premium is payable within 30 days of the effective date and should be remitted to:

<p>Ironshore Specialty Insurance Company Payment Remittance Instructions Please remit payments using the mailing address or wiring instructions provided below.</p>
<p>Mail Instructions for Checks: Ironshore Specialty Insurance Company P.O. Box 734023 Chicago, IL 60673-4023</p>
<p>Overnight and Express Mail Instructions: JPMorgan Chase Attn: Ironshore Specialty Insurance Company & Lockbox Number 734023 131 S. Dearborn, 6th Floor Chicago, IL 60603</p>
<p>Wiring Instructions: Ironshore Specialty Insurance Company JP Morgan Chase Bank 4 Chase Metrotech Center Brooklyn, NY 11245 Account # 352820382 ABA# 021000021 Swift Code: CHASUS33</p>

Thank you for choosing Ironshore Environmental®. If you have any questions or concerns, please feel free to contact me.



RE: City of Newport Beach
TO: AON RISK INSURANCE SERVICES NORTHEAST,
INC.
Binder for:
Ironshore Environmental® - SPILLS Select
May 22, 2023

Sincerely,

A handwritten signature in black ink, appearing to read "Laura Bresnahan".

Laura Bresnahan
Production Specialist
Ironshore Insurance Services LLC.
Office: +1 (213) 435-7174
Mobile: +1 (213) 435-7174
Email: laura.bresnahan@ironshore.com

Agency Lic #: 18487216 | CA Lic #: 0L91950

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IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Insured Name: City of Newport Beach
Policy Number: ISPILLSCRXIK001

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS) COVERAGE FORM

IMPORTANT INFORMATION FOR THE INSURED: CAREFULLY REVIEW THIS POLICY IN FULL. IT CONTAINS PROVISIONS WHICH RESTRICT, EXCLUDE OR OTHERWISE REDUCE OR CURTAIL COVERAGE, AND IT MAY BE DIFFERENT FROM OTHER INSURANCE POLICIES THAT YOU HAVE SEEN OR PURCHASED IN THE PAST. LEGAL FEES AND EXPENSES ARE INCLUDED WITHIN AND ERODE THE LIMITS OF LIABILITY AND ARE SUBJECT TO THE DEDUCTIBLE.

SOME COVERAGES AFFORDED BY THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AND REPORTED TO THE INSURER WITHIN THE POLICY PERIOD OR, IF APPLICABLE, THE EXTENDED REPORTING PERIOD.

THE HEADINGS DO NOT CONSTITUTE TERMS OR CONDITIONS OF THIS POLICY AND ARE INCLUDED SOLELY FOR CONVENIENCE. THE HEADINGS SHALL NOT IN ANY MANNER MODIFY OR OTHERWISE AFFECT ANY OF THE PROVISIONS OF THIS POLICY. DEFINED TERMS APPEAR IN BOLD FONT.

Throughout this Policy the word "Company" shall mean the insurance company issuing this Policy.

Subject to and contingent upon the **Named Insured's** payment in full of the premium when due and any applicable deductible and in reliance upon the truth, accuracy and completeness of the statements in the insurance application and any materials submitted in connection therewith or prior thereto, and subject to all terms, conditions, limitations, and exclusions of this Policy, the Company agrees with the **Named Insured** to the following:

I. COVERAGE GRANTS

ONLY THOSE SPECIFIC COVERAGES INDICATED ON THE DECLARATIONS AS PURCHASED BY THE NAMED INSURED ARE APPLICABLE.

A. REMEDIATION EXPENSES

To pay on behalf of the **Insured**:

Coverage A.1 - Onsite Pollution

- 1. Remediation Expenses** incurred exclusively for remediation of **Pollutants** that are on, at or under a **Covered Property**, provided such **Remediation Expenses** are incurred to address **Onsite Pollution** and directly result from:
 - a. Pre-Existing Conditions**, or
 - b. New Conditions.**

There shall be no coverage under this Section **I.A.1.** for any **Remediation Expenses** incurred to address **Offsite Pollution**.

Coverage A.2 - Offsite Pollution

2. **Remediation Expenses** incurred exclusively for remediation of **Pollutants** that are beyond the **Boundaries** of the **Covered Property**, provided such **Remediation Expenses** are incurred to address **Offsite Pollution** and directly result from:

- a. **Pre-Existing Conditions**, or
- b. **New Conditions**.

There shall be no coverage under this Section **I.A.2.** for any **Remediation Expenses** incurred to address **Onsite Pollution**, regardless of whether or not such **Remediation Expenses** are incurred to contain such **Onsite Pollution** or to mitigate or reduce any resulting **Offsite Pollution**.

3. Coverage under Section **I.A.1** and **A.2** shall apply only if:

- a. (i) The **Pollution Incident** is first discovered by the **Insured** during the **Policy Period**. Discovery of a **Pollution Incident** happens when a **Responsible Insured** first becomes aware of the **Pollution Incident**; (ii) the **Insured** reports the **Pollution Incident** to the Company, in writing, during the **Policy Period**; and (iii) the **Pollution Incident** is promptly reported by the **Insured** to the appropriate governmental authority if and as required by **Environmental Laws**; or
- b. The **Insured** becomes legally obligated to pay such **Remediation Expenses** as a result of a **Claim**, and the **Claim** is first made against the **Insured** and reported to the Company, in writing, during the **Policy Period**, or during the **Extended Reporting Period** if applicable.

B. EMERGENCY RESPONSE EXPENSES

To pay on behalf of the **Insured**, **Emergency Response Expenses** incurred by or on behalf of the **Insured** in response to an imminent and substantial threat to human health or the environment resulting from a **Pollution Incident** on, at, under or migrating from a **Covered Property** or arising from **Transportation** that commences, in its entirety, during the **Policy Period**. The **Emergency Response Expenses** must: (i) be incurred within seven (7) days of the commencement of such **Pollution Incident**; and (ii) be reported to the Company within fourteen (14) days of such commencement. For this Coverage to apply, the **Pollution Incident** giving rise to the **Emergency Response Expenses** must be unexpected and unintended from the standpoint of the **Insured**.

C. THIRD-PARTY CLAIMS

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of **Claims** for **Bodily Injury** or **Property Damage** directly resulting from:

Coverage C.1—Onsite Pollution

1. **Onsite Pollution** as a consequence of:

- a. **Pre-Existing Conditions**, or
- b. **New Conditions**,

if such **Bodily Injury** or **Property Damage** takes place while the person injured or the property damaged is within the **Boundaries** of the **Covered Property**.

Coverage C.2 - Offsite Pollution

2. **Offsite Pollution** as a consequence of:

- a. **Pre-Existing Conditions**, or
- b. **New Conditions**,

if such **Bodily Injury** or **Property Damage** takes place while the person injured or the property damaged is beyond the **Boundaries** of the **Covered Property**.

3. Coverage under **I.C.1** and **C.2** shall apply only if such **Claims** are first made against the **Insured** and reported to the Company, in writing, during the **Policy Period**, or during the **Extended Reporting Period** if applicable.

Further, there shall be no coverage for **Remediation Expenses** or **Emergency Response Expenses** under **I.C.1** and **C.2**.

D. TRANSPORTATION

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of **Claims** for **Bodily Injury, Property Damage** or **Remediation Expenses** directly resulting from:

1. **Pre-Existing Conditions**, or
2. **New Conditions**,

which **Pre-Existing Conditions** or **New Conditions** arise from **Transportation**, provided such **Claims** are first made against the **Insured** and reported to the Company, in writing, during the **Policy Period**, or during the **Extended Reporting Period** if applicable.

E. WASTE DISPOSAL ACTIVITIES

To pay on behalf of the **Insured**, **Loss** that the **Insured** becomes legally obligated to pay as a result of **Claims** for **Bodily Injury, Property Damage** or **Remediation Expenses** directly resulting from a **Pollution Incident** resulting from **Waste Disposal Activities**. The **Waste Disposal Activities** must take place on or after the Waste Disposal Retroactive Date set forth in the Declarations, or the date that the **Insured** first began operations if no Waste Disposal Retroactive Date is indicated in the Declarations. This Coverage shall apply only if such **Claims** are first made against the **Insured** and reported to the Company, in writing, during the **Policy Period**, or during the **Extended Reporting Period** if applicable.

F. BUSINESS INTERRUPTION

To pay the **Insured's Business Interruption Expenses** and **Extra Expenses** during the **Period of Interruption** that directly results from **Onsite Pollution** arising from:

1. **Pre-Existing Conditions**, or
2. **New Conditions**.

This Coverage shall apply only if: the **Pollution Incident** giving rise to the **Business Interruption Expenses** or **Extra Expenses** is first discovered by the **Insured** and reported to the Company, in writing, during the **Policy Period**; and such **Pollution Incident** results in **Remediation Expenses** covered under this Policy. Discovery of a **Pollution Incident** happens when a **Responsible Insured** first becomes aware of the **Pollution Incident**. Further, if the interruption results from a **Pollution Incident** and any other cause(s), the Company shall only pay that portion of **Business Interruption Expenses** and **Extra Expenses** solely attributable to the **Pollution Incident**. In the event of a **Period of Interruption**, it is a condition precedent to coverage that the **Named Insured** notifies the Company of the interruption within thirty (30) days of its commencement and that the **Named Insured** resume normal operation of the business as soon as possible and use all reasonable efforts to mitigate any **Business Interruption Expenses** and **Extra Expenses**.

G. DISINFECTION EVENT EXPENSES

To pay on behalf of the **Insured**, **Disinfection Expenses** that directly result from a **Disinfection Event** at a **Covered Property**, provided that (i) the **Disinfection Event** commences, in its entirety, during the **Policy Period**; (ii) such **Disinfection Expenses** are incurred within thirty (30) days of the first discovery of such **Disinfection Event** by a **Responsible Insured**; and (iii) the **Insured** reports the **Disinfection Event** to the Company, in writing, during the **Policy Period** and within fourteen (14) days of a **Responsible Insured's** first discovery of such **Disinfection Event**.

H. IMAGE RESTORATION EXPENSES

To pay on behalf of the **Insured**, **Image Restoration Expenses** that directly result from an **Image Restoration Event**, provided that (i) the **Pollution Incident** giving rise to the **Image Restoration Event** is on, at, under or migrating from a **Covered Property** or results from **Transportation** or **Waste Disposal Activities**; (ii) the **Pollution Incident** giving rise to the **Image Restoration Expenses** commenced, in its entirety, during the **Policy Period**; (iii) such **Image Restoration Expenses** are incurred by the **Insured** within fourteen (14) days of the first newspaper or magazine publication or television news broadcast associated with the **Pollution Incident** giving rise to the **Image Restoration**

Event; and **(iv)** the **Pollution Incident** giving rise to the **Image Restoration Expenses** is reported to the Company, in writing, during the **Policy Period** and within fourteen (14) days of a **Responsible Insured's** first discovery of such **Image Restoration Event**.

II. DEFENSE

The Company has the right and duty to defend, including the right to select and appoint counsel to represent, the **Insured** against any **Claim**, even if groundless, false or fraudulent, to which this Policy applies. However, the Company has no duty to defend the **Insured** against any **Claim** to which this Policy does not apply. The Company has no duty to defend any criminal proceeding. The Company shall not be obligated to commence or continue to investigate, defend, pay or settle any **Claim** after the applicable Limit of Liability described in Section VI. has been exhausted. Upon the **Insured's** satisfaction of any applicable deductible amounts, **Legal Costs** shall reduce the applicable Limits of Liability shown in the Declarations. With respect to any such **Claim** being defended by the Company, the Company shall pay all reasonable expenses incurred by the **Insured** at the Company's request to assist it in the investigation or defense of the **Claim**, including actual loss of earnings up to \$750 a day because of time off from work subject to an aggregate limit of \$7,500 for all such expenses.

The **Insured** shall not admit or assume liability or settle or negotiate to settle any **Claim** without the prior written consent of the Company. The **Insured** must notify the Company of all settlement offers and the Company will in turn present all settlement offers to the **Insured**. If the Company recommends a monetary settlement which is acceptable to a claimant and is within the Limits of Liability and the **Insured** refuses to consent to such settlement, then the Company's duty to defend shall end, the **Insured** shall thereafter negotiate and defend such **Claim** independently of the Company, and the Company's liability shall not exceed the amount, less the Deductible, for which the **Claim** could have been settled if such recommendation was consented to.

If the **Insured** and the Company jointly agree to use mediation as a means to resolve a **Claim** made against the **Insured**, and if such **Claim** is resolved as a direct result of the mediation, the **Insured's** deductible obligation will be reduced by fifty (50) percent, up to a maximum of \$50,000. The Company will reimburse the **Insured** for any such reimbursable deductible payment made prior to the mediation as soon as practicable upon reaching a final settlement.

To the extent the **Insured** is entitled pursuant to applicable laws to select independent counsel at the Company's expense, the attorneys' fees and other costs or expenses the Company will pay are limited to the rates the Company would pay to counsel the Company would have retained or could otherwise have retained in the community where the **Claim** is being defended. Such independent counsel must also meet any reasonable requirements, experience, or qualifications standards that the Company may deem appropriate. All such counsel shall keep the Company fully informed and shall promptly respond to requests for information from the Company.

III. EXCLUSIONS - ALL COVERAGES

This Policy does not insure and none of the coverages provided by this Policy apply to **Loss, Business Interruption Expenses** or **Extra Expenses** arising out of or in any way relating to any of the following:

A. ASBESTOS AND LEAD

Any asbestos, asbestos containing materials, lead or lead containing materials, including but not limited to lead-based paint, in, on, at, within or applied to any building, utility, structure or building material. This exclusion does not apply to: 1) **Claims** for **Bodily Injury** or **Property Damage**; or 2) **Remediation Expenses** for the remediation of any soil, groundwater body, surface water body or sediment.

Further, this exclusion shall not apply to **Remediation Expenses** solely incurred for the remediation of asbestos, asbestos containing materials or lead-based paint which has been inadvertently displaced (not including any displacement associated with demolition, renovation or abatement) by an accident which occurs, in its entirety, during the **Policy Period** and is demonstrable by the **Insured** as commencing during the **Policy Period**, provided that such accident is reported to the Company within thirty (30) days of its commencement. However, there shall be no coverage for any costs incurred to: remove, abate, repair, dispose of or otherwise address any asbestos, asbestos containing materials or lead-based paint that has not been displaced by such accident, or to remove or dispose of any building, construction or demolition debris.

B. CONTRACTUAL LIABILITY

Any liability assumed by an **Insured** through or by contract or agreement. This exclusion does not apply to liability that the **Insured** would have had in the absence of the contract or agreement or to liability assumed in an **Insured Contract**.

C. CRIMINAL PUNISHMENTS

Any criminal fines, criminal penalties or criminal assessments.

D. DIVESTED PROPERTY

Any **Pollution Incident** or **Disinfection Event** on, at, under or migrating from any location which commenced subsequent to the date on which the **Insured** sold, gave away, terminated lease, abandoned or relinquished operational or management control of the location at which that **Pollution Incident** or **Disinfection Event** occurred. This exclusion shall not apply to any location owned by an **Insured** which is leased to a third party, even if the **Insured** has relinquished operation or management control of such location.

E. EMPLOYER LIABILITY

Any **Bodily Injury** to:

1. Any **Insured**, or any employee of any **Insured** or its parent, subsidiary or affiliate while engaged in employment by any **Insured** or its parent, subsidiary or affiliate; or
2. Any person whose right to assert a **Claim** against any **Insured** arises by reason of any employment, blood, marital, or any other relationship with any **Insured** or its parent, subsidiary or affiliate.

This exclusion applies whether the **Insured** may be liable as an employer or in any other capacity, and to any obligation to share damages with or repay someone else who must pay damages because of such **Bodily Injury**.

F. INSURED'S INTERNAL EXPENSES

Any costs, charges or expenses incurred by the **Insured** for goods supplied or services performed by the staff or salaried employees of the **Insured**, or its parent, subsidiary or affiliate, even if such costs, charges or expenses are required by **Environmental Laws**. This exclusion shall not apply to normal continuing operating expenses which are payroll expenses to the extent covered under Coverage F. (provided such Coverage is purchased hereunder by the **Named Insured**).

G. INSURED'S NON-COMPLIANCE

Any **Pollution Incident**, **Claim**, **Disinfection Event**, **Image Restoration Event**, **Period of Interruption** or **Loss** that results from or is associated with any **Responsible Insured's** intentional disregard of, or deliberate, knowing, willful or dishonest non-compliance with any **Environmental Law**, including but not limited to the failure to comply with any regulation applicable to air emissions or effluent discharges, or any other statute, regulation, ordinance, order, administrative complaint, notice of violation, notice letter or instruction by or on behalf of any governmental agency or representative or other federal, state, local or other applicable legal requirement.

However, this exclusion shall not apply to non-compliance based upon:

1. The **Insured's** good faith reliance upon specific written advice of qualified counsel received in advance of such non-compliance; or
2. An **Insured's** reasonable efforts to mitigate a **Pollution Incident** that necessitates immediate action, provided that such **Pollution Incident** is reported to the Company within fourteen (14) days of its commencement.

H. INSURED VS INSURED

Any **Claim** by or on behalf of any **Insured** against any other **Insured**.

I. INSURED'S PROFESSIONAL SERVICES

Any professional services performed or rendered by or on behalf of the **Insured**, including but not limited to, medical services, recommendations, opinions and strategies rendered for architectural, consulting and engineering work,

such as drawings, designs, maps, reports, surveys, change orders, plan specifications, assessment work, remedy selections, site maintenance and equipment selection, and supervisory, inspection or engineering service.

J. MATERIAL CHANGE IN USE

A material change in use at any **Covered Property**. A material change in use shall mean any use different from the use identified in the Declarations. This exclusion shall not apply if the **Insured** submits prior written notice to the Company no less than thirty (30) days prior to such material change, and the Company approves such material change in an endorsement to this Policy issued within thirty (30) days of such notice. The Company is under no obligation to approve any such change in use, but may do so, in its sole discretion, dependent upon such terms and conditions (including but not limited to the payment of additional premium) as the Company may impose. If the Company approves the material change in use, the **Insured** shall agree to any changes to the terms and conditions to this Policy and pay any additional premium as the Company may require prior to the endorsement of such material change.

K. NON-DISCLOSURE

Any **Pollution Incident** or **Disinfection Event**:

1. Which is known by a **Responsible Insured** prior to the **Inception Date** and not specifically disclosed in or attached to an Ironshore Specialty Insurance Company SPILLS application submitted by the **Named Insured** in connection with this Policy prior to the **Inception Date**, or which the **Responsible Insured** first becomes aware of after submitting its application but before the **Inception Date**;
2. Due to or associated with a **Covered Property** first covered by the Policy after the **Inception Date** to the extent such **Pollution Incident** was known by a **Responsible Insured** and not specifically disclosed to the Company in writing prior to the Policy first providing coverage for such **Covered Property**; or
3. Due to or associated with operations, including **Transportation** and **Waste Disposal Activities**, which are first covered by the Policy after the **Inception Date** as the result of a merger or acquisition or are associated with a **Named Insured** first covered by the Policy after the **Inception Date** to the extent such **Pollution Incident** was known by a **Responsible Insured** and not specifically disclosed to the Company in writing prior to the Policy first providing coverage for such operations.

L. PRODUCTS LIABILITY

Any **Claim**, in whole or part, or **Pollution Incident** arising from the **Insured's Products**. However, this exclusion shall not apply to the **Insured's Cargo** which is released during **Transportation** or to **Loss** incurred on, at, under or migrating from a **Covered Property**.

M. PROPERTY DAMAGE TO CONVEYANCES

Any **Property Damage** to any truck, rail car, trailer, rolling stock, intermodal container, shipping container, container, aircraft, vessel, engine or any other conveyance of any nature utilized during **Transportation**. This exclusion does not apply to **Claims** made by third-party carriers of the **Insured** for such **Property Damage** arising from the **Insured's** negligence.

N. UNDERGROUND STORAGE TANKS

Any **Underground Storage Tank** which is: (i) known to a **Responsible Insured** as of either the **Inception Date** or, for properties added to the Policy during the **Policy Period**, the date on which the property first becomes covered under this Policy; or (ii) installed during the **Policy Period**.

This exclusion does not apply to any **Underground Storage Tank** which has been:

1. Closed or abandoned in place prior to the **Inception Date** and in accordance with all applicable **Environmental Laws** in effect at the time of such removal, closure or abandonment;
2. Removed prior to the **Inception Date**;

3. Used to store petroleum products and installed at a **Covered Property** less than ten (10) years prior to the **Inception Date**, provided that such **Underground Storage Tank** has never been used for or associated with the retail sale of petroleum products or the storage of solvents or waste-water containing any concentration of solvents. For the purposes of determining the date of installation of an **Underground Storage Tank** pursuant to this Paragraph, if an **Underground Storage Tank** has a tank and piping or other appurtenances connected to the tank which were installed at different times, the date of installation of the oldest component (tank, piping or other appurtenance) of the **Underground Storage Tank** shall be deemed the date of installation of such **Underground Storage Tank**; or
4. Scheduled to this Policy by endorsement.

Further, this exclusion shall not apply to any new **Underground Storage Tank** installed during the **Policy Period** which is utilized to store petroleum products, water, wastewater or gases, provided such **Underground Storage Tank** does not hold or collect any solvent or other liquid, including wastewater, which contains any concentration of solvents.

O. WAR

Any consequence, whether direct or indirect, of war, invasion, act of foreign enemy or hostilities, whether war be declared or not, civil war, rebellion, revolution, insurrection or military or usurped power, strike, riot or civil commotion.

P. WORKERS COMPENSATION, UNEMPLOYMENT, SOCIAL SECURITY, DISABILITY AND SIMILAR LAWS

Any obligation pursuant to any workers' compensation, unemployment insurance, social security, disability benefits or any similar or related laws.

IV. CLAIMS AND NOTICE PROVISIONS

As a condition precedent to any coverage provided by this Policy, the **Insured** must do each and all of the following:

- A. Without limiting the requirements in any Coverage Grants in this Policy, in the event of any **Pollution Incident, Period of Interruption, Claim, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**, the **Insured** shall provide notice thereof as soon as practicable to the Company's address set forth in the Declarations (or as such address may hereinafter be modified by the Company in writing). In addition, the **Insured** shall provide notice as soon as practicable to the Company's address set forth in the Declarations of any events or circumstances that may reasonably be expected to give rise to a **Pollution Incident, Period of Interruption, Claim, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**. All such notice shall include detailed information pertaining to:
 1. The appropriate person to contact regarding the **Pollution Incident, Disinfection Event, Period of Interruption, Claim, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**;
 2. The location of and a description of the **Pollution Incident** or **Disinfection Event**;
 3. A description of the **Period of Interruption, Claim, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**, as applicable;
 4. Any response actions taken by the **Insured** relating to the **Pollution Incident, Disinfection Event, Period of Interruption** or **Loss**; and
 5. Any other pertinent information in the **Insured's** possession or control concerning any actual or potential **Pollution Incident, Period of Interruption, Claim, Loss, Legal Costs, Business Interruption Expenses** or **Extra Expenses**.
- B.
 1. In the event that **Emergency Response Expenses** are incurred, the **Insured** must provide, in writing, all available information relating to such **Emergency Response Expenses** and the **Pollution Incident** giving rise thereto to the Company within fourteen (14) days of commencement of the **Pollution Incident**. Such information shall include all applicable information detailed in Paragraph A. of this Section.
 2. In the event of any **Disinfection Event** or **Image Restoration Event**, the **Insured** must provide, in writing, all available information relating to such **Disinfection Event** or **Image Restoration Event** within fourteen (14) days of a **Responsible Insured's** first discovery of such **Disinfection Event** or **Image Restoration Event**. Such information shall include all applicable information detailed in Paragraph A. of this Section.

3. In the event of a **Period of Interruption**, the **Named Insured** must provide, in writing, notice to the Company of the interruption within thirty (30) days of its commencement.
- C. Without limiting the requirements in any Coverage Grants in this Policy, the **Insured** shall provide notice as soon as practicable of any **Claim**, but, in any event, during the **Policy Period**, or **Extended Reporting Period**, if applicable. The **Insured** shall furnish all information requested by the Company, including, but not limited to, the following information as soon as practicable after the receipt by the **Insured** or the **Insured's** representative or agent:
1. Copies of any demands, notices, summonses, or legal papers received by the **Insured**;
 2. All correspondence between the **Insured** and any third party claimants;
 3. All reports, notes or other documents prepared by persons hired by the **Insured** to investigate the **Claim**;
 4. All expert reports, investigations and data collected by experts retained by the **Insured** whether or not the **Insured** intends to use the material for any purpose; and
 5. All other information which the Company may require concerning the **Claim** whether or not the **Insured** deems such to be relevant to the **Claim**.

V. RIGHTS OF THE COMPANY AND DUTIES OF THE INSURED IN THE EVENT OF POLLUTION INCIDENT

A. THE COMPANY'S RIGHTS

The Company shall have the right, but not the duty, to assume direct control over the incurrence of **Remediation Expenses, Disinfection Expenses or Emergency Response Expenses** and to participate in decisions regarding any covered **Remediation Expenses, Disinfection Expenses or Emergency Response Expenses** upon receiving notice as provided in Section IV. of this Policy. Any **Remediation Expenses, Disinfection Expenses or Emergency Response Expenses** expended by the Company in taking such action will be deemed incurred or expended by the **Insured** and shall be applied against the Limits of Liability and deductible under this Policy as described in Section VI.

B. THE INSURED'S DUTIES

The **Named Insured** shall have the duty to clean up the **Pollution Incident** (to the extent required by **Environmental Laws**) or **Disinfection Event**, by retaining, under written contract, competent professionals or contractors mutually acceptable to the Company and the **Named Insured**. The Company retains the right but not the obligation to review and approve all bids and contracts prior to issuance or execution. The Company shall be informed of all progress at reasonable intervals and shall have the right but not the duty to review and approve all aspects of any such clean up prior to submittal to any regulatory agency that is authorized to review and approve such clean up submittals. The **Named Insured** shall notify the Company of actions and measures taken pursuant to this Paragraph prior to the execution of those actions and measures, unless such notice is not possible under the circumstances because actions or measures constitute **Emergency Response Expenses**.

Subject to the condition entitled **VOLUNTARY PAYMENTS AND ADMISSION OF LIABILITY**, it is a condition precedent to coverage that the **Insured** shall, including at its own cost with respect to costs or expenses which are not covered under this Policy, make all reasonable attempts to mitigate and minimize any **Loss, Business Interruption Expenses, Extra Expenses, Disinfection Event, Period of Interruption and Pollution Incident** upon first discovery of a **Pollution Incident, Disinfection Event or Period of Interruption** and at all times thereafter.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

Without regard to the number of **Insureds, Covered Properties, Pollution Incidents, Period of Interruptions, Disinfection Events, Claims** or claimants, the following Limits of Liability apply:

A. POLICY AGGREGATE LIMIT OF LIABILITY

The most the Company will pay for all **Loss, Business Interruption Expenses and Extra Expenses** covered under this Policy shall not exceed the Policy Aggregate Limit of Liability set forth in the Declarations.

B. COVERAGE GRANT AGGREGATE LIMIT OF LIABILITY

Subject to Paragraph **A.** above, the most the Company will pay for all **Loss** covered under each particular Coverage Grant indicated as purchased in the Declarations shall not exceed the Coverage Grant Aggregate Limit of Liability applicable to that particular Coverage Grant.

Subject to Paragraph **A.** above, the most the Company will pay for all **Business Interruption Expenses** and **Extra Expenses** covered under Coverage **F.** shall be the lesser of:

1. The **Business Interruption Expenses** and **Extra Expenses** incurred during the number of days set forth in the days limit for Coverage **F.** in the Declarations; or
2. The dollar amount set forth for Coverage **F.** in the Declarations.

Once either **(i)** the days limit has been reached, or **(ii)** the Company pays **Business Interruption Expenses** and **Extra Expenses** under Coverage **F.** which equal the dollar amount set forth for Coverage **F.** in the Declarations, whether the erosion of such days limit or dollar amount is due to a single or multiple **Period of Interruption(s)**, whichever occurs first, there shall be no further coverage under Coverage **F.** The days limit shall be eroded by all days in each **Period of Interruption.**

C. EACH INCIDENT LIMIT OF LIABILITY

Subject to Paragraphs **A.** and **B.** above, for each Coverage Grant under this Policy, the most the Company will pay for all **Loss** arising out of the same, related or continuous **Pollution Incident(s)** is the Each Incident Limit of Liability applicable to such Coverage Grant set forth in the Declarations. Subject to Paragraphs **A.** and **B.** above, the most the Company will pay for all **Disinfection Expenses** arising out of the same, related or continuous **Disinfection Event(s)** is the lesser of: the Each Incident Limit of Liability applicable to such Coverage Grant set forth in the Declarations or the **Disinfection Expenses** incurred by the **Insured** within the first thirty (30) consecutive days following the first discovery of the first same, related or continuous **Disinfection Event.**

D. DEDUCTIBLE

Subject to Paragraphs **A., B.,** and **C.** above, the Company will pay all **Loss** in excess of the applicable deductible amount set forth in the Declarations. The deductible is the obligation of the **Named Insured** and applies to all **Loss** arising out of the same, related or continuous **Pollution Incident(s)**, or **Disinfection Event(s)**, on, at, under or migrating from a single address.

Subject to Paragraphs **A.** and **B.** above, the Company will pay all **Business Interruption Expenses** and **Extra Expenses** in excess of the **Business Interruption Expenses** and **Extra Expenses** incurred after expiration of the number of days in a **Period of Interruption** stated as the Deductible (Days) in the Declarations. The deductible applicable to Coverage **F.** applies separately to each **Period of Interruption.**

The Company may, but is under no obligation to, advance amounts for **Loss, Business Interruption Expenses** and **Extra Expenses** within the deductible. The **Named Insured** shall promptly reimburse the Company for advancing any such amounts within the deductible upon the Company's request.

E. MULTIPLE COVERAGES OR DEDUCTIBLES

If the same, related or continuous **Pollution Incident(s)** results in coverage under more than one Coverage Grant, the most the Company shall pay for all **Loss, Business Interruption Expenses** and **Extra Expenses** arising from such **Pollution Incident(s)** shall not exceed the highest Each Incident Limit of Liability, or the Coverage Grant Aggregate solely with regard to Coverage **F.,** stated in the Declarations among all of the Coverages applicable to the **Loss, Business Interruption Expenses** or **Extra Expenses.**

Furthermore, if more than one deductible is applicable to coverage for the same, related or continuous **Pollution Incident,** only the highest deductible applicable to the **Loss, Business Interruption Expenses** or **Extra Expenses** for such **Pollution Incident(s)** shall apply.

F. MULTIPLE POLICY PERIODS

If the Company has accepted coverage under this Policy for a **Pollution Incident, Disinfection Event** or **Claim,** and the Company, or an affiliate, issues a subsequent policy to the **Insured,** and during that subsequent policy:

1. A related or continuous **Pollution Incident** or **Disinfection Event** is first discovered, or
2. A **Claim** arising from the same, related or continuous **Pollution Incident** is first made against the **Insured**, and
3. Such **Pollution Incident**, **Disinfection Event** or **Claim** is reported to the Company, or affiliate, while such subsequent insurance policy is in effect,

Then coverage for that subsequently reported **Pollution Incident**, **Disinfection Event** or **Claim** shall be:

1. Determined solely by the terms, conditions, limitations, and exclusions of the subsequently issued insurance policy, other than that policy's limits of liability; and
2. Subject to the applicable Each Incident Limit of Liability, Coverage Aggregate Limit of Liability and remaining Policy Aggregate Limits of Liability, if any, of this Policy; however, to the extent that the subsequently issued insurance policy has a sublimit of liability otherwise applicable to that **Pollution Incident**, **Disinfection Event** or **Claim** for an amount that is less than the remaining applicable Limit of Liability in this Policy, then the applicable Limit of Liability for that **Pollution Incident**, **Disinfection Event** or **Claim** shall be that policy's sublimit of liability.

For the purposes of this Paragraph F. "related" means based upon, arising out of, resulting from, or in any way involving the same or related facts, circumstances, or events, or the same or related series of facts, circumstances, or events, whether related logically, causally or in any other way, and irrespective of whether involving the same **Pollutants** or **Disinfection Event**.

VII. CONDITIONS

A. ACTION AGAINST COMPANY

No action brought by any organization or entity, other than an **Insured**, shall lie against the Company unless, as a condition precedent thereto, the **Insured** has fully complied with all of the terms and conditions of this Policy and the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Any person or entity or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy to the **Insured** at issue and subject to the terms, conditions, exclusions and limitations of the Policy. No person or entity shall have any right under this Policy to join the Company as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the Company be impleaded by the **Insured** or its legal representative.

B. ASSIGNMENT

Assignment of interest under this Policy shall not bind the Company unless and until its consent is endorsed hereto, which consent shall not be unreasonably denied.

C. AUDIT AND INSPECTION

The Company shall be permitted, but not required, upon reasonable prior notice to inspect, sample and/or monitor any **Covered Property** and operations conducted thereon. Neither this right to make inspections, sample and/or monitor, nor the actual undertaking thereof, nor any report thereon shall constitute an undertaking on behalf of the **Insured** or others to determine or warrant that a **Covered Property** or operation is legal, appropriate, safe, healthful or conforms to any standard or requirement or is in compliance with any **Environmental Law** or other law. The Company will not manage or exercise control over any **Covered Property** or operation. The Company shall also have the right to interview persons employed by or affiliated with the **Insured**.

D. BANKRUPTCY

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of its obligations hereunder.

E. CANCELLATION

This Policy may be cancelled by the **Named Insured** by surrendering it to the Company or by mailing to the Company written notice stating when thereafter cancellation shall be effective.

The Policy may be cancelled by the Company by mailing to the **Named Insured** at its address set forth in the Declarations, a notice stating when, not less than ninety (90) days (or ten (10) days for nonpayment of premium) thereafter such cancellation shall be effective. The Company may cancel this Policy for only the following reasons:

1. Fraud or misrepresentation;
2. Any **Insured's** failure to comply with the terms, conditions or contractual obligations under this Policy including failure to pay the deductible when due; or
3. Nonpayment of premium when due.

The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Actual delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.

If the **Named Insured** cancels, earned premium shall be computed in accordance with the customary short rate table and procedure after applying the minimum earned premium amount set forth in the Declarations, provided that the minimum earned premium amount shall be 100% in the event a claim has been made under this Policy. If the Company cancels, earned premium shall be computed pro rata. Premium adjustment may be either at the time of cancellation is affected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition precedent to the effectiveness of cancellation.

F. CHANGES

Notice to or knowledge possessed by any person or entity shall not effect waiver or change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy. The terms, definitions, conditions, exclusions and limitations of this Policy shall not be waived or changed, except as provided by endorsement issued by the Company attached to this Policy. No agent or broker has any authority to change or modify this Policy, waive any of its provisions, or issue any endorsements.

G. CHOICE OF FORUM

In the event that the **Insured** and the Company have any dispute concerning or relating to this Policy (including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy) resulting in litigation, arbitration or other form of dispute resolution, the **Insured** agrees with the Company that any such litigation and any arbitration or other form of dispute resolution shall exclusively take place in the appropriate federal or state courts located in New York, New York.

H. CHOICE OF LAW

In the event that the **Insured** and the Company have any dispute concerning or relating to this Policy, including its formation, coverage provided hereunder, or the meaning, interpretation or operation of any term, condition, definition or provision of this Policy resulting in litigation, arbitration or other form of dispute resolution, the **Insured** agrees with the Company that the internal laws of the State of New York shall apply without giving effect to any conflicts or choice of law principles. The terms and conditions of this Policy shall not be deemed to constitute a contract of adhesion and shall not be construed in favor of or against any party hereto by reason or authorship or otherwise.

I. CONDITION OF PAYMENT

It is hereby agreed that any payment under this Policy shall only be made in full compliance with all United States of America economic and trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

J. COOPERATION

The **Insured** agrees with the Company to assist and cooperate in the fulfillment of the terms of the Policy, including the investigation, adjustment, defense or settlement of any **Claim** or in connection with the clean up of a **Pollution Incident**. Such cooperation may also include participating in meetings; requiring the **Insured** to submit to examination under oath; testifying at hearings, depositions and trials; or securing evidence. The Company may also require written statements or the **Insured's** attendance at meetings with the Company in the course of its investigation or defense. The **Insured** must assist the Company in effecting settlement and obtaining the attendance of witnesses. Further, the **Insured** must assist the Company in the pursuit of any coverage that may be available from other insurers or insurance policies for any amounts which also may be covered under this Policy. In addition, the **Insured** shall, to the extent feasible, permit and assist the Company and its representatives in interviewing persons and collecting documents and in viewing, inspecting, or reviewing at any time the **Covered Property**, any other property, or any documents related in any manner to this Policy, any **Claims** or **Loss**, or any coverage provided hereunder. No such inspection or review shall impose any liability, responsibility, or obligation on the Company of any nature. The **Insured** shall take any other actions to assist the Company as the Company may request from time to time.

K. ENFORCEABILITY

If any part of this Policy is deemed invalid or unenforceable, it shall not affect the validity or enforceability of any other part of this Policy, which shall be enforced to the full extent permitted by law.

L. HEADINGS

The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.

M. INDEPENDENT COUNSEL

In the event the **Insured** is entitled by law to select independent counsel to oversee the Company's defense of a **Claim** at the Company's expense, the attorney fees and all other litigation expenses the Company must pay to that counsel are limited to the rates the Company actually pays to counsel the Company retains in the ordinary course of business in the defense of similar **Claims** or suits in the community where the **Claim** arose or is being defended.

Additionally, the Company may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** or suits similar to the one pending against the **Insured** and to require such counsel have errors and omissions insurance coverage. As respects any such counsel, the **Insured** agrees that counsel will timely respond to our request for information regarding the **Claims** or suit.

Furthermore, the **Insured** may at any time, by the **Insured's** written consent, freely and fully waive these rights to select independent counsel.

N. OTHER INSURANCE

If other valid and collectible insurance is available to the **Insured** for **Claims, Pollution Incidents, Disinfection Events, Period of Interruptions, Loss, Business Interruption Expenses** or **Extra Expenses**, the Company's obligations are limited as follows:

1. With the exception of Paragraphs 4. and 5. below, this insurance is primary except when any other insurance is also primary. In that case, the Company will share with all the other insurance by the method described in Paragraph 2. below.
2. If the other insurance permits contribution by equal shares, the Company will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the **Loss, Business Interruption Expenses** or **Extra Expenses** payable under this Policy remains, whichever comes first.
3. If the other insurance does not permit contribution by equal shares, the Company will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

4. Solely with respect to **Claims, Pollution Incidents, Loss, Business Interruption Expenses or Extra Expenses** arising, in whole or part, from **Mold Matter, Legionella, Transportation, Waste Disposal Activities, Disinfection Events** or any perfluoroalkyl or polyfluoroalkyl substances (PFAS), this insurance is excess of any valid and collectible insurance, whether such insurance is primary, excess, contingent, self-insured retention or on any other basis. Further, this insurance shall also apply excess of any valid and collectible property or flood insurance, whether such insurance is primary, excess, contingent, self-insured retention or on any other basis. Where this insurance is excess insurance, the Company will only pay its share of the amount of **Loss, Business Interruption Expenses or Extra Expenses**, if any, that exceeds the total amount of such other insurance.
5. Notwithstanding Paragraphs **1.** through **3.** above, this insurance shall apply in excess of any **Fund** provided that in the event of receivership, insolvency, or inability to pay of any such **Fund**, this sentence shall not apply. If recovery from the **Fund** later becomes available and the **Fund** begins making payments, the **Insured** will reimburse the Company for any amounts previously paid by the Company which are recoverable from the **Fund**. Where this insurance is excess of a **Fund**, the Company will only pay its share of the amount of **Loss, Business Interruption Expenses and Extra Expenses**, if any, that exceeds the total amount available from the **Fund**. The **Insured** may use payments from the **Fund** to satisfy the Deductible stated in the Declarations.
6. To the extent this insurance is excess of other insurance, the **Insured** shall make all reasonable efforts to obtain recovery from such other insurance and shall not take any actions subsequent to **Loss** which limit the applicability or availability of such other insurance.

O. POLICY TERRITORY

This Policy and any coverage provided hereunder is only applicable to any **Pollution Incident** or any **Disinfection Event** occurring in the United States, its territories and possessions.

P. REPRESENTATIONS

By accepting this Policy, the **Named Insured** agrees:

1. The statements in the Declarations and Application are true, accurate and complete in all respects and contain no material omissions;
2. Those statements are the **Named Insured's** agreements and representations; and
3. The Company has issued this Policy in reliance upon those statements and these representations.

Further, the **Named Insured** agrees that this Policy embodies all agreements existing between the **Insured** and the Company or any of its agents relating to this insurance.

Q. SEPARATION OF INSUREDS

Except with respect to the Limits of Liability, Section **III. EXCLUSIONS – ALL COVERAGES**, Paragraphs **INSURED VS INSURED** and **NON-DISCLOSURE** and any rights and duties specifically assigned to the first **Named Insured** set forth in the Declarations, this insurance applies with respect to misrepresentation, concealment, breach of condition or violation of any duty under this Policy:

1. As if each **Insured** were the only **Insured**; and
2. Separately to each **Insured** against whom a **Claim** is made.

Misrepresentation, concealment, breach of condition or violation of any duty under this Policy by one **Insured** shall not prejudice the interest or coverage for another **Insured** who did not participate or assist in such misrepresentation, concealment, breach of condition or violation of duty, except where an **Insured** is a parent, subsidiary or affiliate of the **Insured** that misrepresented, concealed or breached a term or condition of or violated a duty under this Policy or participated or assisted therein.

R. SOLE AGENT

The **Named Insured** first identified in the Declarations is responsible for payment of all premiums and deductibles, and will act as the sole agent on behalf of all **Insureds** with respect to provision and receipt of notice(s), including notice of cancellation or non-renewal, receipt and acceptance of any endorsement(s) or any other changes to this Policy, return of any premium, assignment of interest under this Policy, as well as exercise of any applicable **Extended Reporting Period**, unless any such responsibilities are otherwise designated by endorsement.

S. SUBROGATION

In the event of any payment under this Policy, the Company shall be subrogated to all of an **Insured's** rights of recovery against any person or entity, including without limitation any rights to contribution from another insurer. An **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure and perfect such rights. No **Insured** shall do anything to impair, reduce, impede, prejudice, curtail or waive such rights. Any recovery obtained through subrogation, after expenses incurred in such subrogation are deducted by the Company, shall be applied first to the **Insured** to the extent of any payments in excess of the limit of coverage, if any; then to the Company to the extent of its payment under the Policy; and then to the **Insured** to the extent of its deductible. Notwithstanding anything to the contrary in this Paragraph, the Company hereby expressly waives any rights of subrogation to the extent required by written contract, provided that such contract was entered into prior to the discovery of the **Pollution Incident** giving rise to **Loss, Business Interruption Expenses or Extra Expenses**.

T. VOLUNTARY PAYMENTS AND ADMISSION OF LIABILITY

No **Insured** shall admit liability, settle or attempt to settle or otherwise dispose of any **Claim**, waive or extend any statute of limitation or statute of repose or the accrual thereof, or, except at the **Insured's** own cost, voluntarily make any payment, incur any **Loss** including but not limited to **Remediation Expenses, Disinfection Expenses or Image Restoration Expenses**, assume any obligation, or incur any expense without the Company's prior written consent.

This Condition shall not apply if such payment or obligation is an **Emergency Response Expense**.

VIII. EXTENDED REPORTING PERIOD

A. AUTOMATIC EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled to an Automatic **Extended Reporting Period** for a period of ninety (90) days following the effective date of termination of this Policy for no additional premium. This Automatic **Extended Reporting Period** shall not apply where:

1. The **Named Insured** has purchased the Optional **Extended Reporting Period** available under Paragraph **B**. below;
2. The Policy is terminated for fraud or non-payment of premium; or
3. The **Insured** has purchased other insurance to replace the insurance provided under this Policy.

The Automatic **Extended Reporting Period** shall apply as follows:

1. A **Claim** first made against the **Insured** during the **Policy Period** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period**, provided that the **Claim** is otherwise covered under this Policy.
2. A **Claim** first made against the **Insured** and reported to the Company, in writing, during the ninety (90) days immediately following the effective date of such termination will be deemed to have been made on the last day of the **Policy Period**, provided such **Claim** arises from a **Pollution Incident** which commenced prior to such termination and is otherwise covered under this Policy.

B. OPTIONAL EXTENDED REPORTING PERIOD

The **Named Insured** shall be entitled (except if this Policy is terminated for fraud or the non-payment of premium) to purchase an Optional **Extended Reporting Period** upon termination of this Policy subject to the following terms and conditions:

1. The **Named Insured** shall be entitled to purchase an Optional **Extended Reporting Period** of up to forty-eight (48) months beginning on the effective date of termination of this Policy for an additional premium of not more than 200% of the total Policy premium, provided that the **Named Insured** requests such Optional **Extended Reporting Period** in writing within thirty (30) days prior to the effective date of termination of this Policy;
2. Once the **Named Insured** has paid the additional premium, the Optional **Extended Reporting Period** may not be cancelled by the Company, except for fraud, and such premium shall be fully earned; and
3. The Optional **Extended Reporting Period** shall apply only to **Claims** first made against the **Insured** and reported to the Company during the Optional **Extended Reporting Period**, but only if such **Claims** arise from a **Pollution Incident** which commenced prior to termination of this Policy and are otherwise covered by this Policy.

It is a condition precedent to the coverage provided in this Paragraph **B.** that the **Named Insured** pay any additional premium within thirty (30) days of such termination.

Neither the Automatic **Extended Reporting Period** nor the Optional **Extended Reporting Period** shall modify, reinstate or increase the Limits of Liability of this Policy, or alter the terms and conditions of this Policy, and any payment made during the Automatic **Extended Reporting Period** or the Optional **Extended Reporting Period** shall reduce the available Limits of Liability.

IX. DEFINITIONS

A. Bodily Injury means physical injury, sickness, disease, building-related illness, mental anguish, shock or emotional distress, sustained by any person, including death resulting therefrom. **Bodily Injury** shall also include medical monitoring costs.

B. Boundaries:

Throughout this Policy the words "boundaries" and **Boundaries** means the area on, under or within the property lines bounding a location (including but not limited to any soil, groundwater body or surface water body on, under or within such bounded area).

C. Business Interruption Expenses means:

1. Net profit or loss, including from **Rental Value**, before taxes that would have been earned or incurred by the **Insured** during the **Period of Interruption**; and
2. Continuing normal operating expenses incurred by the **Insured** during the **Period of Interruption**, including payroll expense for employees of the **Insured**, except employees under contract, officers, executives, and department managers,

directly due to the reasonable and necessary interruption of the **Insured's** operations at a **Covered Property** during the **Period of Interruption**.

If the **Insured** would have incurred a net loss under Paragraph **C.1.** above, such net loss shall reduce the operating expenses recoverable under Paragraph **C.2.** above. Further, if the **Insured** could reduce the **Business Interruption Expenses** resulting from a **Period of Interruption** by complete or partial resumption of operations, or by making use of other property at the **Covered Property**, such reductions shall be taken into account in arriving at the amount of **Business Interruption Expenses**, as will the financial performance of the business before the **Period of Interruption** and the projected financial performance thereafter had no **Period of Interruption** occurred.

- D. Cargo** means goods, products or waste transported for delivery by a carrier properly licensed to transport such goods, products or waste.
- E. Claim** means a written demand, notice or assertion of a legal right alleging liability or responsibility on the part of the **Insured**.
- F. Conveyance** means any auto, railcar, rolling stock, train, watercraft or aircraft. **Conveyance** shall not include pipelines.
- G. Covered Property** means those locations specifically scheduled in the Declarations, or any other location specifically endorsed to the Policy as a **Covered Property**.

H. Disinfection Event means:

1. An outbreak of communicable virus or communicable bacteria at a **Covered Property** that requires reporting by the **Insured** of such outbreak to the applicable local, state or federal governmental or public health agency or entity; and
2. The dispersal or release of human blood or fluids as the direct result of a suicide, homicide or other violent crime.

Disinfection Event does not include any **Pollution Incident**.

I. Disinfection Expenses means reasonable fees and costs incurred by the **Insured** to retain third party qualified vendors to disinfect the actual presence of bacteria or virus at a **Covered Property** after a **Disinfection Event**.

J. Emergency Response Expenses means reasonable and necessary expenses incurred in response to an imminent and substantial threat to human health or the environment resulting from a **Pollution Incident**, and expenses to investigate, remove, dispose of, contain, treat or test soil, surface water, groundwater or other contaminated media resulting from a **Pollution Incident**.

Emergency Response Expenses shall not include **Bodily Injury** or **Property Damage**.

K. Environmental Laws means any federal, state, provincial, municipal or local laws, including, but not limited to, statutes, rules, ordinances, guidance documents, regulations and all amendments thereto, including state voluntary cleanup or risk based corrective action guidance, and governmental, judicial or administrative orders and directives that are applicable to a **Pollution Incident**.

L. Environmental Professional means an individual approved and designated by the Company in writing who is duly certified or licensed in a recognized field of environmental science as required by a state board, a professional association, or both, who meet certain minimum qualifications and who maintain specified levels of errors and omissions insurance coverage acceptable to the Company. The Company shall consult with the **Insured** in conjunction with the selection of the **Environmental Professional**.

M. Extended Reporting Period means the Automatic **Extended Reporting Period** or, if applicable, the Optional **Extended Reporting Period** of this Policy as set forth in Section VIII. of the Policy.

N. Extra Expenses means reasonable and necessary expenses incurred by the **Insured** at the **Covered Property** over and above the **Insured's** continuing normal operating expenses during the **Period of Interruption** that the **Insured** would not have incurred had there been no interruption of the **Insured's** operations at a **Covered Property** directly due to **Onsite Pollution**, provided that the expenses are incurred directly and solely to avoid or minimize **Business Interruption Expenses** and to continue operations at the **Covered Property**. **Extra Expenses** will be reduced by any salvage or other value of property obtained for temporary or other use during the **Period of Interruption** that remains after the resumption of normal operations.

Extra Expenses do not include **Loss, Remediation Expenses, Emergency Response Expenses, Disinfection Expenses, Image Restoration Expenses** or capital improvements.

O. Fund means any state trust fund, state administered insurance program or restoration funding for any **Pollution Incident**, including but not limited to a **Pollution Incident** arising from an **Underground Storage Tank** or dry cleaning operations; or any other funding available from a governmental source for owners who qualify for reimbursement established for the purpose of funding **Loss** for **Pollution Incidents**.

P. Image Restoration Event means a **Pollution Incident** which results in a newspaper or magazine publication or television news broadcast alleging responsibility on the part of the **Named Insured** for such **Pollution Incident**.

Q. Image Restoration Expenses means reasonable and necessary public relations expenses to restore public reputation and consumer confidence. **Image Restoration Expenses** shall include fees and expenses incurred by public relations or crisis management firms and reasonable and necessary printing, mailing of materials and travel by directors, officers, employees or agents of the **Named Insured** at the direction of such firms. **Image Restoration Expenses** shall not include the costs to purchase advertising on television, in newspapers or in any other media.

R. Inception Date means the applicable date set forth in the Declarations.

- S. **Insured** means a **Named Insured**, and any past or present director, officer, partner, member of a corporation, employee, temporary worker or leased worker of the **Named Insured** while acting within the scope of his or her duties as such.
- T. **Insured Contract** means those contracts or agreements, if any, listed on a Schedule of Insured Contracts endorsed to this Policy.
- U. **Insured's Products** means goods or products manufactured, sold, handled or distributed by the **Insured** or others trading under the **Insured's** name, and includes containers (other than automobiles, rolling stock, vessels or aircraft), materials, parts or equipment furnished in connection therewith, and includes warranties or representations made at any time with respect to the fitness, quality, durability, performance or use thereof, or the failure to provide warnings or instructions.
- V. **Legal Costs** means attorneys' fees and other reasonable and necessary expenses incurred in the investigation, defense or settlement of any **Claim** for **Loss**, or attorneys' fees in connection with the payment of any covered **Remediation Expenses** provided that **Legal Costs** associated with such **Remediation Expenses** are incurred with the Company's prior written consent. **Legal Costs** include the fees and expenses of consultants, expert witnesses, accountants, court reporters, and other vendors, for goods or services in connection with such investigation, defense or settlement of a **Claim**, whether incurred by the **Insured**, defense counsel, or the Company.
- W. **Legionella** means legionella pneumophila.
- X. **Loss** means:
1. A monetary judgment, award or settlement of compensatory damages arising from **Bodily Injury** or **Property Damage**;
 2. Punitive, exemplary or multiplied damages, civil fines, penalties and assessments to the extent any of the foregoing is insurable under applicable law, arising from **Bodily Injury** or **Property Damage**;
 3. **Legal Costs**;
 4. **Remediation Expenses**;
 5. Solely with respect to Section I. **COVERAGE GRANTS**, Paragraph B., **Emergency Response Expenses**;
 6. Solely with respect to Section I. **COVERAGE GRANTS**, Paragraph G., **Disinfection Expenses**; and
 7. Solely with respect to Section I. **COVERAGE GRANTS**, Paragraph H., **Image Restoration Expenses**.
- With respect to **Claims** for **Bodily Injury** and/or **Property Damage**, **Loss** shall only mean items 1. through 3. above.
- Y. **Misdelivery** means the delivery, beyond the **Boundaries** of a **Covered Property**, of any liquid product into a wrong receptacle or to a wrong address, or the erroneous delivery of one liquid product for another.
- Z. **Mold Matter** means mold, mildew or fungi, whether or not such **Mold Matter** is living.
- AA. **Named Insured** means:
1. The person or entity identified in the Declarations;
 2. Any business entity in which the person or entity listed in the Declarations has an ownership interest of 50% or more during the **Policy Period**; and
 3. Any other person or entity listed as a **Named Insured** by endorsement to this Policy.

- BB. Natural Resource Damage** means damages, sought by a governmental or tribal natural resource damage trustee who is authorized to act in such capacity by a natural resource damage statute governing the assessment and restoration of natural resource damages, for the physical injury to or destruction of, as well as the assessment of such injury or destruction, including the resulting loss of value 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. 1801 et seq.)), any State, Local or Provincial government, any foreign government, any Native American tribe, or, if such resources are subject to a trust restriction on alienation, any member of a Native American tribe. **Natural Resource Damage** does not include **Remediation Expenses** or **Emergency Response Expenses**.
- CC. New Conditions** means any **Pollution Incident** which commences, in its entirety, on or after the **Separation Date Between Pre and New Conditions Coverage** set forth in the Declarations.
- DD. Non-Owned Disposal Sites** means transfer, storage, treatment or disposal facilities which are utilized by the **Insured** for the transfer, storage, treatment or disposal of waste materials, which facilities are not, and have never been, owned, operated or rented by the **Insured**, provided that:
1. The waste materials first originate from a **Covered Property**;
 2. The transfer, storage, treatment or disposal facility is properly licensed and permitted by the appropriate federal, state or local authority to accept such waste materials as of the date of the transfer, storage, treatment or disposal of such waste materials;
 3. The transfer, storage or disposal facility, or any part thereof, is not listed on a proposed or final Federal National Priorities List (Superfund), or any equivalent state or local list as of the earlier of: a) the **Inception Date**; or b) the inception date of the first Site Pollution Incident Legal Liability Select policy issued by the Company to the **Insured** of which this is a continuous and uninterrupted renewal; and
 4. The transfer, storage or disposal facility, or any part thereof, was not subject to a consent order, administrative order on consent, consent decree or corrective action under **Environmental Law** as of the earlier of: a) the **Inception Date**; or b) the inception date of the first Site Pollution Incident Legal Liability Select policy issued by the Company to the **Insured** of which this is a continuous and uninterrupted renewal.
- EE. Offsite Pollution** means **Pollutants** that have migrated from a **Covered Property** to a location beyond its **Boundaries**. **Offsite Pollution** does not include any **Onsite Pollution**.
- FF. Onsite Pollution** means **Pollutants** that are on, at or under the **Covered Property**. **Onsite Pollution** does not include any **Offsite Pollution**.
- GG. Period of Interruption** means the period of time that begins when a **Pollution Incident** directly and necessarily interrupts the **Insured's** operations at a **Covered Property** and ends on the earliest of when: (1) the **Pollution Incident** no longer is a source of the interruption to the **Insured's** operations, regardless of whether the interruption is continuing for any other reason, after the **Pollution Incident** has been, or could have reasonably been, addressed; (2) the **Covered Property** has been or should have been restored to operations with reasonable speed and quality; or (3) the **Insured's** operations resume at a new permanent location. For the purpose of (1) above, the **Period of Interruption** will be considered to have ended even if operations cannot resume at the **Covered Property**: for regulatory reasons; because of a breach, suspension or cancellation of, or the failure to obtain, maintain, renew or extend any permit, lease, license or contract, even if directly or indirectly related to a **Pollution Incident**; or because it is not physically possible for such operations to resume for reasons other than the physical presence of **Pollutants** at the **Covered Property**. The expiration date of this Policy will not reduce the **Period of Interruption**. **Period of Interruption** shall not include any period of time prior to the commencement of normal operations at a **Covered Property**, including but not limited to a delay in the opening of or a delay in the completion of construction at a **Covered Property**. **Period of Interruption** shall not include any interruption arising from, in whole or part, the loss of, loss of use of, damage to, corruption of, inability to access or inability to manipulate electronic data. As used in the preceding sentence, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-

ROMS, tapes drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

HH. Policy Period means the applicable period stated in the Declarations. However, if this Policy is cancelled by the **Named Insured** or the Company, the **Policy Period** terminates on the effective date and time of cancellation.

II. Pollutants means any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials (including medical, infectious and pathological wastes), at levels in excess of those naturally occurring. **Pollutants** includes chemicals associated with the manufacture of methamphetamines.

Pollutants also means:

1. Electromagnetic fields;
2. **Mold Matter**; and
3. **Legionella**.

With the exception of **Legionella**, **Pollutants** shall not include bacteria or virus.

JJ. Pollution Incident means:

1. The presence of **Mold Matter**; and
2. The discharge, dispersal, release or escape of **Pollutants** on, into or upon land, **Conveyances**, buildings or structures with foundations on land, the atmosphere, any body of water including surface water or groundwater.

Pollution Incident includes the illicit abandonment of **Pollutants** at, and which originated from beyond the **Boundaries** of, any **Covered Property** provided that such abandonment takes place after the **Inception Date** and was committed by parties other than **Insureds** and without the knowledge of a **Responsible Insured**.

Solely with respect to **Transportation** performed under written contract by third-party carriers on behalf of the **Named Insured**, **Pollution Incident** includes the illicit abandonment of **Pollutants** beyond the **Boundaries** of a **Covered Property** provided that such abandonment was committed entirely during the **Policy Period**, by parties other than **Insureds** and without the knowledge of any **Insured**.

KK. Pre-Existing Conditions means any **Pollution Incident** which commenced, in whole or part, prior to the **Separation Date Between Pre and New Conditions Coverage** specified in the Declarations.

LL. Property Damage means:

1. Physical injury to or destruction of tangible property of parties other than the **Insured**, including the resulting loss of use of that property;
2. Loss of use of tangible property owned by parties other than the **Insured**, that is not physically injured or destroyed;
3. Diminished value of property owned by parties other than the **Insured**; and
4. **Natural Resource Damage**.

Property Damage does not include **Remediation Expenses** or **Emergency Response Expenses**.

MM. Remediation Expenses means reasonable and necessary expenses, including associated **Legal Costs** incurred with the Company's prior written consent, incurred to investigate, remove, dispose of, treat, monitor or test soil, surface water, groundwater or other contaminated media:

1. To the extent required by **Environmental Laws** governing the liability or responsibilities of the **Insured** to respond to a **Pollution Incident**;
2. In the absence of item 1. above and solely with respect to **Mold Matter** and **Legionella**, to the extent recommended in writing by an **Environmental Professional**; or

3. To the extent incurred by the government or any political subdivision of the United States of America or any state, territory or possession thereof, or by parties other than **Insureds** to the extent the **Insured** is liable for such expenses.

Remediation Expenses also include **Restoration Costs**. **Remediation Expenses** shall not include any costs or expenses to install, maintain, repair, improve or upgrade any controls or equipment at a **Covered Property** which reduce, treat, mitigate or otherwise address emissions, wastewater or discharges associated with the normal operations of any **Covered Property**.

NN. Rental Value means:

1. The total anticipated rental income from tenant occupancy of the **Covered Property** as furnished and equipped by the **Insured**; and
2. All charges that are the legal obligation of the tenant(s) pursuant to a lease and that would otherwise be the **Insured's** obligations.

OO. Responsible Insured means:

1. The manager or supervisor of the **Named Insured** responsible for environmental affairs or health and safety affairs, control or compliance at a **Covered Property**;
2. The manager of a **Covered Property**; or
3. Any officer, director, risk manager, general counsel or partner of the **Named Insured**.

PP. Restoration Costs means reasonable and necessary costs incurred by the **Insured**, with the Company's prior written consent, to repair, restore or replace that particular part of real or personal property that is damaged solely by work performed in the course of incurring covered **Remediation Expenses** in response to a **Pollution Incident** to which this Policy applies. No coverage for **Restoration Costs** shall apply to any real or personal property which required removal, replacement or repair prior to being damaged during such work. **Restoration Costs** shall not exceed the lesser of actual cash value of the particular part of the real or personal property which was damaged or the cost of repairing, restoring or replacing the damaged property with other property of like kind and quality. An adjustment for depreciation and the physical condition of such property immediately prior to being damaged during such work, including any damage which existed prior to the time at which such property was damaged by such work, shall be made by the Company, in its reasonable judgment, in determining actual cash value. If a repair or replacement results in better than like kind or quality, the Company will not pay for the amount of the betterment, except to the extent such betterments of the damaged property entail the reasonable use of green building materials which are environmentally preferable and of similar quality to those materials which comprised the damaged property. Such green building materials must be certified as such by an applicable national or international independent non-governmental certifying body, where such certification is available, or, in the absence of such certification, based on the judgment of the Company in its sole discretion.

QQ. Transportation means the movement, which occurs beyond the **Boundaries** of a **Covered Property**, of **Cargo** by a **Conveyance** to or from a **Covered Property** by the **Insured** or a third-party carrier on behalf of the **Insured** from the time of movement from the point of origin until delivery to the final destination.

Transportation includes: (i) the carrier's loading and unloading of **Cargo** onto or from a **Conveyance** provided that the loading or unloading is performed by or on behalf of the **Named Insured** and beyond the **Boundaries** of a **Covered Property**; and (ii) **Misdelivery**.

RR. Underground Storage Tank means any tank, including any piping and appurtenances connected to the tank, located on, at or under a **Covered Property** that has at least ten (10) percent of its combined volume underground. **Underground Storage Tank** does not include:

1. Septic tanks, sump pumps or oil/water separators;
2. A tank that is enclosed within a basement or cellar, if the tank is upon or above the surface of the floor; or
3. Storm-water or wastewater collection systems.

SS. Waste Disposal Activities means the processing, treatment or disposal, or the arranging for the processing, treatment or disposal, of waste at a **Non-Owned Disposal Site**, provided that such waste first originates from a **Covered Property**.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed and attested, but this Policy will not be valid unless countersigned by a duly authorized representative of the Insurer, to the extent required by applicable law.

Ironsore Specialty Insurance Company by:



Secretary



President

Specimen



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 1

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CLAIM AND NOTICE REPORTING

Subject to the claims and notice reporting provisions within the policy, claim and notice reports may be given in writing via:

POSTAL SERVICE to:

Ironshore Environmental Claims CSO
28 Liberty Street, 5th Floor
New York, NY 10005

E-MAIL to:

USClaims@ironshore.com

FAX to:

646-826-6601

By phone via:

24 Hour Claims Phone Number:

(888) 292-0249

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 2

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SANCTION LIMITATION AND EXCLUSION CLAUSE

No Insurer shall be deemed to provide cover and no Insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that Insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 3

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

SERVICE OF SUIT CLAUSE – CALIFORNIA

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS IN THIS POLICY

The Ironshore Specialty Insurance Co. hereby appoints the Corporation Service Company (which will be doing business in California as CSC-Lawyers Incorporating Service), 2710 Gateway Oaks Drive, Suite 150N, Sacramento, CA 95833-3505 as the agent of Ironshore Specialty Insurance Co. in and for the State of California, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in the said State by or on behalf of any insured or beneficiary against the Ironshore Specialty Insurance Co., arising out of the insurance policy to which this provision is attached. A copy of any process, "suit", complaint or summons may be made upon the Office of the General Counsel, North America Specialty, Liberty Mutual Insurance, C/O Ironshore Specialty Insurance Co., 175 Berkeley Street, Boston, MA 02116.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 4

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CALIFORNIA – CANCELLATION AND NONRENEWAL

THE CANCELLATION PROVISIONS OF THIS POLICY ARE REPLACED BY THE FOLLOWING:

Cancellation

- a. The first named insured shown in the declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b. Cancellation of policies in effect for less than 60 days.

If this policy has been in effect for less than 60 days and is not a renewal of a policy we issued, we may cancel this policy for any reason by giving you written notice of cancellation at least:

1. 10 days before the effective date of cancellation if we cancel for nonpayment of premium;
2. 10 days before the effective date of cancellation if we discover fraud; or
3. 30 days before the effective date of cancellation if we cancel for any other reason.

- c. Cancellation of policies in effect for 60 days or more.
 1. If this policy has been in effect for 60 days or more or this is a renewal of a policy we issued, we may cancel this policy by giving the first named insured written notice of cancellation at least:
 - (i) 10 days before the effective date of cancellation if we cancel for one or more of the following reasons:
 - (a) Nonpayment of premium;
 - (b) Discovery of fraud or material misrepresentation by an insured in obtaining the policy or in perfecting any claim under the policy;
 - (ii) 30 days before the effective date of cancellation if we cancel for one or more of the following reasons:
 - (a) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against;
 - (b) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against;
 - (c) Failure by you to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against;

- (d) A determination by the Commissioner of Insurance that the:
 - (1) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency;
 - (2) Continuation of the policy coverage would place us in violation of California law or the laws of the state where we are domiciled; or threaten our solvency;
 - (e) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy;
 - (f) A material change in limits, type or scope of coverage, or exclusions in one or more of the underlying policies;
 - (g) Cancellation or nonrenewal of one or more of the underlying policies where such policies are not replaced without lapse; or
 - (h) A reduction in financial rating or grade of one or more insurers, insuring one or more underlying policies based on an evaluation obtained from a recognized financial rating organization.
2. We may not cancel policies in effect for 60 days or more or renewal policies for any reason other than the reasons described in paragraph c.1. above.
 3. If we cancel for nonpayment of premium, the first named insured may continue the coverage and avoid the effect of the cancellation by payment in full at any time prior to the effective date of cancellation.
- d. We will give notice to first named insured at the last mailing address known to us.
 - e. Notice of cancellation will state the specific reason for cancellation and the effective date of cancellation. The policy period will end on that date.
 - f. If this policy is cancelled, we will send the first named insured any premium refund due. If we cancel, the 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 refund. Notice of cancellation will state that the excess premium (if not tendered) will be refunded on demand.
 - g. If notice is mailed, proof of mailing will be sufficient proof of notice.

The **Nonrenewal** provisions of this policy are replaced by the following which supersedes any provision to the contrary:

Nonrenewal

This policy may be non-renewed for any reason. If we elect not to renew this policy, we will mail or deliver written notice of non-renewal to the named insured at the address shown on this policy and to the named insured's agent of record, if any, at least 60 days, but not more than 120 days, before the expiration date. The notice of non-renewal will include a statement of the reason for non-renewal.

We are not required to send notice of nonrenewal in the following situations:

- a. In the event of nonpayment of premium;
- b. In the event the named insured fails to pay any advance premium required for renewal;
- c. If the transfer or renewal of a policy, without any changes in terms, conditions or rates, is between us and a member of our insurance group;
- d. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with the **Nonrenewal** provision above;
- e. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain coverage;
- f. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed;
- g. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period; or

- h. If we have made a written offer to the first Named Insured to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Specimen



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 5

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXCLUSION OF CERTIFIED ACTS OF TERRORISM

It is hereby agreed that the policy is amended as follows:

A. The following exclusion is added:

This insurance does not apply to:

TERRORISM

“Any injury or damage” arising, directly or indirectly, out of a “certified act of terrorism”.

B. The following definitions are added:

1. For the purposes of this endorsement, “any injury or damage” means any injury, damage or loss covered under any Coverage Part, Policy or underlying insurance to which this endorsement is applicable, and includes but is not limited to “bodily injury”, “business interruption”, “clean-up costs”, “corrective action”, “defense expense” or “property damage” as may be defined in any applicable Coverage Part, or Policy or underlying insurance.
2. “Certified act of terrorism” means an 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 pursuant to the federal Terrorism Risk Insurance Act. The criteria contained in the Terrorism Risk Insurance Act for a “certified act of terrorism” include the following:
 - a. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
 - b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is 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.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 6

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

COVID-19 EXCLUSION

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS) - ALL

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

The following is added to Section III. **EXCLUSIONS – ALL COVERAGES:**

COVID-19

The disease known as Coronavirus disease 19 or COVID-19, or any other condition, disease or sickness caused by the virus responsible for COVID-19 or by any mutation of that virus.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 7

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

ADDITIONAL INSURED

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS) - ALL

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

1. To the extent required by a written contract that was entered into prior to the discovery of the **Pollution Incident** giving rise to **Loss, Business Interruption Expenses** or **Extra Expenses**, the entity(s) scheduled below is (are) included as additional insured(s). Coverage for such additional insured(s) applies under this Endorsement:
 1. Solely to the additional insured’s liability directly resulting from the **Named Insured’s** ownership, operation, maintenance or use of the **Covered Property(ies)**; and
 2. Only if the additional insured is named in a suit as a co-defendant with the **Named Insured**, alleging the additional insured is liable on the basis described in paragraph 1. Above.

Further, the most we will pay on behalf of any such additional insured is the amount: i) required by such written contract; or ii) available under the applicable Limits of Liability shown in the Declarations, whichever is less. This shall not increase the applicable Limits of Liability shown in the Declarations.

2. The following is added to the definition of **Insured** set forth in Section **IX. DEFINITIONS**:
Insured shall also include additional insured(s).
3. The following is added to the exclusion entitled **INSURED VS INSURED** set forth in Section **III. EXCLUSIONS – ALL COVERAGES**:
However, this exclusion shall not apply to any additional insured.

Schedule of Additional Insured(s)

Any entity

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 8

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

DEFENSE COSTS – 25% OUTSIDE THE LIMITS ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS) - ALL

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

Section **VI. LIMITS OF LIABILITY AND DEDUCTIBLE**, Paragraph **A. POLICY AGGREGATE LIMIT OF LIABILITY** is deleted in its entirety and replaced with the following:

A. POLICY AGGREGATE LIMIT OF LIABILITY

The most the Company will pay for all **Loss, Business Interruption Expense** and **Extra Expense** covered under this Policy shall not exceed the Policy Aggregate Limit of Liability set forth in the Declarations.

Legal Costs paid by the Company in an amount up to 25% of the Policy Aggregate Limit of Liability set forth the Declarations shall not erode such Policy Aggregate Limit of Liability.

Such **Legal Costs** shall be subject to the applicable Deductible under this Policy and erode the Coverage Grant Aggregate Limit of Liability and the Each Incident Limit of Liability set forth in Declarations.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.



IRONSHORE SPECIALTY INSURANCE COMPANY

175 Berkeley Street
Boston, MA 02116
Toll Free: (877) IRON411

Endorsement # 14

Policy Number: ISPILLSCRXIK001
Insured Name: City of Newport Beach

Effective Date of Endorsement: April 17, 2023

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

POLLUTANTS DEFINITION AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

SITE POLLUTION INCIDENT LEGAL LIABILITY SELECT (SPILLS)

It is hereby agreed that the policy to which this Endorsement is attached is amended as follows:

1. The definition of **Pollutants** set forth in Section **IX. DEFINITIONS** is hereby deleted and replaced with the following:

Pollutants means any solid, liquid, gaseous or thermal irritant, or contaminant, including smoke, soot, vapors, fumes, acids, alkalis, chemicals, hazardous substances, hazardous materials, or waste materials (including medical, infectious and pathological wastes), at levels in excess of those naturally occurring. **Pollutants** includes chemicals associated with the manufacture of methamphetamines.

Pollutants also means:

1. Electromagnetic fields;
2. **Mold Matter**;
3. **Legionella**;
4. **Sewer Backup**; and
5. **Overcharge**.

With the exception of **Legionella**, **Pollutants** shall not include bacteria or virus.

2. The following are added to Section **IX. DEFINITIONS**:

Sewer Backup means wastewater that enters into a building or basement as a result of a blockage in trunk sewer lines or lateral sewer lines, to the extent connected to trunk sewer lines, owned by the **Named Insured**.

Overcharge means a condition in which the wastewater or stormwater flow rate in trunk sewer lines or lateral sewer lines, to the extent owned by the **Named Insured**, exceeds 100% of the hydraulic capacity of the sewer lines and is a result of excess precipitation or groundwater entering the sewer lines.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY REMAIN UNCHANGED.

Specimen