

Personal Umbrella Policy

AS463



Table of Contents

General Provisions	3	Excess Liability Insurance—Personal Injury- Coverage XP	9
Definitions Used In This Policy.....	3	Losses We Cover Under Excess Liability Insurance—Personal Injury.....	9
Insuring Agreement.....	3	Exclusions—Losses We Do Not Cover Under Excess Liability Insurance— Personal Injury.....	9
When And Where The Policy Applies.....	4	Limit Of Liability.....	9
Conformity To State Statutes.....	4	Amounts We Pay.....	9
Changes.....	4	When We Pay.....	10
Premium Changes.....	4	Defense We Will Provide.....	10
Coverage Changes.....	4	Additional Payments We Will Make.....	10
Duty To Report Policy Changes.....	4	Retained Limit.....	10
Assignment Of Interest.....	4	Conditions	10
Bankruptcy Or Insolvency.....	4	What To Do If There Is An Occurrence, Claim Or Suit Notice.....	10
Cancellation.....	4	Assistance And Cooperation.....	10
Concealment Or Fraud.....	4	Our Rights Under This Policy—Right Of Appeal.....	10
Charge For Insufficient Funds Or Closed Account.....	4	Settlement Or Defense.....	10
Action Against Us.....	4	Subrogation.....	10
Required Underlying Insurance	4		
Personal Liability, Residence Premises And Residence Employees.....	5		
Incidental Office, Private School Or Studio.....	5		
Automobiles And Motorcycles.....	5		
Recreational Motor Vehicles.....	5		
Watercraft.....	5		
Excess Liability Insurance—Bodily Injury And Property Damage—Coverage XL	5		
Section 1	5		
Losses We Cover Under Excess Liability Insurance— Bodily Injury And Property Damage—Section 1.....	5		
Amounts We Pay—Section 1.....	6		
Section 2	6		
Losses We Cover Under Excess Liability Insurance— Bodily Injury And Property Damage—Section 2.....	6		
Amounts We Pay—Section 2.....	6		
Exclusions—Losses We Do Not Cover Under Excess Liability Insurance— Bodily Injury And Property Damage—Section 2.....	6		
Section 3—Common Provisions	8		
Limit Of Liability.....	8		
When We Pay.....	8		
Defense We Will Provide.....	8		
Additional Payments We Will Make.....	8		
Retained Limit.....	8		

General Provisions

Definitions Used In This Policy

1. **Bodily injury** means:

- a) physical harm to the body, including sickness, disease, disability or death resulting from physical harm to the body;
- b) shock, mental anguish or mental injury.

Bodily injury does not include:

- a) any harm resulting from:
 - i) false arrest; false imprisonment; wrongful detention;
 - ii) wrongful entry; invasion of rights of occupancy; or
 - iii) libel; slander; humiliation; defamation of character; invasion of rights of privacy.
- b) any symptom, effect, condition, disease or illness resulting in any manner from:
 - i) lead in any form;
 - ii) asbestos in any form;
 - iii) radon in any form; or
 - iv) oil, fuel oil, kerosene, liquid propane or gasoline intended for, or from, a storage tank located at any residence premises owned by an **insured person**.
- c)
 - i) any venereal disease;
 - ii) herpes;
 - iii) Acquired Immune Deficiency Syndrome (AIDS);
 - iv) AIDS related complex (ARC); or
 - v) Human Immunodeficiency Virus (HIV);

or any related or resulting symptom, effect, condition, disease or illness related to c) i) through v) above.

2. **Business** means:

- a) any full- or part-time activity of any kind:
 - 1) arising out of or relating to an occupation, trade or profession of an **insured person**; and
 - 2) engaged in by an **insured person** for economic gain, including the use of any part of any premises for such purposes. The providing of home day care services to other than an **insured person** or relative of an **insured person** for economic gain is a **business**.
- b) the rental or holding for rental of any property by an **insured person**.

Business does not include:

- a) volunteer civic service which an **insured person** performs without pay for a **business** which was formed and functions as a not-for-profit organization and which is not a function of the **insured person's** occupation, profession or trade;
- b) the occasional rental or holding for rental of **your** primary residence premises for residential purposes;
- c) the rental or holding for rental of a portion of **your** primary residence premises to not more than two roomers or boarders;

- d) the occasional or part-time business activities of an **insured person** who is under 21 years of age;
- e) an **insured person's** occupancy of an office, private school or studio located on the primary residence premises; or
- f) the mutual exchange of home day care services.

3. **Business property** means any property on which a **business** is conducted.

4. **Insured person** means:

- a) **you**, and any other person who is named on the Policy Declarations;
- b) any person related to **you** by blood, marriage or adoption who is a resident of **your** household; or
- c) any dependent person in **your** care, if that person is a resident of **your** household.

However, persons defined in 4.b) who are over the age of 25 are not **insured persons** for any **occurrence** arising out of the ownership, maintenance or use of any motor vehicle owned by them.

5. **Occurrence** means an accident during the policy period, including continued and repeated exposure to substantially the same general harmful conditions during the policy period, resulting in **bodily injury**, **personal injury** or **property damage**.

6. **Personal injury** means harm resulting from:

- a) false arrest; false imprisonment; wrongful detention;
- b) wrongful entry; invasion of rights of occupancy;
- c) libel; slander; humiliation; defamation of character; invasion of rights of privacy.

Fines and penalties imposed by law are not included.

7. **Property damage** means physical harm to or destruction of tangible property, including loss of its use resulting from such physical harm or destruction.

8. **Retained limit** means the amount of damages an **insured person** must assume and pay for any **occurrence** if:

- a) no underlying insurance is required; and
- b) no other insurance applies to the **occurrence**.

9. **We, us** or **our** means the company named on the Policy Declarations.

10. **You** or **your** means the person named on the Policy Declarations as the insured and that person's resident spouse.

11. **Hostile fire** means a fire which becomes uncontrollable or escapes from its intended location.

Insuring Agreement

In reliance on the information **you** have given **us, we** agree to provide the coverages indicated on the Policy Declarations. In return, **you** must pay the premium when due and comply with all policy terms and conditions. This includes maintaining all Required Underlying Insurance.

The terms of this policy impose joint obligations on persons defined as **insured persons**. This means that the responsibilities, acts and failures to act of a person defined as an **insured person** will be binding upon another person defined as an **insured person**.

This policy provides only excess insurance. It does not contribute with any Required Underlying Insurance or other insurance which applies to an **occurrence**. It also is excess to any **retained limit an insured person** assumes.

When And Where The Policy Applies

This policy applies to an **occurrence** anywhere in the world that takes place during the policy period. The Policy Declarations show the policy period. This policy is not complete without the Policy Declarations.

Conformity To State Statutes

If any provision of this policy conflicts with the statutes of the state in which the policy is issued, the provision is amended to conform to such statutes.

Changes

Premium Changes

The coverage provided and premium for this policy are based on information **we** have received from **you** or other sources. **You** agree to cooperate with **us** in determining if this information is correct and complete. **You** agree that, if this information changes or is incorrect or incomplete, **we** may adjust **your** coverage or premium accordingly during the policy period or take other appropriate action.

Any calculation or adjustment of **your** premium will be made using the rules, rates and forms in effect, and on file if required, for **our** use in **your** state.

Coverage Changes

When **we** broaden coverage during the policy period without additional charge, **you** have the broadened coverage if **you** have the coverage to which the changes apply. The broadened coverage applies on the date the coverage change is effective in **your** state. Otherwise, the policy can be changed only by endorsement.

Duty To Report Policy Changes

Your policy was issued in reliance on the information **you** provided. Changes may occur to the information **you** gave us on **your** application for this policy or to **your** Required Underlying Insurance policies during the policy period. If so, **you** must inform **us** within 30 days of the following:

1. Changes in:
 - a) **your** address or the change of address of any **insured person**;
 - b) limits of liability of **your** Required Underlying Insurance.
2. **You** sell, acquire or otherwise transfer ownership of any automobiles, motorcycles, recreational motor vehicles, watercraft or residence premises.

Coverage will continue only if:

- a) **you** ask **us** to continue coverage within 30 days or before the end of the current policy period, whichever is first;
- b) **we** agree to continue coverage based on the change; and

- c) **you** pay the additional premium.

Any change in **your** coverage will be made using the rules, rates and forms in effect, and on file, if required, for **our** use in **your** state.

Assignment Of Interest

No interest in this policy may be transferred without **our** written consent. If an **insured person** dies, coverage will continue for the rest of the policy term for the **insured person's** legal representative. The representative is covered only while acting in that capacity.

Bankruptcy Or Insolvency

The bankruptcy or insolvency of an **insured person** or that person's estate will not affect **our** obligations under this policy.

Cancellation

Your Right to Cancel:

You may cancel this policy at any time. To do so, **you** must notify **us**, stating the future date **you** wish to stop coverage.

Our Right to Cancel:

We may cancel this policy by mailing notice to **you** at the address shown on the Policy Declarations. Mailing the notice is proof of notice. Coverage will stop at the date and time stated in the notice. If **we** cancel for non-payment of premium, the date of cancellation will be at least 10 days after the date of mailing. Otherwise, **we** will give **you** 30 days notice.

A refund, if due, will be in proportion to the time **your** policy has been in effect. Cancellation will be effective even if the refund is not made immediately.

Our Right Not to Renew or Continue:

We have the right not to renew this policy. If **we** do not intend to renew, **we** will mail notice to **you** at least 30 days before the end of the policy period.

Concealment Or Fraud

This policy is void if it was obtained by misrepresentation, fraud or concealment of material facts. If it is determined that this policy is void, all premiums paid will be returned to **you** since there has been no coverage under this policy.

Charge For Insufficient Funds Or Closed Account

If, at any time, **your** payment of any premium amount due is made by check, electronic transaction, or other remittance which is not honored because of insufficient funds or a closed account, **you** will be charged a fee.

Action Against Us

No one may bring an action against **us** unless there has been full compliance with all policy terms.

Required Underlying Insurance

You must maintain the Required Underlying Insurance policy. **You** must maintain the Required Underlying Insurance at or above the limits as shown on the Policy Declarations "Required Underlying Limit" at all times for each liability exposure any **insured person** has. If **you** fail to maintain the Required

Underlying Insurance policy applicable to the **occurrence**, there will be no coverage for any **insured person** under this policy until the damages exceed the Required Underlying Insurance limit for that exposure. If the underlying insurance applicable to the **occurrence** does not provide at least the limits required under this section of this policy, **you** will be responsible for the damages up to the Required Underlying Insurance amounts.

If **you** maintain limits equal to or greater than the Required Underlying Insurance limits, this policy will apply as excess above the actual limits **you** maintain. If any of **your** underlying coverage limits are used up, reduced, or canceled:

1. **you** must try to replace the coverage; and
2. **you** must notify **us** immediately.

Personal Liability, Residence Premises And Residence Employees

You must maintain at least the Required Underlying Insurance amount listed on the Policy Declarations for each residence premises **you** own, maintain or use. This liability coverage may be provided by either:

1. a separate Comprehensive Personal Liability policy; or
2. a Homeowners Insurance or similar package policy.

If **you** have domestic employees not subject to workers' compensation laws, **you** must maintain at least the Required Underlying Insurance listed on the Policy Declarations:

1. as a separate policy; or
2. as part of **your** Homeowners Insurance or similar package policy.

Incidental Office, Private School Or Studio

You must maintain at least the Required Underlying Insurance amount listed on the Policy Declarations for each office, private school or studio on **your** residence premises which is occupied by an **insured person**, either:

1. as a separate policy; or
2. as part of **your** Homeowners Insurance or similar package policy.

Automobiles And Motorcycles

For each automobile or motorcycle **you** own, maintain, or use, including any machinery or equipment attached to the automobile or motorcycle, **you** must maintain the following coverage with limits equal to or greater than the Required Underlying Insurance amount listed on the Policy Declarations:

1. Bodily Injury Liability coverage and Property Damage Liability coverage; and
2. if the insured vehicle is a motorcycle and Passenger Liability coverage is available for purchase with the insurance policy for the motorcycle, Passenger Liability coverage.

Recreational Motor Vehicles

For each motorized land vehicle **you** own, designed for use off public roads, whether or not subject to motor vehicle registration, **you** must maintain the following coverage with limits equal to or greater than the Required Underlying Insurance amount listed on the Policy Declarations:

1. Bodily Injury Liability coverage and Property Damage Liability coverage; and
2. if Passenger Liability coverage is available for purchase with the insurance policy for the recreational motor vehicle, Passenger Liability coverage.

Watercraft

1. **You** must maintain at least the Required Underlying Insurance amount listed on the Policy Declarations for Bodily Injury Liability coverage and Property Damage Liability coverage for each watercraft owned by or rented to an **insured person** which:
 - a) has inboard or inboard-outboard motor power of more than 50 horsepower;
 - b) is a sailing vessel 26 feet or more in length;
 - c) is powered by one or more outboard motors with more than 25 total horsepower;
 - d) is designated as an airboat, air cushion, hovercraft, or similar type of watercraft; or
 - e) is a personal watercraft, meaning a craft propelled by a water jet pump engine and designed to be operated by a person or persons sitting, standing or kneeling on the craft.
2. **You** must maintain at least the Required Underlying Insurance amount listed on the Policy Declarations for each watercraft **you** own which is shorter in length and lower in horsepower than those in 1. above.

You may maintain this coverage as part of **your** Comprehensive Personal Liability, Homeowners Insurance or similar package policy.

Excess Liability Insurance—Bodily Injury And Property Damage—Coverage XL

Section 1

Under Section 1 of this policy, **we** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising out of an **occurrence** that is both a loss **we** cover under **Excess Liability Insurance—Bodily Injury And Property Damage—Section 1** of this policy and a covered loss under **your** Required Underlying Insurance policy.

We will not pay any punitive or exemplary damages, fines and penalties.

This section does not apply to any **occurrence** that is covered under **Excess Liability Insurance—Personal Injury**.

Losses We Cover Under Excess Liability Insurance—Bodily Injury And Property Damage—Section 1

We will cover an **occurrence** arising only out of:

1. Personal activities of an **insured person**.

2. A volunteer civic service which an **insured person** performs without pay, for a not-for-profit corporation and which is not a function of that person's **business**.

Payment or reimbursement for reasonable expenses actually incurred by the **insured person** in connection with the volunteer civic service is not considered pay.

3. The duties of **your** domestic employees who are not subject to Workers' Compensation Laws.

Amounts We Pay—Section 1

We will pay only that amount of damages which exceeds the sum of:

1. the limits specified in this policy for the Required Underlying Insurance under which the **occurrence** is a covered loss; plus
2. the limits of any and all other liability insurance available to an **insured person** which apply to the **occurrence**.

However, in no event shall **we** pay any amount above **our** limit of liability. **We** will not pay the difference between the limits specified in this policy as Required Underlying Insurance and any lower limits actually in effect.

Section 2

Under Section 2 of this policy, **we** will pay damages which an **insured person** becomes legally obligated to pay because of **bodily injury** or **property damage** arising only out of:

1. a covered **occurrence** for which Required Underlying Insurance is not required by this policy; or
2. a covered **occurrence** for which **you** are required by this policy to maintain Required Underlying Insurance but there is no Required Underlying Insurance in effect at the time of the **occurrence**.

We will not pay any punitive or exemplary damages, fines and penalties.

Losses We Cover Under Excess Liability Insurance—Bodily Injury And Property Damage—Section 2

We will cover an **occurrence** arising only out of:

1. Personal activities of an **insured person**.
2. A volunteer civic service which an **insured person** performs without pay, for a not-for-profit corporation and which is not a function of that person's **business**.

Payment or reimbursement for reasonable expenses actually incurred by the **insured person** in connection with the volunteer civic service is not considered pay.

3. The duties of **your** employees who are not subject to Workers' Compensation Laws.

Amounts We Pay—Section 2

We will pay only that amount of damages which exceeds the sum of:

1. the limits specified in this policy's Policy Declarations for Required Underlying Insurance required by this policy for the **occurrence** even

though such Required Underlying Insurance was not in effect at the time of the **occurrence**; plus

2. the limits of any and all other liability insurance available to an **insured person** which apply to the **occurrence**.

However, if no other insurance is required and no other insurance applies to the **occurrence**, **we** will pay only those amounts which exceed the **retained limit**, up to the applicable limit of liability shown on the Policy Declarations.

In no event shall **we** pay any amount above **our** limit of liability.

Exclusions—Losses We Do Not Cover Under Excess Liability Insurance—Bodily Injury And Property Damage—Section 2

Excess Liability Insurance—Bodily Injury And Property Damage—Section 2 will not apply:

1. To any **occurrence** covered under **Excess Liability Insurance—Bodily Injury And Property Damage—Section 1** or under **Excess Liability Insurance—Personal Injury**.
2. To any **occurrence** arising out of any act or failure to act by any person in performing functions of that person's **business**.
3. To any **occurrence** arising out of a **business** or **business property**.
4. To any **bodily injury** or **property damage** sustained by any person as a result of an **occurrence** directly or indirectly related to the employment of this person by any **insured person**.
5. To any **occurrence** arising out of the occupancy as an operator or passenger of any land vehicle or watercraft while being used in any way directly related to an **insured person's business** or **business property**.

This exclusion does not apply to an **insured person's** use of an automobile, motorcycle or recreational motor vehicle to transport people in the course of the **insured person's business** activities, provided such vehicles:

- a) are not used to transport persons or property for a fee; and
- b) if not owned by an **insured person**, are not available or furnished for the regular use of an **insured person**.

6. To any **occurrence** arising out of:
 - a) the ownership;
 - b) maintenance; or
 - c) use (including loading or unloading);
 of any aircraft by any **insured person**.

This exclusion does not apply to the incidental use of an aircraft by **you** or an **insured person** as a passenger.

7. To **bodily injury** to an **insured person**.
8. To **property damage** to any:
 - a) property owned by an **insured person**; or
 - b) property owned by others which an **insured person** agreed to insure or for which an **insured person** agreed to be responsible.

9. When an **insured person** or that person's insurers may be held liable under any of the following laws:
- workers' compensation;
 - occupational disease;
 - unemployment compensation;
 - disability benefits; or
 - any other similar law.
10. When an **insured person**, as an employer, has failed to provide the security required under a workers' compensation law or occupational disease law for benefits to that person's employees.
11. To **bodily injury** to:
- any employee, other than a domestic employee who is not subject to workers' compensation laws; or
 - any person arising out of corporal punishment administered by or at the direction of an **insured person**.
12. To **bodily injury** or **property damage** for which an **insured person** is also covered under a nuclear energy liability policy, even if the limits of that policy have been exhausted.
13. To **bodily injury** or **property damage** intended by, or which may reasonably be expected to result from the intentional or criminal acts or omissions of, any **insured person**. This includes any **bodily injury** or **property damage** arising out of a violation of a penal law or ordinance committed by or with the consent or knowledge of an **insured person**. This exclusion applies even if:
- such **insured person** lacks the mental capacity to govern his or her conduct;
 - such **bodily injury** or **property damage** is of a different kind or degree than that intended or reasonably expected; or
 - such **bodily injury** or **property damage** is sustained by a different person than intended or reasonably expected.
- This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of, a crime.
14. To any **bodily injury** which results in any manner from the discharge, dispersal, release or escape of vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.
- We** will not apply this exclusion to **bodily injury** which results from:
- such discharge, dispersal, release or escape, if the discharge, dispersal, release or escape is sudden and accidental; or
 - heat, smoke or fumes from a **hostile fire**.
15. To any **property damage** which results in any manner from vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.

We will not apply this exclusion to **property damage** which results from heat, smoke or fumes from a **hostile fire**.

16. To any liability imposed upon any **insured person** by any civil, governmental or military authority for **bodily injury** or **property damage** which results in any manner from vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.
17. To any loss, cost or expense arising out of any request, demand, or order that any **insured person** test for, monitor, clean up, remove, contain, treat, detoxify, decontaminate, or neutralize, or in any way respond to or assess the effects of any type of vapors, fumes, smoke, smog, soot, alkalis, acids, toxic chemicals, toxic gasses, toxic liquids, toxic solids, waste materials, or other irritants, contaminants or pollutants.
18. To any **bodily injury** or **property damage** arising from any contract or agreement, whether written or oral.
19. To any claim in which an **insured person** has concealed or misrepresented any material fact or circumstance.
20. To any **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.
21. To any liability imposed upon any **insured person** by any civil, governmental or military authority for **bodily injury** or **property damage** which, in whole or in part arises out of, is aggravated by or results from mold, fungus, wet rot, dry rot or bacteria.
22. To any **bodily injury** or **property damage** arising from any use, sale, manufacture, delivery, distribution, or possession of any controlled substance as defined by the Federal Food and Drug Law at 21 U.S.C.A. sections 811 and 812. This exclusion does not apply to use of prescription drugs if such prescription drugs are used by the person for whom they were prescribed by a licensed medical provider.
23. To any **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from insects or rodents.
24. To any liability imposed upon any **insured person** by any civil, governmental or military authority for **bodily injury** or **property damage** which, in whole or in part, arises out of, is aggravated by or results from insects or rodents.
25. To any **bodily injury** or **property damage** occurring while **your** watercraft is in any sanctioned race, speed or jumping contest. This exclusion does not apply when **your** watercraft is:
- a sailboat; or
 - in a "predicted-log" cruise.
26. To any **bodily injury** or **property damage** arising out of the participation in any prearranged, organized or spontaneous:
- racing contest;

- b) speed contest;
 - c) demolition contest;
 - d) stunt contest;
 - e) off-road contest;
 - f) motor vehicle performance, maneuvering, or endurance contest; or
- in practice or preparation for any contest of this type.

Section 3—Common Provisions

Limit Of Liability

Our total liability under **Excess Liability Insurance—Bodily Injury And Property Damage** for damages arising out of one **occurrence** will not exceed the “each occurrence” limit shown on the Policy Declarations, regardless of the number of:

1. **insured persons**;
2. claims;
3. claimants;
4. injured persons; or
5. policies involved.

The “Annual Aggregate Limit” for **Excess Liability Insurance—Bodily Injury And Property Damage** shown on the Policy Declarations is the most **we** will pay for all damages resulting from all **occurrences** that occur during the policy period regardless of when the amounts were paid.

There will be no duplication of payments made under **Excess Liability Insurance—Bodily Injury And Property Damage—Section 1** and **Excess Liability Insurance—Bodily Injury And Property Damage—Section 2** of this policy.

When We Pay

We will not begin to make payment for any damages resulting from an **occurrence** covered by this policy until **our** liability has been determined by:

1. agreement between the claimant and **us**; or
2. a final judgment against an **insured person**.

Claim for payment must be made within 12 months after determination of **our** liability. If additional claims are filed due to the same **occurrence**, payment will be made within 30 days after the **insured person** gives **us** proper proof.

Defense We Will Provide

We will defend an **insured person** sued as the result of an **occurrence** covered by this policy. **We** will not defend any **insured person** against any claim for punitive or exemplary damages.

When defense is provided by the insurer providing the Required Underlying Insurance or any other liability insurance, **we** maintain the right to join in the defense of any claim or suit which may require **us** to pay.

If the **insured person** fails to maintain the Required Underlying Insurance, **we** will not defend any **insured person** for any amount of damages falling within the Required Underlying Insurance limits.

We may be prevented from defending an **insured person**, in any country, due to laws or for other reasons. In that event, **we** will pay any expense incurred, with **our** written consent, for the **insured person's** defense.

We may investigate and settle any claim or suit as **we** consider appropriate.

Additional Payments We Will Make

In defending an **insured person**, **we** will pay the following regardless of **our** limits of liability:

1. Premiums on appeal bonds and on bonds to release attachments. **We** have no obligation to apply for or furnish these bonds.
2. Court costs for defense.
3. Interest accruing on damages awarded. **We** will pay this interest only until **we** have paid, tendered or deposited in court the amount of damages for which **we** are liable under this policy. **We** will only pay interest on the amount of damages for which **we** are liable under this policy, not exceeding **our** limits of liability.

We will repay an **insured person** for all reasonable expenses incurred at **our** request, arising from an **occurrence we** cover. This includes payment for actual loss of wages. **We** are not obligated to repay any expenses incurred by an **insured person** if the **insured person** takes any action or makes any payments other than for covered expenses. **Our** payment for lost wages will not exceed:

1. \$150 per day; nor
2. A total of \$5000 per **insured person**.

Retained Limit

Retained limits vary by state. The **retained limit** that applies to this policy is determined by the state shown in the address in the Policy Declarations and the dollar amount shown below for that state.

Retained limits are:

1. \$1000 in North Carolina and Texas.
2. \$250 in all other states and the District of Columbia.

This amount applies only if:

1. **bodily injury** or **property damage** arises out of an **occurrence** that is not covered under **Excess Liability Insurance—Bodily Injury And Property Damage—Section 1**; and
2. no other insurance is required or no other insurance applies to the **occurrence**.

An **insured person** must promptly repay **us** for any amount **we** have advanced on that person's behalf which is within the applicable **retained limit**. **We** will give the **insured person** notice of any repayment due.

Excess Liability Insurance—Personal Injury—Coverage XP

Under **Excess Liability Insurance—Personal Injury**, we will pay damages which an **insured person** becomes legally obligated to pay because of **personal injury**. **Personal injury** must arise from a covered **occurrence**.

We will not pay any punitive or exemplary damages, fines and penalties.

Losses We Cover Under Excess Liability Insurance—Personal Injury

We will cover an **occurrence** arising only out of:

1. Personal activities of an **insured person**.
2. A volunteer civic service which an **insured person** performs without pay, for a not-for-profit corporation and which is not a function of that person's **business**.

Payment or reimbursement for reasonable expenses actually incurred by an **insured person** in connection with the volunteer civic service is not considered pay.

Exclusions—Losses We Do Not Cover Under Excess Liability Insurance—Personal Injury

This coverage does not apply:

1. To **personal injury** arising out of any act or failure to act by any person in performing functions of that person's **business**.
2. To **personal injury** arising out of a **business** or **business property**.
3. To **personal injury** sustained by any person as a result of an **occurrence** directly or indirectly related to the employment of this person by any **insured person**.
4. To **personal injury** sustained by an **insured person**.
5. To **personal injury** when an **insured person** or that person's insurers may be held liable under any of the following laws:
 - a) workers' compensation;
 - b) occupational disease;
 - c) unemployment compensation;
 - d) disability benefits; or
 - e) any other similar law.
6. To **personal injury** sustained by any person arising out of corporal punishment administered by or at the direction of an **insured person**.
7. To **personal injury** arising from any contract or agreement, whether written or oral.
8. To libel, slander or defamation of character if the first injurious publication or utterance of the same or similar material was made by an **insured person** prior to the effective date of this policy.
9. To **personal injury** arising from illegal discrimination.

10. To **personal injury** that results in a claim where an **insured person** has concealed or misrepresented any material fact or circumstance.
11. To **personal injury** arising out of oral, written, or electronic publication of material, if done by, or at the direction of, an **insured person** with knowledge that the material is false.
12. To **personal injury** intended by, or which may reasonably be expected to result from the intentional acts or omissions of, any **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **personal injury** is of a different kind or degree than that intended or reasonably expected; or
 - c) such **personal injury** is sustained by a different person than intended or reasonably expected.
13. To **personal injury** arising out of, or which may reasonably be expected to result from, the criminal acts of any **insured person**. This includes any **personal injury** arising out of a violation of a penal law or ordinance committed by or with the consent or knowledge of an **insured person**. This exclusion applies even if:
 - a) such **insured person** lacks the mental capacity to govern his or her conduct;
 - b) such **personal injury** is of a different kind or degree than that intended or reasonably expected; or
 - c) such **personal injury** is sustained by a different person than intended or reasonably expected.

This exclusion applies regardless of whether or not such **insured person** is actually charged with, or convicted of, a crime.
14. To **personal injury** arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights.

Limit Of Liability

Our total liability under **Excess Liability Insurance—Personal Injury** for damages arising out of one **occurrence** will not exceed the "each occurrence" limit shown on the Policy Declarations, regardless of the number of:

1. **insured persons**;
2. claims;
3. claimants;
4. injured persons; or
5. policies involved.

The "Annual Aggregate Limit" for **Excess Liability Insurance—Personal Injury** shown on the Policy Declarations is the most we will pay for all damages resulting from all **occurrences** that occur during the policy period regardless of when the amounts were paid.

Amounts We Pay

We will pay only that amount of damages which exceeds the sum of:

1. the limits of liability of the underlying insurance which apply to the **occurrence**; plus

- the limits of any and all other liability insurance available to an **insured person** which apply to the **occurrence**.

If no other insurance is required or no other insurance applies to the **occurrence**, **we** will pay only those amounts which exceed the **retained limit**, up to the applicable limit of liability shown on the Policy Declarations for **Excess Liability Insurance—Personal Injury**.

In no event shall **we** pay any amount above **our** limit of liability.

When We Pay

We will not begin to make payment for any damages resulting from an **occurrence** covered by this policy until **our** liability has been determined by:

- agreement between the claimant and **us**; or
- a final judgment against an **insured person**.

Claim for payment must be made within 12 months after determination of **our** liability. If additional claims are filed due to the same **occurrence**, payment will be made within 30 days after the **insured person** gives **us** proper proof.

Defense We Will Provide

We will defend an **insured person** sued as the result of an **occurrence** covered by this policy. **We** will not defend any **insured person** against any claim for punitive or exemplary damages.

When defense is provided by the insurer providing any other liability insurance, **we** do maintain the right to join in the defense of any claim or suit which may require **us** to pay.

We may be prevented from defending an **insured person**, in any country, due to laws or for other reasons. In that event, **we** will pay any expense incurred, with **our** written consent, for the **insured person's** defense.

We may investigate and settle any claim or suit as **we** consider appropriate.

Additional Payments We Will Make

In defending an **insured person**, **we** will pay the following regardless of **our** limits of liability:

- Premiums on appeal bonds and on bonds to release attachments. **We** have no obligation to apply for or furnish these bonds.
- Court costs for defense.
- Interest accruing on damages awarded. **We** will pay this interest only until **we** have paid, tendered or deposited in court the amount of damages for which **we** are liable under this policy. **We** will only pay interest on the amount of damages for which **we** are liable under this policy, not exceeding **our** limits of liability.

We will repay an **insured person** for all reasonable expenses incurred at **our** request, arising from an **occurrence we** cover. This includes payment for actual loss of wages. **We** are not obligated to repay any expenses incurred by an **insured person** if the **insured person** takes any action or makes any payments other than for covered expenses. **Our** payment for lost wages will not exceed:

- \$150 per day; nor
- A total of \$5000 per **insured person**.

Retained Limit

Retained limits vary by state. The **retained limit** that applies to this policy is determined by the state shown in the address in the Policy Declarations and the dollar amount shown below for that state.

Retained limits are:

- \$1000 in North Carolina and Texas.
- \$250 in all other states and the District of Columbia.

An **insured person** must promptly repay **us** for any amount **we** have advanced on that person's behalf which is within the applicable **retained limit**. **We** will give the **insured person** notice of any repayment due.

Conditions

What To Do If There Is An Occurrence, Claim Or Suit Notice

You must give **us** prompt written notice of any **occurrence** to which this policy may apply. **You** must also promptly give **us** all legal papers or reports relating to the **occurrence** when a claim or suit is filed against any **insured person**. **You** must also notify **your** underlying insurer.

Assistance And Cooperation

When **we** join in defense of any claim or suit, **we** and the **insured person** will cooperate in good faith. **You** must also cooperate with **your** underlying insurer.

Our Rights Under This Policy—Right Of Appeal

If an **insured person** or any other insurer elects not to appeal a judgment exceeding the limits of the Required Underlying Insurance, any other insurance or the **retained limit**, **we** may do so. **We** will pay the cost and interest incidental to the appeal. **We** will not be liable for more than the applicable limit shown on the Policy Declarations plus the incidental costs and interest.

Settlement Or Defense

We may assume control of the settlement and **we** may assume the defense of any claim or suit against an **insured person** if:

- The limits of any Required Underlying Insurance or any other insurance have been exhausted by payment; or
- The insurer providing the Required Underlying Insurance or any other applicable insurance is or becomes bankrupt or insolvent within one year after the **occurrence**.

Subrogation

When **we** pay, an **insured person's** rights of recovery from anyone else become **ours** up to the amount **we** have paid. This includes any rights to claims against any other insurer which failed in its obligation to provide insurance applying to the **occurrence**. The **insured person** must protect these rights and help **us** enforce them. **We** cannot be required to exercise these rights.