



**AMERICAN SAFETY INDEMNITY COMPANY  
100 GALLERIA PARKWAY SE, SUITE 700  
ATLANTA, GA 30339**

**FEDERAL EMPLOYEE  
MASTER  
PROFESSIONAL LIABILITY  
POLICY**

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**LISTING OF FORMS AND ENDORSEMENTS FORMING  
A PART OF THIS POLICY**

**This listing forms a part of the following:**

<b><u>FORM NUMBER</u></b>	<b><u>TITLE</u></b>
ML AS 0021 1006	Commercial Insurance Policy Jacket
ML AS 0023 1006	Listing of Forms and Endorsements Forming a Part of This Policy
PR AS 0368 0609	Federal Employee Professional Liability Master Policy Declarations
ML AS 0185 0210	Surplus Lines Notice
PR AS 0372 0308	Service of Suit
PR AS 0367 0810	Federal Employee Professional Liability Master Insurance Policy
IL 00 21 0498	Nuclear Energy Liability Exclusion Endorsement (Broad Form)
PR AS 0369 0609	Federal Employee Professional Liability Insured Member Certificate

**AMERICAN SAFETY INDEMNITY COMPANY  
100 GALLERIA PARKWAY SE, SUITE 700  
ATLANTA, GA 30339**

**FEDERAL EMPLOYEE  
PROFESSIONAL LIABILITY MASTER INSURANCE POLICY DECLARATIONS**

**THIS IS A CLAIMS MADE & REPORTED POLICY.  
PLEASE READ THE ENTIRE FORM CAREFULLY.**

<b>MASTER POLICY NUMBER:</b>	<b>P0169PF11</b>	<b>RENEWAL OF:</b>	<b>P0169PF10</b>
------------------------------	------------------	--------------------	------------------

<b>NAMED INSURED AND MAILING ADDRESS</b>		<b>MANAGING GENERAL AGENT NAME AND ADDRESS</b>	
Public Employees Purchasing Group, Inc. c/o United Corporate Services, Inc. 1023 15 <sup>th</sup> Street NW, Suite 401 Washington, DC 20005		Anthony Vergnetti Federal Employee Defense Services, Inc. P.O. Box 65282 (Washington, DC 20035) 7945 MacArthur Blvd., Suite 201 Cabin John, MD 20818	
<b>POLICY PERIOD:</b>	Coverage period per individual Insured Member certificate incepting		
	<b>From:</b>	08/01/2011	<b>To:</b> 08/01/2012
	at 12:01 A.M. Standard Time at your mailing address shown above.		
<b>FORM OF BUSINESS:</b>	Individual Insured Members of the Public Employees Purchasing Group, Inc.		

<b>LIMITS OF INSURANCE:</b>	Each Incident	\$	1,000,000
	Per Incident Aggregate For Any One Incident Involving More Than One (1) Individual Insured Member	\$	10,000,000
	Master Policy Aggregate	\$	10,000,000
<b>ADMINISTRATIVE AND CRIMINAL LEGAL DEFENSE EXPENSE SUBLIMIT:</b>	Each Incident Involving Criminal Proceedings or Investigations	\$	100,000
	Each Incident Involving Disciplinary or Judicial Sanctions Proceedings or Administrative Investigation	\$	200,000

<b>PREMIUM:</b>	Annual Policy Premium	\$	Per individual "Insured Member's" Certificate
	Minimum Earned Premium	\$	Per individual "Insured Member's" Certificate
	Surplus Lines Tax	\$	Per individual "Insured Member's" Certificate
	Stamping Fee	\$	Per individual "Insured Member's" Certificate

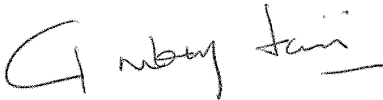
<b>POLICIES AND ENDORSEMENTS ATTACHED AT INCEPTION:</b>	See schedule of Forms and Endorsements
---	--

**THESE DECLARATIONS TOGETHER WITH THE APPLICATION, POLICY JACKET, FORMS AND ENDORSEMENTS ISSUED TO FORM A PART THEREOF, COMPLETE, THE ABOVE NUMBERED POLICY.**

**For questions regarding this policy please contact Federal Employee Defense Services ("FEDS") at 1-866-955-FEDS (3337).  
To report claims, please contact Specialty Claims Management, Inc. at 1-800-995-0408**

Countersigned:	By:
(Date)	(Authorized Representative)

In Witness Whereof, this Company has caused this policy to be signed by its President and Secretary, but if required by state law, this policy shall not be valid unless countersigned by an authorized representative of the Company.



Secretary



President

# SURPLUS LINES NOTICE

It is agreed that the Surplus Lines Agent with respect to this policy is as follows:

## Surplus Lines Agent

Anthony F. Vergnetti  
Federal Employee Defense Services, Inc.  
P.O. Box 65282 (Washington, DC 20035)  
7945 MacArthur Boulevard, Suite 201  
Cabin John, MD 20818

Surplus Lines License #s  
District of Columbia: 2862252  
Georgia: 2664089  
Maryland: RSI100002124  
Virginia: 752690

---

### GEORGIA

This contract is registered and delivered as a surplus line coverage under the Surplus Line Insurance Law, O.C.G.A. Chapter 33-5.

### MARYLAND

This insurance is issued by a nonadmitted insurer not under the jurisdiction of the Maryland Insurance Commissioner.

### VIRGINIA

THE INSURANCE POLICY THAT YOU HAVE APPLIED FOR HAS BEEN PLACED WITH OR IS BEING OBTAINED FROM AN INSURER APPROVED BY THE STATE CORPORATION COMMISSION FOR ISSUANCE OF SURPLUS LINES INSURANCE IN THIS COMMONWEALTH, BUT NOT LICENSED OR REGULATED BY THE STATE CORPORATION COMMISSION OF THE COMMONWEALTH OF VIRGINIA. THEREFORE YOU, THE POLICYHOLDER, AND PERSONS FILING A CLAIM AGAINST YOU ARE NOT PROTECTED UNDER THE VIRGINIA PROPERTY AND CASUALTY INSURANCE GUARANTY ASSOCIATION ACT (SECTION 38.2-1600 et seq.) OF THE CODE OF VIRGINIA AGAINST DEFAULT OF THE COMPANY DUE TO INSOLVENCY. IN THE EVENT OF INSURANCE COMPANY INSOLVENCY YOU MAY BE UNABLE TO COLLECT ANY AMOUNT OWED TO YOU BY THE COMPANY REGARDLESS OF THE TERMS OF THIS INSURANCE POLICY, AND YOU MAY HAVE TO PAY FOR ANY CLAIMS MADE AGAINST YOU.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ENDORSEMENT - SERVICE OF SUIT CLAUSE**

This Endorsement shall not serve to increase our limits of insurance.

It is agreed that the service of process in any "claim" or suit on the policy against American Safety Indemnity Company may be made upon the highest one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the policy is issued. The one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the policy is issued is hereby authorized and directed to accept service of process on our behalf in any such "claim" or suit, provided such "Commissioner", "Director" or "Superintendent" has a procedure for forwarding "claims" and suits to insurance

companies by registered or certified mail and agrees to abide by such procedure by mailing via registered or certified mail all documents so served to American Safety Indemnity Company at 100 Galleria Parkway SE, Atlanta, Georgia 30339. It is further agreed that the insured shall, by registered or certified mail, send to American Safety Indemnity Company, a copy of all documents relating to the service of process in the "claim" or suit as the insured has delivered to the highest one in authority of the Insurance Department of the state or commonwealth wherein the policy is issued.

All other terms, conditions and exclusions under the policy are applicable to this Endorsement and remain unchanged.

**FEDS  
FEDERAL EMPLOYEE PROFESSIONAL LIABILITY MASTER INSURANCE POLICY  
THIS IS A CLAIMS MADE AND REPORTED POLICY.**

**THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE “CLAIMS” WHICH ARE FIRST MADE AGAINST THE “INSURED MEMBER” AND FIRST REPORTED TO THE COMPANY IN WRITING DURING THE POLICY PERIOD.**

AMERICAN SAFETY INDEMNITY COMPANY, hereinafter called the Company, agrees with the “Named Insured” as shown in the Declarations which are made a part of this policy, in consideration of the payment of the premium, and in reliance upon the statements on the individual “Insured Member’s” applications and the Declarations page, and subject to the limit of liability, exclusions, conditions and other terms of this policy, as follows:

**SECTION I – CIVIL SUIT COVERAGE**

**A. Insuring Agreement and Claims Made Clause**

Subject to the Limits of Liability, as stated in **SECTION VII – CONDITIONS, A. Civil Suit Liability Limit**, the Company will pay on behalf of the “Insured Member” those sums which the “Insured Member” shall become legally obligated to pay as “damages” as a result of “claims” first made against the “Insured Member” and reported to the Company in writing during the policy period by reason of any act, error or omission of the “Insured Member” which constitute either common law, statutory or Constitutional torts in the United States of America, and which are committed or arise out of the “course and scope of employment” of the “Insured Member” as a full-time or part-time employee of the United States Federal Government provided always that such underlying act, error or omission occurred after the effective date of continuous coverage for the “Insured Member” under this program, and provided that prior to the effective date of coverage under this policy:

1. the “Insured Member” had no knowledge of any “claim” or suit, or any act, error or omission which might reasonably be expected to result in a “claim” or suit; or
2. there are no other insurance policies or “Insured Member” certificates pursuant to which the “Insured Member” is afforded any coverage for such “claim” or suit.

It is a condition precedent to coverage under this policy that all “claims” be reported in compliance with the **SECTION VII – CONDITIONS, C. “INSURED MEMBER’S” DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT.**

## **B. Automatic Extended Reporting Period**

An automatic thirty-six (36) calendar months extended reporting period, effective at the termination of the policy period, will be provided by the Company at no additional cost under the following circumstances.

1. The policy is canceled by the Company for a reason other than non-payment of premium; or
2. The "Insured Member" no longer purchases this coverage because he or she is no longer employed as a full or part time Federal Employee or otherwise eligible to purchase the insurance.

The Automatic Extended Reporting Period shall extend the time in which an "Insured Member" can give written notice to the Company of "claims" first made against the "Insured Member" during this Automatic Extended Reporting Period for any act, error, or omission in the rendering of or failure to render Professional Services which happen prior to the termination of the policy period, subject to its terms, limitation, exclusions and conditions.

The Automatic Extended Reporting Period does not extend the policy period or change the scope of coverage provided. The Automatic Extended Reporting Period does not reinstate or increase the Limits of Liability. The Automatic Extended Reporting Period does not apply to "claims" covered by any subsequent insurance the "Insured Member" purchases, or that would be covered but for exhaustion of the amount of insurance applicable to such lawsuits.

## **C. Defense Settlement and Supplementary Payments**

With respect to the insurance afforded by this policy, the "Insured Member" may be defended either by the United States Department of Justice or its designee, or the Company because of acts, errors or omissions of the "Insured Member" which constitute either common law, statutory or Constitutional torts in the United States of America, committed or arising out of the "course and scope of employment" of the "Insured Member" as a full-time or part-time employee of the United States Federal Government.

In the event the United States Department of Justice declines to defend any suit, the Company shall defend the suit against the "Insured Member" seeking "damages" to which this insurance applies, even if any of the allegations of the suit are groundless, false, or fraudulent. It is further agreed that the Company may make such investigation and settlement of any "claim" as it deems appropriate; however, the Company shall not be obligated to pay any "claim", judgment nor defend or continue to defend any "claim" after the applicable limit of the Company's liability has been exhausted by payment of judgments, settlements and costs associated therewith.

Should the United States Department of Justice refuse to provide the “Insured Member” with a defense, even if the refusal is based on a conflict of interest between the United States Department of Justice and the “Insured Member”, the Company shall select counsel to defend the “Insured Member” in any action.

The Company retains the right to make settlement of any “claims” it deems appropriate to settle.

In the event a defense of the “Insured Member” in any “claim” or suit is granted by the United States Department of Justice, the Company may nevertheless provide an attorney selected by the Company to monitor and oversee the defense being provided by the United States Federal Government.

1. The Company will pay within the applicable limits of liability:
  - a. All expenses incurred by the Company, all costs taxed against the “Insured Member” in any suit defended by the Company and all interest on the entire amount of and judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company’s liability thereon.
  - b. Premiums on appeal bonds including supersedeas bonds required in any such suit, premiums on bonds to release attachments in any such suit for any amount not in excess of the applicable limit of liability of this policy, but the Company shall have no obligation to apply for or furnish any such bonds;
  - c. Reasonable expenses incurred by the “Insured Member” at the Company’s request, including actual loss of wages (but not loss of other income) not to exceed \$50 per day because of the “Insured Member’s” attendance at hearings or trials at such request;

## **SECTION II. – ADMINISTRATIVE AND CRIMINAL LEGAL DEFENSE EXPENSE COVERAGE**

### **A. Insuring Agreement and Claims Made Clause**

Subject to the Limits of Liability, as stated in **SECTION VII – CONDITIONS, B. Administrative and Criminal Legal Defense Expense Coverage**, the Company shall select counsel and pay the costs of defense subject to the limits of liability on each valid “Insured Member’s” certificate arising out of any “disciplinary proceedings”, “judicial sanctions proceedings”, “criminal proceedings”, or any investigations into the “Insured Member’s” alleged misconduct, instituted against the “Insured Member” from any act, error or omission in Professional Services rendered or which should have been rendered in the “Insured Member’s” professional capacity as a full or part-time Employee of the United States Government.

With regard to “criminal proceedings,” the Company’s obligation to pay for costs of defense shall cease upon a finding, verdict or other final disposition unfavorable to the “Insured Member” establishing that the act, error or omission was criminal.

The Company has no duty to defend if the “Insured Member” had prior knowledge of any potential “disciplinary proceedings”, “judicial sanctions” or “criminal proceedings” being contemplated or any investigations into the “Insured Member’s” alleged misconduct prior to the effective date on each valid “Insured Member’s certificate.

The Policy is a defensive policy, and as such, the Company has no duty to pay for legal services in furtherance of the “Insured Member’s” own proactive complaints such as the “Insured Member’s” own EEO complaint, Office of Special Counsel complaint or any other affirmative complaint(s) with any government agency, tribunal of the U.S. Government or any other legally established entity.

### **SECTION III – EXCLUSIONS**

This policy does not apply to:

#### **A. Asbestos, Silica, Lead, Fungus(i), Mold(s), Mildew or Yeast**

- (1)** The detecting, reporting, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or failure to detect, report, test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, assess the effects of or advise of the existence of asbestos, silica, lead, fungus(i), mold(s), mildew or yeast.
- (2)** Any request, demand, order, statutory or regulatory requirement that any “Insured Member” abate, test for, monitor, clean up, remove, contain, treat, detoxify, neutralize, remediate or dispose of or in any way respond to or assess the effects of asbestos, silica, lead, fungus(i), mold(s), mildew or yeast.

Asbestos means naturally occurring hydrated fibrous mineral silicates that possess a unique crystalline structure and are incombustible in air, including chrysotile, amosite, crocidolite, tremolite, anthophyllite, actinolite, and any material which contains asbestos.

Fungus(i) includes but is not limited to any plants or organisms, lacking chlorophyll, and including molds, mildews, mushrooms, rusts, smuts, and yeasts or any spores or toxins created or produced by or emanating from such fungus(i) or any substance, vapor, gas, or other omission or organic body or substance produced or arising out of any fungus(i).

Lead means the heavy, ductile, soft, solid, naturally occurring metallic element used in paints, pipes, solder, pottery, and batteries, and any substances containing lead.

Mold(s) means any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produce mold.

Spores means any dormant or reproductive body produced by or arising or emanating out of any fungus(i), mold(s), mildew, plants or organisms or microorganisms.

**B. Contractual Liability**

Liability personally assumed by the “Insured Member” under any written or verbal contract or agreement, including warranty;

**C. Damage to Property**

“Property Damage” to:

- (1) Property owned or occupied by or rented to the United States Federal Government or the “Insured Member”;
- (2) Property used by the “Insured Member”; or
- (3) Property in the care, custody or control of the “Insured Member” or as to which the “Insured Member” is, for any purpose, exercising physical control;

**D. Federal Flight Deck Officers**

- (1) No coverage is afforded under this policy for any acts, errors or omissions of a Federal Flight Deck Officer when the officer is guilty of gross negligence or willful misconduct in the performance of his or her Federal Flight Deck Officer duties.
- (2) No coverage is afforded under this policy to Federal Flight Deck Officers for acts, errors or omissions that occur outside the scope of the Federal Flight Deck Officers Program.

**E. Pollution**

- (1) “Bodily injury” or “property damage” which would not have occurred in whole or in part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
- (2) Any loss, cost or expense arising out of any:
  - (a) Request, demand, order or statutory or regulatory requirement that any “Insured Member” or others test for, monitor, clean up, remove,

- contain, treat, detoxify, or neutralize, or in any way respond to, or assess the effects of pollutants; or,
- (b) “Claim” or suit by or on behalf of a governmental authority for “damages” because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, pollutants.

Pollutants means any solid, liquid, gaseous or thermal irritant or contaminants, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

**F. Prior Act, Error, Omission or Circumstance**

Any alleged act, error, omission or circumstance likely to give rise to a “claim” that an “Insured Member” either had or should have had knowledge of prior to the effective date listed on the “Insured Member’s” certificate. This exclusion further includes any like or interrelated “claims” that may occur after the effective date listed on the “Insured Member’s” certificate. This exclusion includes but is not limited to any prior “claim” or possible “claim” referenced in the “Insured Member’s” application.

**G. Procedures Provided by Collective Bargaining Agreements**

Any procedures, including grievance procedures and arbitration hearings that are provided by any collective bargaining agreements.

**H. Willful Violation of Penal Statute, Penal Ordinance, or Fraud**

“Damages” arising out of the willful violation of a penal statute or penal ordinance committed by or with the knowledge or consent of the “Insured Member” or “damages” arising out of acts of fraud committed by or at the direction of the “Insured Member” with affirmative dishonesty or actual intent to deceive or defraud;

**I. Workers’ Compensation & Similar Laws**

Any obligation for which the “Insured Member” or any carrier as the insurer may be held liable under any workers’ compensation, unemployment compensation, disability or pension benefits law, or any other similar law; including but not limited to, the Employee Retirement Income Security Act of 1974, Public Law 93-406 (ERISA), or any of its amendments, or any other similar state or local law.

## **J. Violation of Security Laws**

Arising out of or in any way involving a violation of any securities laws, including provisions of the Securities Act of 1933 or Securities Exchange Act of 1934, and any amendments thereto, or any state blue sky or securities laws or similar state or federal securities related statute and any order or regulation issued pursuant to the foregoing statutes.

## **SECTION IV – DEFINITIONS**

- A.** “Bodily Injury” means bodily injury, sickness, disease or death resulting therefrom sustained by any person or persons caused by an act, error or omission of the “Insured Member” while acting in the performance of the official United States Federal Government duties of the “Insured Member”.
- B.** “Claim(s)” means a demand received by the “Insured Member” for compensation for “damages”, including the service of suit against the “Insured Member”.
- C.** “Course and scope of employment” means an incident of any kind or character that has to do with and originates in the work, services, trade or profession of the employee’s United States Federal Government agency and that is performed by the employee while engaged in and furthering the affairs or services of that United States Federal Government agency.
- D.** “Criminal proceeding(s)” means any proceeding in the United States (Federal or State), including investigations, before any entity, or entities, established by the United States (Federal or State) constitutional provision, statute, regulation, or court rules, to investigate, review or prosecute charges of criminal misconduct.
- E.** “Damages” means compensatory and punitive damages and does not include:
  - 1.** Fines, statutory or other penalties imposed pursuant to statute or regulation; or
  - 2.** Judgments or awards for any damages deemed uninsurable by law.
- F.** “Disciplinary proceedings” means any proceeding in the United States (Federal or State), including investigations, before any entity, or entities, established by the United States (Federal or State) constitutional provision, statute, regulation, or court rules, to investigate, review or impose sanctions for charges of professional misconduct.

An investigation of discrimination or retaliation, alleged by individual(s) under any Federal anti-discrimination in employment statute, regulation, or court rules, is a “disciplinary proceeding” if the allegation has been accepted for investigation by any entity of the United States Government, and if the allegation accepted for investigation alleges that the “insured” may have engaged or participated in an

act, error, or omission of discrimination or retaliation against an individual, group, or entity.

“Disciplinary proceeding(s)” does not include “performance proceeding(s)”, “physical and medical qualification determination”, “suitability determination proceeding(s)”, “probationary period removals/proceedings” or “security clearance proceeding(s)”.

**G.** “Incident” includes the initial act or acts, errors or omissions by the “Insured Member” in the performance of the “Insured Member’s” official United States Federal Government duties attributable to a specific alleged violation of the common law, statutory or Constitutional law, and any subsequent acts, errors or omissions which directly relate to or arise out of the original violation.

**H.** “Insured Member ” means:

- 1.** Any full or part time civilian (non-military) federal employee meeting the definition of 5 U.S.C. § 2105(a) or any individual (non-military) performing work for the federal government within the meaning of 5 U.S.C. § 2105(a) and who receive the same civil liability protections for matters occurring within the scope of federal employment that full or part time federal employees receive (i.e., full immunity under the Federal Tort Claims Act for common law torts and qualified immunity for personal capacity law suits)
  - a.** Who is a member of the Federal Employee Defense Services (FEDS) Association; and
  - b.** Who has been issued a valid “Insured Member” certificate, under the terms and conditions of this policy.
- 2.** Any pilot of an air carrier who has been authorized to carry firearms and act as a federal law enforcement officer pursuant to the Arming Pilots Against Terrorism (see APATA, Title XIV), which established, and is otherwise known as the Federal Flight Deck Officer (FFDO) Program. A FFDO is only considered an “insured member” when the FFDO is performing the functions defined by Section 44921 of the APATA, which limits the authority of an FFDO to act as a federal law enforcement officer to the defense of the flight deck of an aircraft. An FFDO is not considered an “insured member” for acts, errors or omissions that occur outside the scope of the FFDO Program.
  - a.** Who is a member of the Federal Employee Defense Services (FEDS) Association; and
  - b.** Who has been issued a valid “Insured Member” certificate, under the terms and conditions of this policy.

**I.** “Judicial sanction(s) proceedings” means any proceeding initiated or held by any adjudicatory body as a result of any act, error or omission in rendering a Professional Services before or under the authority of said adjudicatory body.

- J.** “Named Insured” means the entity named in the Declarations as the “Named Insured” while acting as Program Administrator and Trustee for the Federal Employee Defense Services Association (FEDS).
- K.** “Performance proceeding” means an investigation, determination, appraisal, or process by which an “Insured Member” is evaluated, measured or rated, either individually or as part of a group, as part of the organizational effectiveness in the accomplishment of the United States Federal Government agency’s mission and goals, as specified under any provision of the United States federal law, rule or regulation.
- L.** “Personal injury” means injury resulting from any “claim” arising out of violation of property rights or deprivation of any rights, privileges, or immunities secured by the common law, the Constitution or the laws of the United States of America for which United States Federal Government employees acting in the performance of their official duties may be held liable to the party injured in any action at law, suit in equity, or other proper proceeding for redress. However, no act shall be deemed to be, or result in, “personal injury” unless committed in the performance of the official United States Federal Government duties of the “Insured Member”.
- M.** “Physical and medical qualification determination” means an investigation and/or determination based wholly or in part of the review of medical documentation and the results of medical examinations and evaluations conducted to determine physical or mental fitness for a federal position, as specified under any provision of United States federal law, rule or regulation.
- N.** “Property damage” means damage to or destruction of property including loss of use thereof sustained by any person or persons caused by an act, error or omission of the “Insured Member” while acting in the performance of the official United States Federal Government duties of the “Insured Member”.
- O.** “Security clearance proceeding(s)” means an investigation, determination, appraisal or process involving an “Insured Member’s” ability to achieve required United States of America governmental approval and or access to classified information, including but not limited to Executive Order 12968 of August 2, 1995, and its successors.
- P.** “Suitability determination proceeding(s)” means an investigation, determination, appraisal or process involving a determination of suitability for employment, as specified under any provision of federal law, rule or regulation.
- Q.** “Probationary Period Removals/Proceedings means any action to remove the insured member during their initial appointment to federal service, appointment to a new federal position requiring a new probationary period or initial appointment to a supervisory position or the Senior Executive Service.

## **SECTION V – TERRITORY**

The insurance afforded by this policy applies to acts, errors, omissions, or circumstances that occur any where in the world, provided the “claim” or suit, if any, is first made against the “Insured Member” in the United States of America, its territories, or possessions.

## **SECTION VI – POLICY PERIOD**

This policy applies to “claims” first made against the “Insured Member” and reported in writing to the Company during the policy period unless, and to the extent, the Automatic Extended Reporting Period applies.

## **SECTION VII – CONDITIONS**

### **A. Civil Suit Liability Limit**

Regardless of the number of (1) “Insured Member’s” under this policy; (2) persons or organizations who sustain “damages” payable under this policy; or (3) “claims” made or suits brought on account of insurance afforded by this policy, the Company’s liability is limited as follows:

- 1.** The per “incident” limit of liability under this policy is equivalent to the per “incident” limit of liability as stated on each “Insured Member’s” certificate. This per “incident” limit is further aggregated by the master policy aggregate limit as stated in the “Insured Member’s” certificate.
- 2.** If multiple “Insured Members” are involved in any one “incident”, the per “incident” limit will be aggregated at the lesser of the following:
  - (a)** The summation of the per “incident” limits on each “Insured Member’s” certificate who was involved in the one incident involving multiple “Insured Members”, or;
  - (b)** The per “incident” aggregate limit stated on the Declarations of this policy for any one incident involving multiple “Insured Members”.
- 3.** In addition to **1.** and **2.** above, the master policy aggregate as stated in the Declarations of this policy is the limit of the Company’s liability for all “damages” sustained by all “Insured Members” combined during the policy period listed in the Declarations of this policy.
- 4.** Further, the coverage under this policy shall be excess insurance over any other valid and collectible insurance or other legal rights of recovery available to the “Insured Member”, either as an “Insured Member” or Insured under another policy or otherwise. This means that the “Insured Member” must first request for the United States Government to exercise its legal authority to indemnify federal employees found personally liability for acts, errors, or omissions occurring within the scope of their federal

employment, and it is only upon the United States Government's denial of such indemnity request, that the civil liability provision(s) shall be invoked under the policy to pay a judgment.

## **B. Administrative and Criminal Legal Defense Expense Coverage**

Regardless of the number of (1) "Insured Members" under this policy; or (2) "claims" made or suits brought on account of insurance afforded by this policy, the Company's liability is limited as follows:

1. **Administrative:** The each "incident" Legal Defense Expense Coverage Limit for "disciplinary proceeding(s)", "judicial sanction proceeding(s)" or any investigation into the "Insured Member's" alleged misconduct under this policy is equivalent to the each "incident" Legal Defense Expense Coverage Limit Section II (A) as stated on each "Insured Member's" certificate. This each "incident" Limit is further limited by the master policy aggregate limit as stated in the Declarations of this policy.
2. **Criminal:** The each "incident" Legal Defense Expense Coverage Limit for "criminal proceeding(s)" under this policy is equivalent to the each "incident" Additional Legal Defense Coverage Limit Section II (B) as stated on each "Insured Member's" certificate. This each "incident" limit is further limited by the master policy aggregate limit as stated in the Declarations of this policy.

Benefits under **Administrative and Criminal Legal Defense Expense Coverage** cease when the "Insured Member" no longer meets the definition of "Insured Member".

## **C. "INSURED MEMBER'S" DUTIES IN THE EVENT OF OCCURRENCE, CLAIM OR SUIT**

1. Upon receipt of legal process or other written notice of an action likely to give rise to a "claim" hereunder, written notice containing particulars sufficient to identify the "Insured Member" and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and address of the injured and of available witness shall be given by or for the "Insured Member" to the Company or any of its authorized agents immediately.
2. Upon receipt of legal process or other written notice of an action likely to give rise to a "claim" hereunder, the "Insured Member" shall cooperate with the Company, to the full extent of United States Federal law and regulation, and upon the Company's request assist in making settlements, and the conduct of suits and in enforcing any right of contribution or

indemnity against any person or organization except against the United States of America or any of its agencies who may be liable to the “Insured Member” because of “claims” with respect to which insurance is afforded under this policy; and the “Insured Member” shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of the witnesses. The “Insured Member” shall not, except at his own cost, voluntarily make a payment, assume any obligation or incur any expense other than for first aid to others at the time of accident.

#### **D. ACTION AGAINST THE COMPANY**

No action shall extend against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of the policy, nor until the amount of the “Insured Member’s” obligation to pay shall have been finally determined either by judgment against the “Insured Member” after actual trial or by written agreement of the “Insured Member”, the claimant and the Company. Nothing in this provision shall bar the “Insured Member” from seeking to enforce his rights under the policy in the absence of a judgment.

Any person or organization 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. No person or organization shall have any right under this policy to join the Company as a party to any action against the “Insured Member” to determine the “Insured Member’s” liability, nor shall the Company be impleaded by the “Insured Member” or his legal representative. Bankruptcy or insolvency of the “Insured Member” or of the “Insured Member’s” estate shall not relieve or increase the Company of any of its obligations hereunder.

#### **E. OTHER INSURANCE or LEGAL RIGHTS**

The insurance under this policy shall be excess insurance over any other valid and collectible insurance or other legal rights of recovery available to the “Insured Member”, either as an “Insured Member” or Insured under another policy or otherwise.

This means that the “Insured Member” must first request for the United States Government to exercise its legal authority to indemnify federal employees found personally liability for acts, errors, or omissions occurring within the scope of their federal employment, and it is only upon the United States Government’s denial of such indemnity request, that the civil liability provision(s) shall be invoked under the policy to pay a judgment.

## **F. SUBROGATION**

In the event of any payment under this policy, the Company shall be subrogated to all the "Insured Member's" rights of recovery thereof against any third party or organization and the "Insured Member" shall execute and deliver instruments and papers and do whatever else is necessary to the full extent of Federal law and regulations to secure such rights. In the event this policy responds for defense and/or money "damages" on behalf of any "Insured Member" and thereafter, the "Insured Member" collects "damages", costs and/or attorney's fees from any third party, the Company shall be entitled to all such "damages", costs and/or attorney's fees so collected, up to the limit of its actual payment under this policy.

## **G. CHANGES**

Notices to any agent, or knowledge possessed by any agent or by any other person shall not effect a waiver, or change in part this policy or stop the Company from asserting its right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy signed by a duly authorized agent of the Company and accepted by the "Named Insured".

## **H. CANCELLATION**

This coverage may be cancelled by the "Named Insured" by surrender of this policy to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This coverage may be cancelled by the Company by mailing to the "Named Insured" at the address shown in the Declarations written notice stating when not less than sixty (60) days thereafter such cancellation shall take effect. For non-payment of premium, cancellation may be issued upon ten (10) days notice. The time of surrender or the effective date of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the "Named Insured" or by the Company shall be equivalent to mailing. Notice to the "Named Insured" shall be considered as notice to the "Insured Members" of this policy.

## **I. ASSIGNMENT**

The interest of the "Named Insured" or "Insured Member" under this policy shall not be assignable.

## **J. TERMS OF POLICY STATUTE**

Terms of this policy which are in conflict with the United States Federal law and regulations and/or the laws and regulations of the state wherein this policy is issued are hereby amended to conform to such statutes.

**K. PREMIUM**

All premiums shall be computed in accordance with the Program.

**L. DECLARATIONS**

Declarations are their agreements and representations, that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the "Named Insured, "Insured Members" and the Company or any of its agents relating to this insurance.

**M. ANTI-STACKING**

Notwithstanding the Other Insurance section of this "policy," there shall be no stacking of "policy" limits. In the event of any payment of "loss" in whole or in part under the terms of both this "policy" and any other policy or policies issued at any time by the Company to the insured members, such "loss" payable for a "claim" shall not exceed the highest single Per Claim Limit of Liability as stated in the Declarations of the policies and not the sum of the Per Claim Limit of Liability of the policies combined.

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT**

**(Broad Form)**

This endorsement modifies insurance provided under the following:

BUSINESSOWNERS POLICY  
COMMERCIAL AUTO COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
SPECIAL PROTECTIVE AND HIGHWAY LIABILITY POLICY NEW YORK DEPARTMENT OF  
TRANSPORTATION  
UNDERGROUND STORAGE TANK POLICY

1. The insurance does not apply:
  - A. Under any Liability Coverage, to "bodily injury" or "property damage":
    - (1) With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
    - (2) Resulting from the "hazardous properties" of "nuclear material" and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
  - B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.
  - C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:
    - (1) The "nuclear material" (a) is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or (b) has been discharged or dispersed therefrom;
    - (2) The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
    - (3) The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (3) applies only to "property damage" to such "nuclear facility" and any property thereat.
2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

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

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

**(c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

**(d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

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

"Property damage" includes all forms of radioactive contamination of property.