

LEXINGTON INSURANCE CHARTIS

100 Summer St., Boston, MA 02110

March 8, 2012

Michael Larkin
K & K Insurance Group, Inc.
1712 Magnavox Way
Fort Wayne, IN 46801

Re: Underwriting Guidelines

Mike, enclosed are your signed underwriting guidelines.



Pamela Burns
Director of Compliance
Lexington Insurance Co. – Program Division
Tel: 617-330-8520
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Lexington Program Division 66 - 2010

EDITION DATE: 11/1/11
PROGRAM NAME: Sports, Leisure and Entertainment Programs
PROGRAM ADMINISTRATOR: K & K Insurance Group, Inc.
1712 Magnavox Way
Fort Wayne, Indiana 46801-2338
PRINCIPAL(S): Todd Bixler, President, CEO
Michael Larkin, Chief Underwriting Officer
PROGRAM DESCRIPTION: Multi Line Program for Sports, Leisure and Entertainment
See Individual Program Pages for specific descriptions
PROGRAM INCEPTION: January 1, 2003
DIVISION: 66 - Lexington Programs
PRODUCER COMMISSION: All Lines - 22.6%
PROGRAM TERRITORY: USA, excluding all territories and possessions
RELATED PUC NUMBERS: Arenas/Facilities Pkg. 0202, XS - 0203
Arenas/Movie Thtr. Pkg
Billiards Pkg. 0204, XS - 0205
Bowling & Amusement Centers Pkg. 0201, XS - 0207
Horse Tracks Pkg. 0214, XS - 0215
Gaming Pkg 0212, XS - 0213
Ropes Course Pkg. 0154, XS - 0155
Whitewater Rafting Pkg. 0156
Hunting/Fishing pkg. 0159
Outfitters & Guides Pkg. 0170, XS - 0171
K&K XS Program 7086
K&K Property Program 7085
Off Track Storage Property 203
K&K Special Automobile 231

AUTHORITY:

1. INSURANCE COMPANIES

You are authorized to conduct business on behalf of the following companies, signified by an 'X' in the box next to the company name.

| | |
|--|-------|
| New Hampshire Insurance Company | [X] |
| Granite State Insurance Company | [X] |
| Illinois National Insurance Company | [X] |
| National Union Fire Insurance Company of Pittsburgh, PA. | [X] |

2. POLICY PREMIUMS

You may underwrite, quote and bind business on accounts with premiums up to the following amounts. These premium amounts apply only to business written in the Lexington Program Division, and do not apply to any business written with any other company, branch, division or department of Chartis Inc. *See program specific pages for additional information

| | |
|-----------|--|
| \$75,000 | For Property /Inland Marine Coverages |
| \$150,000 | For General Liability Coverages |
| \$50,000 | For Commercial Automobile Coverages |
| \$100,000 | For Excess Follow Form Liability Coverages |
| \$25,000 | For Commercial Crime Coverages |
| \$350,000 | For the sum of all policies and/or coverages written for one insured |

3. ASSIGNED PROGRAMS

You may underwrite, quote and bind business on accounts within the following Lexington Program Division programs, defined as follows by program name and/or description, plus the corresponding Profit Unit Code (PUC) assigned to the eligible lines of business.

*See above listing

4. LIMITS OF LIABILITY - *NOT ALL LIMITS MAY APPLY TO ALL PROGRAMS, SEE SPECIFIC PROGRAM PAGES FOR AVAILABILITY

You may underwrite, quote and bind business on accounts with limit(s) up to the following levels.

| | | |
|----------------------|--|---|
| \$1,000,000 | Per occurrence | for General Liability and |
| \$5,000,000 | General Aggregate | (Per location up to 5) |
| \$2,000,000 | Products Aggregate | Products Liability |
| \$1,000,000 | Per Occurrence | Participants Legal Liability |
| \$250,000 | Per Horse | Horse Legal Liability |
| \$1,000,000 | Per Horse Aggregate | |
| \$1,000,000 | Occurrence | for Employee Benefits Liability |
| \$3,000,000 | Annual Aggregate | |
| \$1,000,000 | Per Occurrence | for Liquor Liability |
| \$2,000,000 | Aggregate | |
| \$1,000,000 | Combined single limit | for Automobile Liability |
| \$ ACV to \$ 100,000 | Per vehicle | for Automobile Physical Damage |
| \$100,000 | Amount Subject any one location | \$1,000 Ded. |
| \$5,000,000 | Per policy | for Excess Follow Form Liability |
| \$10,000,000 | Amount subject (gross) Non-Sprinklered, except frame | for Commercial Property and/or Inland Marine |
| \$15,000,000 | Amount subject (gross) Sprinklered, except frame | See Property Underwriting Sections Items 2&6 Limitations to Authority and Ineligible Risks, Any property risk in Protection Class |
| \$5,000,000 | Amount subject Frame - non-sprinklered | 8, 9 and 10 is ineligible |
| \$7,500,000 | Amount subject Frame - sprinklered | |

| | | |
|--------------|------------------------------|---|
| \$50,000,000 | Total insured values (gross) | |
| \$250,000 | Per occurrence | for Commercial Crime Form A, Depositors Forgery and Employee Benefit Plans (when scheduled in the Declarations) |
| \$250,000 | Per occurrence | for all other Commercial Crime |

5. PROPERTY PERILS

You may underwrite, quote and bind business subject to the following catastrophe management limitations.

(no authority) Earthquake – 250 year MMI Zones 7.0 through 12, and the entire state of California

\$1,000,000 Earthquake – 250 year MMI Zones 1 through 6.99

(no authority) Earthquake Sprinkler Leakage – 250 year MMI Zones 7.0 through 12, and the entire state of California

\$1,000,000 Earthquake Sprinkler Leakage – 250 year MMI Zones 1 through 6.99

(no authority)

\$1,000,000 Flood – Federal Flood Zone(s) A, V, B, D, X (shaded), and X(500)

\$1,000,000

Wind/Coastal Property Flood – Federal Flood Zone(s) C, X or better

Wind/Coastal Property Wind/Coastal Property – There is no authority to quote windstorm or hail on locations within any of the windstorm control zones. All such locations must be submitted to, and approved by, your Program Manager before quoting. Definitions of windstorm control zones are in the Property Qwik Notes.

6. PRICING

You have authority for the following pricing plans if an 'x' in the box next to the plan designates them.

- a. Deviation of Increased Limits Factors, but only if all requirements of Rule 15 and Rule 34 are met
- b. ISO Rule 34 General Liability
- c. ISO Rule 15 Automobile
- d. Preferred Risk Property Rating Plan (PropertyOne)
- e. AAIS Rating Plans
- f. Composite Rating of Liability, but only if all requirements of the ISO Composite Rating Rule are met
- g. Composite Rating of Automobile, but only if all requirements of the ISO Composite Rating rule are met

7. LIMITATIONS TO AUTHORITY

a. Specific Operations/Exposures

- (1) No authority exists to bind any company of Chartis, Inc., to a new program.
- (2) No authority exists to amend the parameters of an existing program, i.e., adding SIC or CGL codes, or altering the underwriting guidelines established for the program.
- (3) No authority exists to quote or bind any account filed under or operating under any chapter of the Federal Bankruptcy Law(s).

- (4) No authority exists to quote or bind any account with Commercial Auto exposures of a long-haul nature, defined as a radius of operations greater than 250 miles.
 - (5) No authority exists to quote or bind any account with overhead transmission/distribution lines, either for direct damage or consequential loss, i.e., business interruption or extra expense.
 - (6) No authority exists to make any exceptions to Lexington's Safe Harbor or Risk Transfer protocols.
- b. **Coverages** – No authority exists to quote or bind any account that requests any one or more of the following coverages.
- (1) Claims Made coverage in a program where the CGL exposure is written on an Occurrence form
 - (2) Occurrence coverage in a program where the CGL exposure is written on a Claims Made form
 - (3) Employment Related Practices Liability
 - (4) Pollution or other Environmental coverages
 - (5) Captive, Pooling or other alternative risk financing arrangements
 - (6) Liquor Law Liability in states designated as High Hazard by ISO class (May be referred)
 - (7) Workers Compensation
 - (8) Railroad Protective Liability
 - (9) Protection & Indemnity
 - (10) U.S. Longshoremen & Harbor Workers liability
 - (11) Professional Liability or Errors & Omissions liability
 - (12) Manufacturers Output policies or coverages
 - (13) Ocean Marine
 - (14) Products Recall
 - (15) Assumed Reinsurance
 - (16) Foreign coverages (i.e., outside the United States or Canada)
 - (17) Hawaii Auto Coverages if not written through CoverAll
 - (18) Mold/Fungus coverages
 - (19) Data Corruption coverage
- c. **Policy Terms and Conditions** – No authority exists to quote or bind any account which requests any one or more of the following terms or conditions.
- (1) Individual risks, or programs, requesting financial guarantees, e.g., any situation where we would be asked to include language in our policy, or assume obligations, in the repayment of indebtedness
 - (2) Aggregate Limit reinstatement
 - (3) Individual risks, or programs, if Chartis Claim Services, Inc., its affiliates, or a Chartis approved TPA is not handling all losses and loss adjustment
 - (4) Extension of cancellation or non-renewal provisions beyond the statutory minimum or 90 days, whichever is greater
 - (5) Master policies with certificates
 - (6) Manuscript policies, forms or endorsements, defined as insurance coverage documents, whether written by companies of Chartis, Inc., or not, that:
 - (a) have not been vetted by Lexington Legal; and/or
 - (b) have not been assigned an ISO or Lexington form number
 - (7) removal of any policy exclusion
 - (8) property loss-limit form or coverages
 - (9) property (real, personal or inland marine) on a reporting form basis
 - (10) property blanket policy limits
 - (11) payment of any loss not covered by the policy as it was written at the time of loss
 - (12) amendments to any Program Administrator Agreement or other contractual arrangement between any member company of Chartis Inc., and any duly authorized broker doing business with the Lexington Programs Division

- (13) back-dating of coverage more than five (5) working days (and if five days or less, subject to a warranty of no known or reported losses)
 - (14) requests for facultative reinsurance of any line
- d. **Pricing Techniques** – You have no authority to quote or bind any account that requests any one or more of the following pricing techniques.
- (1) rates or rating plans other than those filed by or on behalf of the insurance company or companies underwriting the Lexington Programs Division program
 - (2) loss-sensitive rating or retrospective rating
 - (3) dividend plans, whether individual risk or entire programs
 - (4) revisions on premium audits without written consent of the Chartis Premium Audit Division
 - (5) premium deferral or cash-flow programs, or compensating balance programs
 - (6) rate guarantees beyond the annual policy term
 - (7) self-insured retentions, unless stated otherwise in these guidelines
 - (8) aggregate stop loss on deductibles
 - (9) policy terms greater than 12 months

8. Eligibility Requirements

See separate programs specifications in these guidelines

9. Underwriting criteria: Refer to specific Program pages for further information

At least 1 Years in operation, or three years of applicable experience; exceptions can be referred to Program Manager

Loss ratio for the current year and/or the past three years (all lines combined) 30% or less and with no single loss greater than \$50,000.

Three-year currently valued hard copy loss history provided by the insurance carrier on new business

The insured must have a D&B Stress Score of 1, 2 or 3 as obtained from eStart. If the stress score is 4 or 5 a copy of their current financial statements and payment history must be reviewed. Any accounts that have a stress score of 4 or 5 and total account premiums over \$250,000 must be referred to the Company for approval.

APPLICATIONS

A COPY OF THE COMPLETED AND SIGNED APPLICATION MUST BE KEPT IN THE POLICY FILE. ANY SUPPLEMENTAL APPLICATIONS, QUESTIONNAIRES OR STATEMENTS OF VALUE WHICH ARE CRITICAL IN THE UNDERWRITING OF THE ACCOUNT MUST BE SIGNED. UMBRELLA APPLICATIONS ARE NOT REQUIRED TO BE SIGNED IF ALL OF THE UNDERLYING APPLICATIONS HAVE BEEN SIGNED.

APPLICATIONS ON ALL NEW BUSINESS A COPY OF THE COMPLETED AND SIGNED APPLICATION MUST BE KEPT IN THE POLICY FILE. ON RENEWALS ALL MATERIAL CHANGES MUST BE AT THE WRITTEN AND SIGNED REQUEST OF THE INSURED. A COMPLETE UPDATED APPLICATION IS TO BE OBTAINED AT LEAST EVERY THIRD YEAR. (The use of the Insured's signature on applications is acceptable when you cannot have both the Insured or Broker Sign. In addition, in cases where National Brokers prepare an insurance specification proposal, at the direction of the Risk Manager, we would not require any signatures from either party. National Broker submissions would not be acceptable, where they have any wording that states they are not responsible for any of the information or misrepresentation within their specifications.) OR THE SIGNED

"MANDATORY SIGNATURE SUPPLEMENT TO ALL APPLICATIONS, ETC." PAGE (1030-ED.12/03)

Exception is made for the Outfitters and Guides program where automatic renewal process is utilized. Applications will not be required where there are no changes to expiring and premium payment is received prior to renewal date. However, application will be required every third year.

All applications, including supplemental applications used by the producer, need the approval of the company. In some cases, supplemental information can be obtained separately from the application. Additional information that is obtained through telephone conversations or other means may be used to analyze an account, but must be documented in the account file.

STANDARD ACORD FORMS AND ANY SPECIAL SUPPLEMENTAL (K&K)APPLICATIONS ARE THE ONLY APPLICATIONS APPROVED FOR THIS PROGRAM, must be received prior to quoting.

RECORDING SUBMISSION in eStart

All accounts with premium over \$10,000 must be entered in EStart. Special consideration given due to AON \OFAC criteria.

Naming standards are the basis for entry into the company's database as well as the recommended way for listing Named Insureds. For those individual accounts that require clearance, the process of ensuring an account has not been submitted, quoted, declined or is actively covered by another producer, region and/or underwriter, use these same standards.

With regard to OFAC screening:

- K&K will utilize their **Prospect System** for OFAC screening (all submissions rec'd by K&K);
- Prospect System will be screened **every 2 weeks**;
- If a submission is rec'd, is **under \$10,000** and is processed in **less than 2 weeks**, the account will be entered into **eStart**.

The "norm" is that submissions reside in the Prospect System over 2 weeks and are subject to screening.

10. QUOTES

Quotes must be issued in writing for all accounts; Quotes are to be either hard copy or, if electronic, pdf format.

If coverage limits or effective dates are different from those requested by the insured in the application, the quote letter, binder and the policy must reflect the changed terms;

11. BINDERS

If a policy is issued and mailed prior to the effective date or is issued within five business days after the effective date, a binder is not required to be issued. If a policy will not be issued and mailed within five business days a binder must be issued and mailed within 3 business days of the effective date. Binders must be issued in either hard copy or, if electronic, protected pdf format.

If telephone orders are received, a note must be placed in the file indicating who the underwriter spoke with and the date that coverage and limits were bound. This should be followed by confirmation in writing

either by the insured or a confirmation letter issued by you that should be signed and dated by the insured, or a representative of the insured, and returned to you and placed in the underwriting file

All binders must be confirmed in writing utilizing the either the ACORD form 75s or a form approved by the company and cannot extend for more than thirty (30) days without written approval by the Company. No provisions changing or increasing agreed to program parameters may be bound. In the event of such occurrence, THE PRODUCER SHOULD BE CONTACTED IMMEDIATELY AND ADVISED OF THE UNACCEPTABLE TERMS AND SUCH BINDERS SHOULD BE IMMEDIATELY RETURNED TO THE PRODUCER FOR CORRECTION WITH A WRITTEN REJECTION OF THE UNACCEPTABLE TERMS.

All binders must contain the following: THIS BINDER IS A SUMMATION OF THE LIMITS, TERM, COVERAGES AND CONDITIONS ALL OF WHICH ARE SUPERCEDED BY THE ACTUAL POLICY WHEN ISSUED.

12. POLICY ISSUANCE

All policies must be mailed within thirty (30) days from the effective date of the policy.

13. MINIMUM REQUIREMENTS FOR POLICY FILE CONTENTS

The minimum requirements for contents of a policy file are:

Declarations Page (including full legal address of the insured)

Forms attached (a list of included forms)

Rating (whether on a worksheet or not) including justification for any individual risk modification factors

Signed and Dated Application(s)

Any quotes or proposals

Any binders

Any inspections, loss controls or audits

Any and all correspondence on coverage or premium, including referrals

Any Premium Audits

Copies of any mid-term endorsements, Notice of Cancellations, schedules of Additional Insureds, Certificates of Insurance, Non-Renewal notices, Conditional Renewal notices

Complete copies of the underwriting file must be retained by the program administrator unless and until specific written authorization is given by the company.

14. Specific Underwriting Guidelines by line of business

A. COMMERCIAL PROPERTY/ INLAND MARINE

Unless specific guidelines apply refer to the Division 66 Property Qwiknotes.

Buildings should be 20 years of age or less, or evidence must be obtained and kept in the file that wiring, heating and plumbing is up to date with all current codes and that the roof condition is satisfactory. The signed application affirming updates within the past 15 years is acceptable documentation. If such affirmation is not received, then copies of inspections by a licensed contractor, municipal building inspector or loss control reports will be sufficient documentation.

Insurance to Value:

An insurance-to-value calculation using Marshall & Swift must be done for all new business with a building value of \$750,000 or greater. Access to Marshall & Swift, an ITV analysis system, is provided by LEXINGTON. All new Marshall & Swift calculations, and required renewal Marshall & Swift calculations, must be saved in the MSB system for annual updates.

If the submitted building value is less than the Marshall and Swift estimate by 15% or more, action should be taken to address the deficiency. Coinsurance, amended limit, documentation of adequacy for the submitted building value via appraisal or similar document, must be finalized prior to binding.

Business income worksheets must be completed for all insureds desiring limits for this coverage in excess of \$500,000 any one amount subject.

Signed statements of value must be obtained on any policy affording blanket per location limits.

Properties must comply with all National, State and Local building and safety codes, as well as NFPA guidelines for the occupancy. Evidence that this is apparent should be obtained and documentation kept available in the underwriting file. Copies of loss control reports will usually meet this requirement.

Any property risk in protection class 8, 9 and 10 is ineligible. May be considered as a referral to the Program Manager.

The Amount Subject is to be determined as follows:

If any covered property is of Frame, Joisted Masonry or Non-combustible construction and located within Protection Class 1 to 8 and two stories or less in height all buildings within 100 feet are considered subject; if over two stories in height within 150 feet is considered subject. Protection Class 9 or 10 all buildings within 200 feet are considered subject.

If **all** covered property is Masonry Non-combustible or Fire Resistive construction and located within Protection Class 1 to 8 and two stories or less in height 50 feet is considered subject; if over two stories in height 75 feet is considered subject. Protection Class 9 or 10 all buildings within 100 feet are considered subject.

Clear space between buildings are parking lots, maintained lawns, gravel etc. Anything combustible (brush, stock in the open) between buildings would negate the benefit of separation. All values within the enclosed walls of the structure are always considered subject irrespective of interior cutoffs.

Refer to the Property Qwiknotes for:

- **earthquake, flood and wind definitions of amount subject. You have no authority to issue single peril coverage or flood and earthquake only policies; and**
- **it is mandatory to use RiskMeter for all determination of geocoded data including but not limited to- distance to coast, wind pool eligibility, MMI zone for earthquake, NFIP flood zones, wildfire hazard, hail and tornado reports – all to be utilized throughout the underwriting process, with printed copies of these RiskMeter results maintained in the underwriting file.**

Restaurant exposures should be closely reviewed to be sure that:

- 1) An automatic extinguishing system must protect the cooking surfaces.
- 2) Hoods and ducts should be cleaned a minimum of semi-annually by an outside firm.
- 3) Filters must be cleaned regularly

ISO rates and rules apply.

Forms will be the “enhanced” property forms as follows:

- 97069 – Supplemental Declarations
- 97100 – Commercial Property Conditions
- 97064 – Building and Personal Property Coverage Form
- 97070 – Business Income (and Extra Expense) Coverage Form
- 97072 – Causes of Loss – Special Form
- 97081 – Equipment Breakdown – Other Conditions Endorsement (to be used only when terms of equipment breakdown coverage differ from the property limits, sub limits, deductibles or other terms)
- 97065 – Equipment Breakdown Exclusion (to be used in the rare instances that EB coverage is not provided)
- 100380 – Ordinance or Law Amendatory Endorsement
- 100381 – Coverage for Loss to the Undamaged Portion of a Building

State Amendatory Endorsements for the above forms, as provided via Bulletin (2008-35).

For property risks domiciled in AK, FL and LA on a non-admitted basis only.

There is a charge for the extensions of coverage provided by these “enhanced” property forms being 3% of the total property premium for the policy subject to:
Minimum additional premium of \$225; and Maximum of \$1,000

ISO PROPERTY FORMS AND ENDORSEMENTS ARE ALSO AVAILABLE FOR ALL RISKS.

For Property Risks in **AK, FL and LA**, you may also use PropertyOne forms as follow:

- 63948 (12/04) Commercial Property Coverage Part – Supplemental Dec (NHIC)
- 63949 (12/04) Commercial Property Coverage Part – Supplemental Dec (GS)
- 63950 (12/04) Commercial Property Coverage Part – Supplemental Dec (IN)
- 63940 (6/04) Extension of Supplemental Declarations
- 63958 (6/04) Schedule of Premises
- 64543 (12/04) Property Coverage Form
- 64872 (12/04) Business Income and Extra Expense Coverage Part
- 97080 (04/08) Amendatory Endorsement (MANDATORY)

Optional Endorsements:

- 64545 (12/04) Property Coverage Form – Flood Endorsement
- 64546 (12/04) Property Coverage Form – Earth Movement Endorsement
- 64548 (12/04) Inflation Guard Endorsement
- 64550 (2/05) Equipment Breakdown Exclusion
- 90629 (02/07) Additional Coverage – Equipment Breakdown Schedule
- 67281 (12/04) Sprinkler Leakage Earthquake Exclusion
- 67282 (12/04) Sprinkler Leakage Earthquake Limitation
- 90610 (03/06) Windstorm or Hail Deductible Endorsement
- 90611 (05/07) Windstorm or Hail Deductible Exclusion

100382 (12/08) Windstorm or Hail Deductible Endorsement with Named Storm Definition
96358 (10/07) Texas Windstorm or Hail Endorsement
Various State Amendatory endorsements

Inland Marine -- unless addressed specifically in an Addendum, refer to Program Manager for forms and rates.

FREQUENTLY REQUESTED COMMERCIAL INLAND MARINE COVERAGE FORMS

For package policies where there are both AAIS and ISO forms on the policy, the following endorsement should be attached:

108087 Common Policy Conditions Clarifying Endorsement

AAIS INLAND MARINE FORMS (AAIS Rating Plans apply):

CL 0100 Common Policy Conditions
CL 0101 Common Policy Conditions (VA)
CL 0103 Common Policy Conditions (WA)
IM 1271 Loss Payable Schedule
IM 7854 Loss Payable Options
IM 7851 – General Change Endorsement
IM 7865 Windstorm or Hail Exclusion
IM 7512 – Named Perils Endorsement

IM 7500 Scheduled Property Form
IM 7506 Schedule of Coverages- Scheduled Property Form

Fine Arts coverage is provided in the property forms- AAIS Fine Arts Forms may be used if higher limits needed (requires Fine Arts to be scheduled).

IM 7400 Fine Arts Floater
IM 7405 Schedule of Coverages –Fine Arts Floater
IM 7406 Fine Arts Schedule- Fine Arts Floater

Computer coverage is provided in the property forms -- AAIS Computer Forms may be used if Computer Equipment is sophisticated and the AAIS forms and coverages are more appropriate.

IM 7201 Computer Coverage (AAIS)
IM 7206 Computer Schedule of Locations and Coverages
IM 7209 Computer Additional Locations Schedule
IM 7234 Computer -Exclusion Calendar Date or Time Failure
IM 7211 Computer- Exclusion Flood and Earth Movement
IM 7225 Computer Off-site Server Broadened Coverage
IM 7228 Computer Telecommunications Equipment

ISO INLAND MARINE FORMS(ISO Rating Plan applies):

CM 0001 Inland Marine Conditions
CM 0029 Theatrical Property Form

B. EQUIPMENT BREAKDOWN: See Addendum I pages for rates and forms.

C. GENERAL LIABILITY: See Specific Program Addendum pages for add'l. forms and rates.

Sports Leisure and Entertainment RPG

Exception Page
Arena/Facility, Sports Complex, Pari-Mutuels, Bowling & Amusements/Billiards,
Gaming and Guide/Outfitter Programs Optional Coverages

EXPOSURES: Liquor Liability

LIABILITY LIMITS: \$1,000,000 Each Common Cause/Aggregate

RANGE RATE Low High
FILED: \$10.20 31.24 per \$1,000 sales

 \$1,000 - \$2,500 Minimum Premium regardless of policy term. (LCM's do not
 apply)

EXPOSURES: Employee Benefits Liability

LIABILITY LIMITS: \$1,000,000 Each Occurrence/Aggregate

RATE FILED: \$146 (1-199 employees) \$255 (200 – 299 employees) \$366 (over 300
 employees)
 flat per policy (LCM's do not apply)

EXPOSURES: Stop Gap Liability (ND, OH, WA, WY)

LIABILITY LIMITS: \$1,000,000 Each Accident/Each Disease/Aggregate

RATE FILED: \$128 flat per policy

EXPOSURES: Increase General Aggregate Limit to \$3,000,000

RATE FILED: 1.0% surcharge to Non-Optional premium

EXPOSURES: Increase General Aggregate Limit to \$5,000,000

RATE FILED: 2.8% surcharge to Non-Optional premium

EXPOSURES: Per Event General Aggregate

RATE FILED: 1% - 5% surcharge to Non-Optional premium

EXPOSURES: Commercial General Liability Broadened Coverage Endorsement

RATE FILED: \$500 flat per policy

EXPOSURES: Additional Insured Required by Written Contract

RATE FILED: \$1,500 flat per policy

EXPOSURES: Additional Insured Medical Personnel

RATE FILED: \$150 each medical person

EXPOSURES: Deletion of Fellow Employee Exclusion
RATE FILED: 3% - 5% surcharge to Non-Optional premium
EXPOSURES: Increase Damage to Premises Rented to You Limit
RATE FILED: \$100 per \$100,000 limit over \$300,000 up to \$1,000,000

EXPOSURES: Ice Skating Operations – Part of Arena & Facility

| | Low | High |
|------------|---------|---|
| RANGE RATE | \$18.55 | \$55.65 per \$1,000 sales – Open Public Skating |
| FILED: | \$14.80 | \$44.40 per \$1,000 sales – Rink Sponsored Skating |
| | \$7.90 | \$23.65 per \$1,000 sales – Groups with Insurance Skating |

EXPOSURES: Per Occurrence Deductible Credits

| | | |
|-------------|-----------|-------|
| RATE FILED: | \$1,000 | 3.1% |
| | \$2,000 | 5.5% |
| | \$3,000 | 6% |
| | \$5,000 | 10% |
| | \$7,500 | 12% |
| | \$10,000 | 13.8% |
| | \$15,000 | 16.5% |
| | \$20,000 | 18.8% |
| | \$25,000 | 21.1% |
| | \$50,000 | 29% |
| | \$75,000 | 34.2% |
| | \$100,000 | 38% |

EXPOSURES: Self Insured Retention Credits

| | | |
|-------------|-----------|-------|
| RATE FILED: | \$10,000 | 15.8% |
| | \$15,000 | 18.5% |
| | \$20,000 | 20.8% |
| | \$25,000 | 24.1% |
| | \$50,000 | 33% |
| | \$75,000 | 39.2% |
| | \$100,000 | 44% |

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

POLICY FORMS MUST BE EITHER ISO OR LEXINGTON FILED AND APPROVED FORMS UNLESS SPECIFICALLY LISTED.

MANDATORY ENDORSEMENTS

58332 (08/07) – Total Lead Exclusion (except RI, MA,VT)
62898 (09/01) – Radioactive Matter Exclusion (except LA)

62898 (06-95) – Radioactive Matter Exclusion-LA only
99431 – Fungus Exclusion with exception for Food & Beverage – May be used on certain programs.
78689 (07/03) – Fungus exclusion (not in AK, MA, NY, WA, not required if end. 86563 (08/04) CGL Enhancement end. Is used)
79277 (02/04) – Fungus exclusion – WA only
79379 (04/02) – Fungus exclusion – MA only
82540 (08/07) – Asbestos and Silica exclusion
87295 (01/08) – Violation of Statutes exclusion (except AK, OK, VA)
89413 (12/07) – Violation of Statutes exclusion (OK & VA)
89035 (08/07) – Violation of Statutes exclusion –AK only
89644 (07/05) – Territorial Definition OFAC
CG 2146 (07 98) – Abuse or Molestation exclusion (except TX)
CG 2646 (4/99) – Abuse or Molestation exclusion (TX only)
CG 2147 (12/07) – Employment Related Practices exclusion (do not attach if using 86563 (10/09) CGL Enhancement end.)
CG 26 39 (12/07) – Texas Employment Related Practices exclusion – TX only
CG2149 (9/99) – Total Pollution exclusion (except AK, IL, ME, TX, VT, VA)
CG 32 67 (09/08) – Alaska Total Pollution exclusion
CG 2155 (09 99) – Total Pollution exclusion with exception for hostile fire (except AK, ME, TX)
CG 32 68 (09/08) – Alaska Total Pollution Exclusion with a Hostile Fire Exception
CG 21 65 (12/04) – Total Pollution Exclusion with a Building Heating Equipment and Hostile Fire Exception (except AK, ME, TX)
IL 00 21(09/08)- Nuclear Energy Liability exclusion (except NY, WA)
IL 0 198 (09/08)- Nuclear Energy Liability exclusion – WA only
IL 00 23 (07/02) - Nuclear Energy Liability exclusion – NY only

ISO rates and rules apply.

D. CRIME

The following must be in place for Employee Dishonesty coverage:

1. Audits - Cash accounts and inventories must, at a minimum, have an annual audit by Certified Internal Auditors or Certified Public Accountants.
2. Check Signing:
 - a) Any checks issued over \$1000 must be countersigned by at least 2 persons. If countersignature can not be instituted an owner or corporate officer must be the authorized signer.
 - b) The duties of handling in-coming checks and issuance of out-going checks must be handled by separate individuals.
 - c) Mechanically Affixed Signatures involve computer or non-computer equipment.
 - o If computer operated, control over the input and outflow must be restricted to specifically authorized personnel
 - o Non-computer equipment (e.g. facsimile signature plate or check writing machine) must be properly secured when not in use. Operational access must be limited to as few designated persons as possible and supervised by an owner/officer

- Reconciliation-Any employee authorized to reconcile bank account statements should not permitted to handle deposits or sign checks without countersignature.
 - Stamping Incoming Checks-All incoming check must be stamped "For Deposit Only" as soon as they are received.
3. Control over Flow and Possession of Merchandise-There must always be close managerial supervision over the movement of property from one location to another.
 4. Any risk that requires referral must have background checks on all individuals handling cash or check issuance and annual audits of the insured's cash management is mandatory.

ISO FORMS AND RATES ARE TO BE THE FILED AND APPROVED ISO CRIME FORMS.

Use of either version of the form (Loss Sustained Form or Discovery Form) can be used:

Loss Sustained Form:

CR DS 01 07 02 Commercial Crime Coverage Part Declarations

CR 00 21 05 06 Commercial Crime Coverage Form (Loss Sustained Form)

Discovery Form

CR DS 01 07 02 Commercial Crime Coverage Part Declarations

CR 00 20 05 06 Commercial Crime Coverage Form (Discovery Form)

CR 20 05 08 07 Retroactive Date Endorsement

Any other filed and approved ISO Crime Forms

Employee Benefit Plans may be included as Insureds. Coverage is provided within the Commercial Crime Coverage Form when the "employee benefit plan" is shown in the Declarations.

When using the Discovery Form, we must attach the Retroactive Date endorsement. The date utilized on the endorsement should not be more than one year prior to the effective date for which we issue our original policy to an insured. For subsequent renewals, we can use the same date. If there is a break in coverage, at any point, we must then change the retro date to be not more than one year prior to the effective date.

E. COMMERCIAL AUTOMOBILE

Driving records for all drivers should be checked as part of the hiring process and on an annual basis thereafter to a written non discriminating company policy.

On all new business with 20 or less drivers MVR's are to be reviewed PRIOR to quotation.

On all new business with more then 20 drivers MVR's are to be ORDERED with in 48 hours of binding and reviewed for acceptability within ten days of binding.

The program administrator is responsible for maintaining current driver and MVR information in the policy file.

Age and driving records are the key factors to analyze. MVR violations are to be categorized into the following types:

TYPE A – are major violations. These are DWI, DUI, OUI, OWI, refusing a substance test, driving with an open container of alcohol, reckless driving, hit and run, fleeing a police officer, racing, driving while license is revoked or suspended, manslaughter or any felony. **Fleets with ANY driver with a TYPE A violation within the prior three years is not acceptable.**

TYPE B – include most driving violations such as speeding, improper lane change, failure to yield or obey a traffic signal or sign, license suspension, at fault accidents.

TYPE C – include parking tickets, financial responsibility violations, seat belt violations, improper equipment or excessive loads.

Use a Lexington approved MVR GRID worksheet to evaluate acceptability. Any new business which has an overall rating of POOR must be declined. Any renewal which has an overall rating of POOR must be referred to your Program Manager.

Driver exclusions should be avoided and are NOT condoned by Lexington.

Eligible drivers must:

- Be at least 21 years old
- Have a minimum of four years driving experience
- Have an acceptable driving record
- Have a valid license
- Be familiar with the vehicles to be used or given instruction prior to driving insured vehicles.

On accounts with NO owned autos but requesting non-owned coverage MVRs must be ordered on ALL drivers using their own vehicles for company business.

Fleets of more than 10 vehicles must be referred to the company.

Fleets of private passenger vehicles are not acceptable.

Vehicles primarily used for personal use should be avoided.

Accounts with 15 passenger vans must show proof that the vans have been modified with either dual rear wheels or the rear seat removed, removed roof racks and/or trailer hitches and must have a written plan to dispose of all such vehicles by a specified date. Refer to the Automobile Qwiknotes.

A signed certification by the employee must be obtained for all employees driving their own vehicles on the business of the insured. Limits equal to policy limits or at least \$300,000 per accident should be verified.

OHIO UM/UIM – coverage may be written up to \$1,000,000 if specifically requested by the insured. Coverage can only be offered using the Lexington approved endorsement. Ohio no longer requires a selection/rejection form.

COMMERCIAL AUTOMOBILE FORMS USED MUST BE THE ISO FORMS APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED. AUTOMOBILE COVERAGE CANNOT BE ISSUED ON A STANDALONE BASIS.

EXCESS FOLLOW FORM LIABILITY

The Primary General Liability policy **must be written** by a Chartis member company for this program. Exception is noted for the Special K&K Excess program written to support The Primary General Liability policy **written** within the scope of the Primary Liability Programs within K & K; written through Nationwide Insurance Company, Scottsdale Insurance Company, Great American Insurance Company(GAC)and Mount Holly Insurance Company.

Underlying schedule must include automobile liability coverage and/or miscellaneous liability coverage.(see underlying requirements)

K&K Special Excess Program applies only to and in accordance with above approved programs and guidelines. Any other primary accounts constitutes a referral to Lexington Programs for the Excess Program

Operations outside the scope of the Primary Liability Program may be scheduled and covered subject to company approval.

Underlying schedule must include automobile liability coverage and/or miscellaneous liability coverage.(see underlying requirements)

Liquor Liability may be covered if primary coverage is shown in the schedule of underlying.

Employers Liability is included (see underlying requirements)

Employee Benefit Liability may be included on a following form basis

Professional Liability or E&O coverage must be on a following form basis and **only if provided on the primary.**

Excess Liability shall exclude Horse Legal Liability.

Forms attached:

99780 (10-08) Follow Form Excess Liability Policy Form
99781 (10-08) Follow Form Excess Declaration
99782 (10-08) Common Certificate Declaration
99887 (10-08) Certificate of Insurance
99783 (10-08) Minimum Earned premium Endorsement
99784 (10-08) Schedule of Underlying Coverage
99813 (11-08) Crisis Management Extension

EXCLUSIONS: If excluded on the primary policies, there is no need to put on the relating exclusion on the Excess policy.

99785 (10-08) No Fault, Uninsured Motorists, PIP exclusion
99786 (10-08) Exclusion Participants, Trainers, or Officials of a Sports or Athletic Activities
99788 (10-08) Property Damage to Animals Exclusion
57728 (06/93) Aircraft Products exclusion
99814 (11-08) Abuse and Molestation exclusion
84338 (04/04) Alcoholic Health exclusion
66687 (12/96) Silica exclusion
78691 (08/01) Mold and Fungus exclusion (not AK, NY)
61717 (12/94) Lead paint exclusion (not MA, RI, VT)
87294 (01/08) Violation of Statutes exclusion
84307 (04/04) Liquor exclusion
60436 (05/94) Directors & Officers Liability exclusion
60458 (05/94) Professional Liability exclusion
79279 (03/02) Fungus exclusion (not AK, NY, KS, NH, WA)
60446 (05/94) – Follow form Automobile Liability
60423 (05/94) – Follow form Personal Injury
57720 (6/93) – Employee Benefits Liability exclusion

TERM:

Term shall be concurrent with the primary GL coverage and issued with a term no greater than one year.

Odd time extension of up to ninety (90) days can be granted subject to premium adjustment.

If the policy term is non-concurrent with effective date of the primary GL or any underlying policy containing a policy aggregate limit the non-concurrent endorsement must be attached. Form 66123 – Retained Limit Endorsement

UNDERLYING REQUIREMENTS FOR EXCESS FOLLOW FORM LIABILITY COVERAGE:

General Liability-\$1,000,000 occ./\$2,000,000 ann. Agg. Combined Single Limit BI/PD. All provisions outlined in the Comprehensive General Liability Section of these guidelines shall apply.

Automobile Liability- (includes hired and non-owned) \$1,000,000 CSL

Employers Liability-\$500,000/\$500,000 or as permitted by state regulation

Miscellaneous Liability-\$1,000,000 CSL (i.e. D&O, E&O)

Liquor Liability-\$1,000,000 each common cause/aggregate

Employee Benefit Liability-\$1,000,000 each wrongful act /aggregate (Claims Made Form)

UNDERLYING CARRIERS FOR COVERAGES NOT PROVIDED IN THE PROGRAM MUST BE BEST RATED AT LEAST A- VII OR ABOVE.
THE PREMIUM AND MINIMUM PREMIUMS FOR EACH POLICY SHALL BE AS APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED.

FORMS USED MUST BE THOSE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED. **COVERAGE CANNOT TO BE ISSUED ON A STANDALONE BASIS.**

RATING:

Base Underlying Premium = Written premium *before* deductible credits.

1st Million excess of primary shall be rated as follows on New business effective 1/1/10.(except for Arenas & Facilities and Horse Track Programs which would not be limited to new business only):

.18% Base Underlying Primary GL Premium, Automobile Liability, Liquor Liability & Other Liability

Subject to \$1500 Minimum Earned Premium for the 1st Million.

In order to calculate a premium for limits excess of the 1st Million, the following factors are to be applied to the modified premium of the *1st Million Umbrella Premium*.

| | |
|-----------------------------------|-----|
| \$1 million x 1 million x primary | 30% |
| \$1 million x 2 million x primary | 20% |
| \$1 million x 3 million x primary | 20% |
| \$1 million x 4 million x primary | 20% |

Subject to \$1000 Minimum Premium for each additional Million.

LIQUOR LIABILITY - Applies to all Programs where approved.

The Liquor Liability Limits cannot exceed the General Liability Limits

The Liquor License must be in the applicant's name, Unless Contingent Liquor Liability applies.

The risk must provide State approved server training programs for all persons who serve alcohol.

Examples include training programs such as TIPPS, TAMS. However, if liquor liability is written for small theatre facility and alcohol sales are limited to Beer and Wine with limited hours served, then we would waive the TIPS or TAMS training requirement for Volunteers and Employees of these small facilities.

Risks with any alcohol- related violations must be referred to the company

Risks with an alcohol-related claim of \$15,000 or more; alcohol-related claims totaling \$25,000 or more or the Liquor Liability loss ratio is 30% or more must be referred to the company.

Contingent Liquor Liability may be written if the Facility is not directly responsible for the selling of Liquor, and there is a valid contract naming our Facility as Additional Insured under the Vendor contract. There must be a primary Liquor Liability policy in place with limits of \$1,000,000 provided through Carrier with Best rating A-VII or better.

All Liquor Liability is to be written on an Occurrence Basis.

States in Liquor State Grade C are a referral to the Carrier.

Limits: \$1,000,000 per Occurrence / \$1,000,000 Aggregate/ Option to increase limits to \$2,000,000 \$2,000,000 are approved using ISO increased limit factors.

LIQUOR LIABILITY RATES

| | | | |
|-----------------------------|-------------|-------------|-------------|
| Group A | \$1,000,000 | | \$10.20 |
| Group B | \$1,000,000 | | \$17.85 |
| Group C | \$1,000,000 | | \$31.24 |
| Group A. States: | | | |
| Arkansas | Illinois | Montana | S. Dakota |
| Arizona | Louisiana | Nebraska | Tennessee |
| California | Kansas | Nevada | Texas |
| Colorado | Kentucky | New Mexico | Utah |
| Delaware | Maine | N. Dakota | Virginia |
| Florida | Maryland | Ohio | Washington |
| Georgia | Michigan | Oklahoma | Wisconsin |
| Hawaii | Mississippi | Oregon | Wyoming |
| Idaho | Missouri | S. Carolina | |
| Updated changes to include: | | | |
| Massachusetts | Indiana | New Jersey | Connecticut |
| Minnesota | | | |

Group B. States:

| | | |
|----------------|----------|--------------|
| Alaska | New York | Pennsylvania |
| Iowa | | |
| New Hampshire | | |
| North Carolina | | |
| Rhode Island | | |
| West Virginia | | |

Group C States

| |
|----------------------|
| Alabama |
| District of Columbia |
| Vermont |

Minimum premiums for Liquor Liability

| | |
|--|--------|
| Facility (Theatrical, Symphony, Exhibitions) | \$1000 |
| Sport Complexes | \$1000 |
| Facility/Arenas (may include some Sport Complexes) | \$2500 |
| Multi-Purpose Facility | \$2500 |
| Co-Promoted or Self Promoted Events | \$2500 |

| | |
|--------------------------------------|--------|
| Horse Tracks | \$2500 |
| Bowling& Amusement Centers/Billiards | \$1000 |
| Gaming | \$2500 |
| O&G | \$1000 |

Contingent Liquor Liability when offered shall be rated on receipts generated from the Facility Agreement with Vendor providing the Liquor Liability, using the rates outlined above. In order for Contingent Liquor Liability to be placed, a valid Certificate of Insurance must be requested from the Vendor and name Insured as Additional Insured.

Actual endorsement if available must be in the file along with Vendor Contract. There must be a primary Liquor Liability in place with limits of \$1,000,000 provided through Carrier with Best Rating of A-VII or better.

16. Loss Control

Lexington Programs is committed to quality and cost effective loss control. The most cost effective way to accomplish this is through the combination of telephone and on-site risk management surveys. The purpose of the surveys is to verify information obtained on the application, improve/enhance the insured's risk management program and to identify "exceptions" or critical information requiring the underwriter's review.

Loss control services are provided by Chartis Consultants Program Division and its approved subcontractors. Services include telephone and on-site surveys, quarterly loss and claims analysis, and monitoring of services for appropriateness and expenses. Telephone training seminars are available at no cost to the insured. Also, insureds are provided a means to easily obtain criminal background records on employees at a low cost.

1. The Program Administrator should request a telephone survey (if developed for the program) within seven days of the effective date on all new business and every three (3) years thereafter if any of the following applies:
 - a. Total combined premium is between \$25,000 and \$50,000
 - b. At the discretion of the underwriter, a telephone survey may be requested more frequently or on accounts with a premium below \$25,000
2. The Program Administrator should request a physical survey on all new business and every three (3) years thereafter if any of the following applies:
 - a. Total combined premium is \$50,000 or greater
 - b. Property TIV \$1,000,000 or greater amount subject any one location. For accounts with multiple buildings/locations, a plan should be developed to complete location surveys within three years. The plan should be developed in conjunction with the Program Manager.
 - c. The underwriter has special instructions or questions that are best addressed with a physical survey.
 - d. At the discretion of the underwriter; a physical survey may be requested more frequently and regardless of premium size.
3. Consultative service is available and should be requested annually on accounts with total combined premium over \$200,000. At the discretion of the underwriter, consultative services may be requested on smaller accounts.
4. The Program Administrator should review the survey report and recommendations (if any) within seven (7) calendar days of receipt. The underwriting file should reflect the review and the date it was done and any underwriting actions that may be necessary as a result of such review.

5. Chartis Consultants, Program Division is responsible for mailing the insured and agent the survey letter and recommendations requesting a response to *essential* recommendations (if any) within 14 days.
6. The underwriter is responsible for follow-up on *Essential* recommendations on or about day 45 when no response or a non-compliance response to *essential* recommendations was received.

Refer to QWIK Notes loss control section for specific requirements

NON-RENEWAL

Many states have non-renewal laws in existence to provide the framework under which the non-renewal must be processed. In absence of such laws, there are often terms in the policy or in nationwide or state-specific amendatory endorsements which provide the requirements. Non-renewals must be processed in compliance with applicable state laws .

MATERIAL CHANGE IN COVERAGE/RATE INCREASES

Many states require notification of any change in premium (includes not only base rate changes, but the premiums charged to an individual account) or restrictions in coverage. Some states will require notification to the policyholder prior to renewal, while other states may require a conditional non-renewal.

| |
|-------------------|
| Addendum A |
|-------------------|

EDITION DATE: 1/1/12

PROGRAM NAME: Arenas & Facilities

PROGRAM DESCRIPTION:

ARENAS/FACILITIES/VENUES: The arena/facility/venue program has been designed to provide commercial property and casualty insurance coverage for facilities holding sports, entertainment, trade shows and exhibitions. These risks consist of arenas, stadiums, performing art centers/theatres, movie theaters, amphitheaters, convention centers, coliseums, civic centers, and sports complexes (both indoor and outdoor). **Participants Legal Liability coverage for Professional Athletes is not covered under this program.**

RELATED PUC NUMBERS:

| | |
|---------------------------|------|
| Arenas/Facilities Package | 0202 |
| Arenas/Facilities Excess | 0203 |

Eligibility Requirements

Eligible Risks: Arenas, stadiums, performing art centers, theatres, movie theaters, amphitheaters, convention centers, coliseums, civic centers, music halls, sports complexes including instructional

operations(indoor & outdoor) or multi-purpose facilities having professional sporting events, which include baseball, football, soccer, basketball and hockey games as well as concerts, exhibitions, trade shows, theatrical productions, motor sports events and circuses.

Amusement Recreational Services – NAIC Code 711331

Ineligible Risks: Including, but not limited to risks whose sole operations are comprised of the following: Comedy Clubs, Bars, Taverns, Nightclubs, Civic/Social Clubs, Amateur Public Skating Centers (Roller, Ice, In-line), Fraternal Orders, Boys and Girls Clubs, Community Centers, YMCA/YWCA, Museums, Diocese/Religious OLT, Aquariums, Family Fun Centers, Amusement Centers, Amusement Parks, Water Parks, Zoos, Golf Courses, Bowling Centers, Themed Attractions, Casinos, Card Clubs, Bingo Halls, Arcades, Race Tracks (Horse, Dog, Vehicle), Drag Racing Facilities, Dealerships, Extreme Sports Centers, BMX Tracks, Skate Parks, Health Clubs, Fitness Centers, Spas, Tennis Clubs, Natatoriums, Botanical Gardens, Road Houses, Dance Halls, Establishments which provide Adult Entertainment, Drive Thru Establishments, Resorts, Snow Skiing/Tubing Areas, Navigable Vessels. Sports Complex risks with unacceptable waiver and release procedures, and those having Health Club, Fitness Center or Spa, where the Gross Receipts of all operations in this area exceeds 40% of Gross Annual Receipts. Any risk that falls outside the Underwriting Guidelines and/or is not included in the “Eligible Risks” category, will be considered an “Ineligible Risk” and must be referred to the carrier for further clarification.

Ineligible activities: Ineligible activities: Bungee Jumping, Off-Premises Catering, Hot Air Balloons, Tobogganing, Snow Skiing, Snowmobiling, Saddle Animals, Velcro Jumps, Mechanical Bulls, Amusement Devices, Self-Promoted or Co-Promoted – Rodeos/Tough Man Competitions/Iron Man Competitions.

UNDERWRITING CRITERIA

The Acord and K&K applications with the required supplemental underwriting information must be received prior to quoting.

Detailed security procedures, including any Post 911 procedures risk may have implemented must be received and evaluated subject to K&K underwriting criteria prior to quoting, if applicable – Not applicable to sports complexes.

Detailed description of the security measures on any Theatre, Performing Arts Center, Civic Center and Sports Complex, prior to quoting.

Copies of the following items must be received and evaluated against K&K established criteria by state jurisdiction: A current event schedule and/or brochure describing activities. This information may be obtained via their website.

Prior to quoting:

Event/user agreement

D&B report must be run on all risks, refer to the Experian and/or stress scores in e-star and follow guidelines indicated.

Prior to binding or within 30 days

Subcontractor/Tenant agreement & COI (Liquor, Concessions, Retail etc.)

Security Certificates IF APPLICABLE

Sanctioning Body/League, CERTIFICATE OF INSURANCE, if applicable

Lease agreement if our insured is a Lessee

Acceptable Waiver and Release for: Minors, Adults, Team Roster

Contracts with Vendors, Subcontractors, Teams, etc.

All applications, including supplemental applications used by the producer, need the approval of the company. In some cases, supplemental information can be obtained separately from the application. Additional information that is obtained through telephone conversations or other means may be used to analyze an account, but must be documented in the account file.

STANDARD ACORD FORMS AND ANY SPECIAL SUPPLEMENTAL APPLICATIONS ARE THE ONLY APPLICATIONS APPROVED FOR THIS PROGRAM.

The following K&K specialty applications will be utilized for the General Liability exposures, when applicable.:

| | |
|---|---|
| Facility Insurance Application | SD-40 |
| Sports Complex Revenue Sources | VG-18 |
| Abuse & Molestation Questionnaire | VG-95 (When Applicable) – No Authority exists on this cover. Must be referred to company. |
| Tenant-User-Lessee | SA-94 |
| Tenant-User-Lessee Monthly Reporting Form | VG-89 |
| MANDATORY SIGNATURE | 1030-ED. 12/03 |

COMMERCIAL PROPERTY/ INLAND MARINE – See previous section
FORMS – See previous section

CRIME - see previous section

EQUIPMENT BREAKDOWN – See Addendum I for Rates and Forms

GENERAL LIABILITY

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

Certificates of Insurance from tenants and sub-contractors must be obtained. Certificates must show coverage limits equal to our insured's primary limits and indicate the insured is an A.I. on the tenant's policy. Additional Insured endorsement requirement will be waived if copies of all written contracts from the sub-contractor/supplier are in your underwriting file, and it documents that our insured is held-harmless and named an additional insured for liabilities arising out of the sub-contractor/supplier's activities or operations. If you do not have a copy of the contract, then an Additional Insured Endorsement is required.

All named insured's' and additional insured's' operations must be verified. Knowing these relationships and operations is very important as they may be outside the operations of an Arena/Facility and unacceptable exposures to insure.

Requests for "Per Location" over 5 or "Per Event" aggregates except where noted, must be referred to the carrier.

Slips and falls are a major part of these risks. A thorough analysis by loss control is necessary. Providing the insured with Loss Control Bulletins with regards to maintaining ramps, stairways, seating, floors, parking lots and sidewalks is required.

A thorough review of the contracts must be performed. Risk acceptability and pricing will depend on who is responsible for the various exposures present. The more a facility is held-harmless and indemnified by subcontractors/tenants/users, the more attractive the risk. Check the following exposures for responsibility: Parking , Concessions/Liquor, Maintenance, Security, First Aid, Lessees/Users.

Security is an important component of a well-controlled event/activity. Determine if security personnel are armed or unarmed; our employees or subcontracted out. Closely review the hold-harmless and indemnification wording of the contract if contracted security. Review the training and hiring practices closely if the security personnel are our employees. Confirm criminal background checks if employees handle security. If sub-contracted, confirm if they are licensed, bonded and also type of security (Off duty police officers, etc.)

The event schedule and brochures should be reviewed closely. Concerts such as Rap, Hip Hop and Heavy Metal present a greater exposure to loss with increased Security presence.

These events have special underwriting considerations as follows:

Metal Detectors are utilized for entry.

Assigned Seating for these events

When Mosh Pits are planned, waivers are signed and arm/wrist bands are provided for entry.

Loss Control Bulletins will be provided to the insured with regards to these controls.

Fireworks and Amusement Devices may be present during an event. Contingent coverage may be provided for these exposures through the use of a specialty endorsement that excludes coverage; then gives it back only under certain conditions. The conditions include a requirement that there is primary coverage in place of \$1,000,000 and that our insured is an additional insured on that policy. The carrier for the primary insurance should be rated A-VII or above. Primary Fireworks coverage is a refer-to-carrier with complete diagrams, shooter experience and type of fireworks information.

POLICY FORMS MUST BE EITHER ISO, LEXINGTON FILED OR K&K SPECIAL SPORTS AND LEISURE FILING WITH APPROVED FORMS UNLESS SPECIFICALLY LISTED

ARENAS / FACILITIES

Premises Operations, Pro Shop, Restaurant, Retail, Arcades/Amusement Centers, Parking, LRO Exposures for Arenas and Facilities; Additional Insureds;

| | | |
|---------|--------------|---|
| LIMITS: | \$2,000,000 | General Aggregate Limit (per location -up to 5) |
| | \$2,000,000 | Products - Completed Operations Aggregate Limit |
| | \$1,000,000 | Personal and Advertising Injury Limit |
| | \$1,000,000 | Each Occurrence Limit |
| | \$ 1,000,000 | Fire Damage Limit |
| | Excluded | Medical Expense Limit |

*\$5,000,000 General Aggregate Option may be considered subject to appropriate surcharge

MINIMUM EARNED PREMIUM: Applies regardless of policy term or limit of liability:

\$3,500 or 20% of policy premium whichever is greater. (LCM's do not apply)

All rates contemplate \$0 deductible. All rates contemplate inclusion of terrorism.

| DESCRIPTION | RATES (PER HEAD) | | |
|--|------------------|--------|--------|
| | LOW | BASE | HIGH |
| Facility (eg: Theatrical, Symphony, Exhibitions) Movie Theaters | \$.07 | \$.13 | \$.20 |
| Facility/Arena (Also Includes some Sports or Concerts) | \$.10 | \$.20 | \$.30 |
| Multi-Purpose Facility (Includes Sports, Concerts & Special Events) | \$.11 | \$.22 | \$.33 |
| Co-Promoted or Self-Promoted Events | \$.30 | \$.40 | \$.55 |
| Lessor's Risk Only – Building Owner | ISO RATING | | |

Any new risk using below "LOW" rates above, must be referred to the Carrier.
 Based on underwriting criteria, up to 15% credit is approved for renewals.
 In addition, experience rating can be utilized.

****REFERRAL TO CARRIER:**

Any deductible/SIR request over \$25,000 must be submitted for Lexington Programs Financial Analysis.

SPORTS COMPLEXES

Similar to the Arenas & Facilities, however, more participant-oriented. Operations include leagues, both indoor and outdoor and include legal liability coverage for participants. Activities include Amateur (non-professional) sports such as are baseball, softball, soccer, lacrosse, volleyball, in-line hockey and ice hockey. Sanctioned and Non-Sanctioned events and Open Activities are common. Participant Legal Liability (non-professional only) is provided through the use of a specialty endorsement. The form deletes coverage for Bodily Injury to Athletic Participants, then provides the coverage back with certain limitations. Player Vs Player claims are excluded.

An approved/acceptable waiver and release form must be utilized by the facility.

An acceptable waiver and release procedure for the risk is mandatory. A close review of the risk's procedures for enforcing the signing of the Minor, Adult and Team Roster Waiver is imperative to this type of facility. The risk will be declined if an acceptable waiver and release procedure is not in place.

The following sports activities will be specifically excluded from the Sports Complex eligibility, as applies to Participants legal Liability, Adventure Races, Boxing, Tackle Football, Hang Gliding,, Stunt Performing, Javelin, Parasailing, Whitewater Rafting, Rugby, Sky Diving, Sky Surfing, Tough Man/Iron Man Competitions, Parachuting, Tae Kwon Do, Trampoline, Triathlon, Wind Surfing, Wrestling, Judo, Karate, Street Luge, Martial Arts, Mountain Boarding, Parachuting, Toboggan Runs, Mechanical Bulls, Snow Skiing, Velcro Jumps.

EXPOSURES:

Premises Liability; Products Liability, Premises Office,
 Pro Shop, Restaurant, Retail, Arcades/Amusement Centers, Parking, Participant Legal Liability, LRO Operations.

| | | |
|---------|--------------|---|
| LIMITS: | \$2,000,000 | General Aggregate Limit-per location (up to 5) |
| | \$2,000,000 | Products - completed Operations Aggregate Limit |
| | \$1,000,000 | Personal and Advertising Injury Limit |
| | \$1,000,000 | Each Occurrence Limit |
| | \$ 1,000,000 | Fire Damage Limit |
| | Excluded | Medical Expense Limit |
| | \$1,000,000 | Participants Legal Liability |

MINIMUM EARNED PREMIUM: Applies regardless of policy term or limit of liability:
 \$3,500 or 20% of policy premium whichever is greater.

| DESCRIPTION | RATES (GL/PLL) / PER \$1,000 OF RECEIPTS | | |
|--|--|-----------------------------|------------------------------|
| | LOW | BASE | HIGH |
| Ancillary Operations (eg: Parties, Clinics, Snack Bar, Batting Cages, Lessons, Arcades) | \$10.40 (\$7.80/\$2.60) | \$20.90 (\$15.70/\$5.20) | \$31.30 (\$23.50/\$7.80) |
| Sanctioned Sports Activities | \$13.90 (\$10.40/\$3.50) | \$27.80 (\$20.90/\$6.90) | \$41.70 (\$31.30/\$10.40) |
| Non-Sanctioned Sports Activities | \$17.40 | \$34.70 | \$52.10 |

(\$13.00/\$4.40) (\$26.00/\$8.70) (\$39.10/\$13.00)

Abuse or Molestation Liability Coverage: 2% Surcharge to Non-Optional premium with a minimum of \$500 per location.

Any new risk using below "LOW" rates above, must be referred to the Carrier. Based on underwriting criteria, up to 15% credit is approved for renewals.

TENANT/USER

There are instances when a smaller organization or an individual wishes to rent the facility for a small event. Due to the contractual agreement within the rental contract, the lessee must carry certain types of insurance coverage and name the facility as an additional insured. Many times, the events are one-time only events and thus coverage availability is limited. This program provides primary insurance for these smaller events that are held in the facilities. These usually consist of weddings, craft shows, bingo games, rallies, dances, anniversary parties, birthday parties, etc. The facility is named as an additional insured and the events are added to the policy through the use of a monthly reporting form. The policy is in the name of: "The Tenants and Lessees of the _ (Facility Name). Asbestos, Employment Related Practices, Sexual Abuse and Molestation, Fireworks, Amusement Devices, Performer Liability, Bodily Injury to Performers are mandatory exclusion endorsements for this program.

TENANT USER PROGRAM

Premises Liability; Products Liability, Concessions, Tenants/Lessees are Named Insured's, Facility is an Additional Insured, Coverage is Designated to Facility Premises Only.

| | | |
|---------|-------------|---|
| LIMITS: | \$1,000,000 | General Aggregate Per Event Limit |
| | \$1,000,000 | Products - Completed Operations Aggregate Limit |
| | \$1,000,000 | Personal and Advertising Injury Limit |
| | \$1,000,000 | Each Occurrence Limit |
| | \$ 300,000 | Fire Damage Limit |
| | \$Excluded | Medical Expense Limit |

MINIMUM PREMIUM: Applies regardless of policy term or limit of liability. \$2,000
 Monoline Tenants User: \$3,500

RATES: Rate Basis is per event

| <u>Attendance</u> | <u>Class I Premium</u> | <u>Class II Premium</u> |
|-------------------|------------------------|-------------------------|
| 0 - 100 | \$ 150.00 | \$ 160.00 |
| 101 - 500 | \$ 185.00 | \$ 230.00 |
| 501 - 1,500 | \$ 277.00 | \$ 417.00 |
| 1,501 - 3,000 | \$ 556.00 | \$ 834.00 |
| 3,001 - 5,000 | \$ 925.00 | \$ 1,389.00 |

Non-Specified Events and Events over 10,000 in attendance – Refer to Carrier

Class I Events

- Meetings, Indoors
- Musicals/ Plays
- Seminars
- Social Gatherings/ Indoor
- Instructional Classes (Non-Mechanical)

Class II Events

- Parades (under 500)
- Picnics
- Political Rallies(Not Conventions)
- Rummage/Sidewalk Sales
- Bingo Games

| | |
|-------------------------------|-------------------------------------|
| Speaking Engagements | Social Gatherings/Premises outdoors |
| Local Theatrical Performances | Aerobics/Jazzercise |
| Wedding Receptions | Animal Shows (Domesticated Only) |
| Arts Festivals | Concerts (not rock, hip-hop, rap) |
| Auctions | Dances |
| Auto Shows | Exhibitions/Trade Shows |
| Craft Shows | |

GENERAL LIABILITY FORMS (12/07 edition date) See previous section on General Liability for Mandatory Forms. These forms below are specific to this program.

Mandatory

Commercial General Liability – Declarations
Commercial General Liability Coverage (CG0001) 12/07
Earned Premium Endorsement (97086 12-07)
Exclusion – Medical Payments (CG2135)
Exclusion – Employment Related Practices (CG2147)
Exclusion – Abuse and Molestation (CG2146) - When exposure exists
Exclusion – SLE Activities (97087 12-07)
 Airport
 Aircraft / Hot Air Balloon
Exclusion – SLE Activities (97012 2-08)
 Activities and Devices
Amendment of Other Insurance Condition 96728 12-07)
Designated Premises Operations (CG2144) (Tenants Users Coverage only)

Common Options

CGL Broadened Endorsement (97008 2-08)
GL Enhancement Endorsement (97018 2-08 (\$500 Charge)
Additional Insured Required by Written Contract (96730 12-07) (Flat \$1500 Charge)
Additional Insured – Medical Personnel (97019 2-08) (Flat Charge -\$150 @ EMT)
Requirements for Written Contract with Liquor Vendor (96724 12-07)
Exclusion – Professional Liability (97020 2-08), where applicable
Exclusion – Fireworks (96725 12-07)
Limited Fireworks (97015 2-08)
Exclusion – Athletic Participants (List Ineligible Activities), SPORTS COMPLEXES ONLY (CG2101)
Exclusion – Personal Injury Exclusion for Content... (97626 12-07)
Exclusion - Limited Amusement Device (97016 2 -08)
Exclusion – Rap Music (60280 5/94)
Exclusion – Throwing Objects (73038 4-99)
Legal Liability to Participants Sports (97017 2 -08)
Unintentional E&O / Knowledge-Notice of Occurrence (60207)
Deletion of Fellow Employees Exclusion (@ 10% OF Policy Premium (64007 4-05)
Deductible Liability – (CG0300)
Quarterly Reporting Form Endorsement Working Deposit – (60283 05-94)
Monthly Reporting Endorsement Working Deposit – (60282 5-94)
Special Provisions (72999 04-99)
Self Insured Retention Limit (73004 04-99)
Loss Adjustment Service Clause (73139 5-99)
Loss Adjustment Service Warranty Agreement (73148 05-99)
Broad Form Named Insured Endorsement (73031 04-99)
Designated Premises Operations (CG2144) All programs except for Tenants User Liability

FREQUENTLY REQUESTED LIABILITY COVERAGE

Employee Benefits – Declarations/ Coverage (51767 4-02)

Liquor Liability – Declarations (93839 12-06)

**Minnesota Mandatory endorsement must be attached when writing Liquor Liability In that State
(MNMAN 01/97)

Stop Gap – Declarations / Coverage (65301 11-96)

LIQUOR LIABILITY – SEE PREVIOUS SECTION FOR RATES AND FORMS

FOLLOW FORM EXCESS – SEE PREVIOUS SECTION FOR RATES AND FORMS

| |
|-------------------|
| Addendum B |
|-------------------|

EDITION DATE: 1/1/12

PROGRAM NAME: Horse Tracks

PROGRAM DESCRIPTION:

The Pari-Mutuels Race Track program is designed to provide commercial Property and Casualty Insurance for facilities that conduct horse races. The facilities may also include Casino/Racino operations. The tracks are either dirt or turf ovals and include grandstands or a clubhouse, stalls, tote boards, and jockey's quarters. Dog track racing can also be included if part of the Horse Track facility.

RELATED PUC NUMBERS: Horse Tracks Pkg. 0214
Horse Tracks XS. 0215

Eligibility Requirements

Eligible Risks:

Thoroughbred Race Tracks, Quarter horse Race Tracks, Harness Race Tracks, and Off Track Betting Facilities (OTB), Racino Operations
Racetrack Operators Racetrack –NAIC Code 711212

Ineligible Risks:

Including, but not limited to risks whose primary operations are comprised of Steeplechase Racing Facilities, Arcades, OTB Operations in Truck Stops, OTB Operations in Adult Entertainment Establishments, OTB Operations on Navigable Vessels, Motorized Race Tracks, Drag Racing Tracks, Dog Tracks, Risks with outstanding Loss Control Recs. A Risk whose sole operation is: Casino, Bingo, Card Club, Video Lottery/Slots.

Any property risk in protection class 8, 9 and 10 is ineligible. (Possibly can be considered as referral to Program Manager)

Any risk that falls outside the Underwriting Guidelines and/or is not included in the "Eligible Risks" category; will be considered an "Ineligible Risk" and must be referred to the carrier.

Ineligible activities:

Bungee Jumping, Off-Premises Catering, Hot Air Balloons, Mechanical Bulls, Amusement Devices, Rodeos, Motorized Racing, Steeple chasing,, Self-Promoted/Co-Promoted Concerts, Primary Fireworks.

Underwriting criteria

The Acord and K&K applications with the required supplemental underwriting information must be received prior to quoting.

Copies of the following contracts must be received and evaluated against K&K established criteria by State jurisdiction:

Prior to quoting:

Stall Agreement if Horse Legal Liability is provided.

Detailed security procedures, including any Post 911 procedures risk may have implemented for any risk with live racing and/or casino operations must be evaluated against K&K established underwriting criteria.

Prior to binding or within 30 days::

Subcontractor/Tenant agreement & COI (Liquor, Concessions, Retail etc.)

If Participant Legal Liability is being offered, you must have a copy of the Participant Accident Insurance policy or certificate to validate minimum Accident medical limits in place on the Jockeys; limits of at least \$500,000 including on track coverage; and \$100,000 minimum limits for Harness Tracks.

Security Certificates IF APPLICABLE

Schedule of Grandstand Shows/Special Events

A Current Racing Schedule and/or Brochure. This information may be obtained via their website

Contracts, Vendors, Subcontractors, Teams, etc.

All applications, including supplemental applications used by the producer, need the approval of the company. In some cases, supplemental information can be obtained separately from the application. Additional information that is obtained through telephone conversations or other means may be used to analyze an account, but must be documented in the account file.

STANDARD ACORD FORMS AND ANY SPECIAL SUPPLEMENTAL APPLICATIONS ARE THE ONLY APPLICATIONS APPROVED FOR THIS PROGRAM.

The following K&K Specialty applications will be used for the General Liability exposures, where applicable.

General Application – SL 38
Horse Track Application - SL 38
Horse Legal Liability Application – EA 25
Liquor Liability Application – VG 48
Security Supplemental – GS 90
Cooking Supplemental – VG 121
Abuse & Molestation Questionnaire-VG 95 (When Applicable) - No Authority exists on this cover, must be referred to company.
Crime Supplemental – VG 93
Business Interruption Worksheet – VG 96 (Property)
MANDATORY SIGNATURE-1030-ED.12/03

COMMERCIAL PROPERTY/ INLAND MARINE Rates and Forms– See previous section

CRIME Rates and Forms– See previous section

EQUIPMENT BREAKDOWN – See Addendum I for rates and forms

GENERAL LIABILITY

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

Certificates of Insurance from tenants and sub-contractors must be obtained. Certificates must show coverage limits equal to our insured's primary limits and indicate the insured is an A.I. on the tenant's policy. Additional Insured endorsement requirement will be waived if copies of all written contracts from the sub-contractor/supplier are in your underwriting file, and it documents that our insured is held-harmless and named an additional insured for liabilities arising out of the sub-contractor/supplier's activities or operations. If you do not have a copy of the contract, then an Additional Insured Endorsement is required.

Certificates of Insurance from the Track owner (Named Insured) evidencing Participant Accident (PA) for the benefit of the Jockeys as required by the Jockey Guild will be required when providing Participants Legal Liability. You should secure the information; evaluate it to be what is required by the Jockeys Guild. Limits should be at a minimum of \$500,000 for Thorough Bred Tracks; \$100,000 for Harness Race Tracks. Should there be no PA as required by the Guild; PLL should be specifically excluded by endorsement.

All named Insureds' and additional Insureds' operations must be verified. Knowing these relationships and operations is very important as they may be outside the operations of the Race Track and unacceptable exposures to insure.

Providing the insured with Loss Control Bulletins with regards to maintaining ramps, stairways, seating, floors, parking lots and sidewalks is required to aid the insured in controlling his exposure to loss.

A thorough review of the contracts must be performed. Risk acceptability and pricing will depend on who is responsible for the various exposures present. The more a facility is held-harmless and indemnified by subcontractors/tenants/users, the more attractive the risk. Check the following exposures for responsibility:

Parking
Concessions
Liquor
Maintenance
Security
First Aid

Lessees/Users

Medical Payments are excluded.

The backstretch operations; which include the stabling, training, exercising of horses must be restricted and not open to the public. Jockeys, jockey valets, surrey drivers, officials/stewards, exercise persons, hot walkers/stable hands, outriders, starting gate personnel, veterinarians, blacksmiths/farriers, tack/equipment personnel, photographers, media personnel and any other person invited and/or allowed access and given proper authorization and are the only persons that may have access to this area.

To Provide Legal Liability to Participants, the following additional requirements must be in satisfied. If any of these requirements are not in place, participants will be excluded:

- Inner rail cannot be made of wood, wood planks, PVC or Fiberglass
- Inner rail covering must be smooth, flush and in good repair
- Hedges may not be a replacement for true inner rails on the main dirt track
- Any rail having gates must be closed during racing or training activities.
- Harness Racing does not require inner rails. Styrofoam cones suffice

When Horse Legal Liability/Greyhound Legal Liability is requested the following requirements must be in place to be considered for the coverage:

Acceptable Stall Agreement that releases the track from liability and holds the facility harmless for damage to the animals.

Stalls must be in a highly restricted area with Security present

Smoke alarms must be present with an easily accessible water source or fire extinguishers.

A thorough evaluation of the loss control report by the underwriter must confirm the above controls are in place.

Security is an important component of a well-controlled event/activity. Determine if security personnel are armed or unarmed; our employees or subcontracted out. Closely review the hold-harmless and indemnification wording of the contract if contracted security. Review the training and hiring practices closely if the security personnel are our employees. Confirm criminal background checks if security is handled by employees. If sub-contracted, confirm if they are licensed, bonded and also type of security. (Off duty police officers, etc.)

The event/grandstand schedule should be reviewed closely. Concerts such as Rap, Hip Hop and Heavy Metal must be referred to the carrier.

Fireworks and Amusement Devices may be present during an event. Contingent coverage may be provided for these exposures through the use of a specialty endorsement that excludes coverage; then provides coverage back with certain conditions. The conditions include a requirement that there is primary coverage in place of \$1,000,000 and that our insured is an additional insured on that policy. The carrier for the primary insurance should be rated A-VII or better by A.M. Best. Primary Fireworks coverage is a refer-to-carrier with complete diagrams, shooter experience, copy of the shooter's Pyrotechnic License and the type of fireworks display.

PARI-MUTUEL RACING PROGRAM: HORSE TRACKS

EXPOSURES: Premises Liability, Products Liability, On Premises Office, On Premises Office LRO.

| | | |
|---------|--------------|--|
| LIMITS: | \$2,000,000 | General Aggregate Limit Per location (up to 5 loc) |
| | \$2,000,000 | Products - completed Operations Aggregate Limit |
| | \$1,000,000 | Personal and Advertising Injury Limit |
| | \$1,000,000 | Each Occurrence Limit |
| | \$ 1,000,000 | Fire Damage Limit |
| | \$EXCLUDED | Medical Expense Limit |

\$ 2,500 BI/PD PER Occurrence DEDUCTIBLE (MINIMUM)

*\$5,000,000 General Aggregate Option may be considered, subject to appropriate Surcharge

\$3,500 or 20% of policy premium (whichever is greater) Minimum Earned premium regardless of policy term. All rates contemplate inclusion of terrorism. Based on underwriting criteria, up to 15% credit is approved for renewals.

| Descriptions | Rating Base** | Rates | | |
|--------------|---------------------|--------|---------|---------|
| | | *Low | Base | High |
| ON TRACK | Admissions/per Head | \$0.14 | \$0.27 | \$0.41 |
| OFF TRACK | Receipts/per \$1000 | \$16.3 | \$32.50 | \$48.75 |

GAMING (RACINO) AS PART OF THE RACE TRACKS:

| <u>Description:</u> | <u>**Rates: Payroll per \$1,000</u> | | |
|-------------------------|-------------------------------------|-------------|-------------|
| | <u>LOW</u> | <u>BASE</u> | <u>HIGH</u> |
| Gaming | \$8.90 | \$17.75 | \$26.60 |
| Lessor's Risk: EACH LRO | \$250 | \$500 | \$750 |

Any risk using below "LOW" rates above with the exception up to 15% renewal rate reduction if needed, must be referred to the Carrier.

** Receipts: Gross Income from admissions and all other gross income, except betting.

*EXPERIENCE RATING CAN BE UTILIED.

**REFERRAL TO CARRIER:

Any deductible/SIR request over \$25,000 must be submitted for AIG Financial Analysis.

LEGAL LIABILITY TO PARTICIPANTS

Premium is determined by multiplying the rates shown times the number of scheduled race days.

LIMITS: \$1,000,000 per Occurrence / Policy Aggregate

*This Coverage is Subject to \$5,000 Minimum Earned Premium.

| Description: | Rates | | |
|---------------|-------|-------|-------|
| | LOW | BASE | HIGH |
| Thoroughbred | \$220 | \$440 | \$660 |
| Quarter horse | \$145 | \$290 | \$435 |
| Standard bred | \$ 75 | \$150 | \$225 |

Any new risk using below "LOW" rates above, must be referred to the Carrier. Based on underwriting criteria, up to 10% credit is approved for renewals.

PROPERTY DAMAGE TO HORSES

Premium is determined by multiplying the stall rates shown below times the number of stalls at the facility.

*This Coverage is Subject to a \$5,000 Minimum Earned Premium

| Limits: ** Per Horse/Per Occurrence/ Policy Aggregate | Rates: | |
|--|---------------|-------------------|
| | Masonry Stall | Frame/Metal Stall |
| \$10,000/\$100,000/\$100,000 | \$11 | \$15 |
| \$25,000/\$100,000/\$100,000 | \$12 | \$16 |
| \$25,000/\$250,000/\$250,000 | \$15 | \$18 |
| \$50,000/\$250,000/\$250,000 | \$16 | \$20 |
| \$50,000/\$500,000/\$500,000 | \$18 | \$21 |
| \$100,000/\$500,000/\$500,000 | \$20 | \$23 |
| \$75,000/\$750,000/\$750,000 | \$21 | \$25 |
| \$150,000/\$750,000/\$750,000 | \$23 | \$26 |
| \$100,000/\$1,000,000/\$1,000,000 | \$25 | \$28 |
| \$250,000/\$1,000,000/\$1,000,000 | \$26 | \$33 |

Higher limits available subject to referral

****SUBJECT TO A 10% PER CLAIM DEDUCTIBLE OR \$2,500 PER CLAIM DEDUCTIBLE WHICHEVER IS HIGHER**

1.00 neutral – 1.75 for high can be applied for a discretionary factor.

Property Damage to Dogs:

| Limit (per dog/per occ/agg): | Rate- |
|------------------------------|--------|
| \$10,000/\$100,000/\$100,000 | \$500 |
| \$25,000/\$250,000/\$250,000 | \$983 |
| \$50,000/\$500,000/\$500,000 | \$1995 |

Deductible per claim: \$250

GENERAL LIABILITY FORMS USED MUST BE THE ISO FORMS ALONG WITH K&K SPECIAL FILING WHERE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED

GENERAL LIABILITY FORMS (12/07 edition date) See previous section on General Liability for Mandatory Forms. These forms below are specific to this program.

Mandatory

- Commercial General Liability – Declarations
- Commercial General Liability Coverage (CG0001) 12/07
- Earned Premium Endorsement (97086 12-07)
- Exclusion – Medical Payments (CG2135)
- Exclusion – Employment Related Practices (CG2147)
- Exclusion – Abuse and Molestation (CG2146) - When exposure exists
- Exclusion – SLE Activities (97087 12-07)
 - Airport
 - Aircraft / Hot Air Balloon
- Amendment of Other Insurance Condition (96728 12-07)

OPTIONAL

- CGL Broadened Endorsement (97008 2-08)
- GL Enhancement Endorsement (97018 2-08 (\$500 Charge)
- Additional Insured Required by Written Contract (96730 12-07) (Flat \$1500 Charge)
- Additional Insured – Medical Personnel (97019 2-08) (Flat Charge -\$150 @ EMT)
- Requirements for Written Contract with Liquor Vendor (96724 12-07)
- Exclusion – Professional Liability (97020 2-08), where applicable
- Exclusion – Fireworks (96725 12-07)
- Designated Premises Operations (CG2144)
- Limited Fireworks (97015 2-08)
- Exclusion – Personal Injury Exclusion for Content.... (97626 12-07)
- Exclusion – Horse Track Participants (When PLL not provided) (96732 12-07)
- Exclusion – Sports/Leisure/Entertainment Activities (97012 2-08)
 - Amusement devices
 - Bungee
 - Performers
 - Rodeos
- Legal Liability to Participants (97017 2-08)
- Property Damage to Horses (73036 4-99)
- Property Damage to Greyhounds (967270 12-07)
- Unintentional E&O / Knowledge-Notice of Occurrence (60207)
- Deletion of Fellow Employees Exclusion (10% of Gross Premium (64007 4-05)
- Employee Benefits – Declarations / Coverage (51767 4-02)
- Liquor Liability – Declarations (93839 12-06)
- **Minnesota Mandatory endorsement must be attached when writing Liquor Liability In that Stat (MNMAN 01/97)
- Stop Gap – Declarations / Coverage (65301 11-96)

LIQUOR LIABILITY – See previous section for rates and forms

FOLLOW FORM EXCESS – SEE PREVIOUS SECTION FOR RATES AND FORMS

| |
|-------------------|
| Addendum C |
|-------------------|

EDITION DATE: 1/1/12

PROGRAM NAME: Bowling & Amusement Centers/Billiard Program

PROGRAM DESCRIPTION:
 Multi Line programs for Bowling & Amusement Centers and Billiards. Coverage extends to retail shops, food/novelty and concessions on premises.

| | | |
|-----------------------------|--|------------------------------|
| RELATED PUC NUMBERS: | Bowling/Amusement Ctrs PKG Bowling Amusement Centers XS Billiards Pkg. Billiards XS | 0201 0207 0204 0205 |
|-----------------------------|--|------------------------------|

AUTHORITY:

Eligibility Requirements

Eligible Risks: Bowling, Family Amusement Centers and Billiard Risks whose receipts from bowling, billiards, Fun Centers, including video Arcades, Kiddie Rides with operator, Miniature Golf, Soft Play Pump it ups, Bumper cars, Driving ranges, Coin operated amusements, Climbing Walls, Go carts,

Inflatable with operator, Laser tag, Bumper boats and Paintball, if part of a fun center, Party Rooms, Pro Shops, snack bar/restaurant comprise more than 50% of the total receipts.

Risks whose receipts from liquor sales are less than 40% of the total receipts

Risks with building ages up to 50 years with proper evidence of updates to the plumbing, electrical, roof and heating. NAICS Code: 71395 –Includes Billiards

Ineligible Risks: Including, but not limited to:

Risks where receipts from bowling, billiards, fun centers, pro shop and shoe rental comprise less than 50% of the total receipts

Risks whose receipts from liquor sales exceed 40% of the total receipts.

Risks whose building exceeds 20 years of age without evidence of updates to the plumbing, electrical, roof and heating

Risks having buildings over 50 years of age.

Any property risk in protection class 8, 9 and 10 is ineligible. (Possibly can be considered as referral to Program Manager)

Risks who refinish their own lanes utilizing an oil-based product shall not be provided property coverage under this program.

Amusement Parks, Water Parks, Water Slides, Bungee Jumps, Roller Rinks, Trampolines, Hot Air Balloons, Mechanical Bulls, Ice Skating Rinks, Traveling operations, Velcro Jumps and Apparatus, Sky Diving, Parasailing, Parachuting and Parachuting Risks, Night clubs and Discos.

Ineligible activities: Risks whose primary operations are:

Concerts, Childcare Operations, Flea Markets, Hotels/Motels/Boarding, Gaming,

Any risk that falls outside the Underwriting Guidelines and/or is not included in the “Eligible Risks” category; will be considered an “Ineligible Risk” and must be referred to the carrier.

Underwriting criteria:

Pictures of the Facility must be received WITHIN 30 DAYS OF BINDING. Photographs must include:
Outside Photographs: Front (roof must be visible in the picture), any Free-standing signs, parking lot.
Inside Photographs: Lounge area, cooking area, lanes, child care area, and spectator area.

Acord applications will be utilized for the Property, Automobile, Crime and Inland Marine.

K&K Specialty applications will be used for the General Liability exposures, WHERE APPLICABLE.

| | |
|--|---------------------------|
| Bowling Supplemental Questionnaire | VG-39 (11/02) |
| Billiard Center Supplemental Questionnaire | VG-44 |
| Entertainment Center Information Form | 1513 10/08 |
| Cooking Supplemental | VG-121 – Where Applicable |
| Liquor Liability Application | VG-48 – Where Applicable |
| MANDATORY SIGNATURE | 1030-ED.12/03 |

STANDARD ACORD FORMS AND ANY SPECIAL SUPPLEMENTAL APPLICATIONS ARE THE ONLY APPLICATIONS APPROVED FOR THIS PROGRAM.

Specific Underwriting Guidelines by line of business

COMMERCIAL PROPERTY/ INLAND MARINE – See Previous Section for Rates and Forms

Lane construction: Synthetic Lanes are preferred due to the absence of flammable refinishing products. If the lanes are of wood construction, verify that the lane refinishing is contracted out. If so, verify there is a procedure for obtaining a certificate of insurance with Additional Insured status is obtained by the insured.

Sub contracting this operation is preferred, however, some centers refinish their own lanes. This is acceptable for wood lanes with water based finishes. If a risk refinishes their own lanes and it is oil based, the property is to be declined. If a risk refinishes pins, the property is to be declined.

Maintenance schedule of all rides and apparatus should be reviewed.

Restaurant Exposures should be closely reviewed:

An automatic extinguishing system must protect the cooking surfaces.

Hoods and ducts are to be cleaned a minimum of semi-annually by an outside firm

Filters must be cleaned regularly

Review the photos of the roof. Determine if Bowed, Flat or Pitched. Determine the regional climate: Bowed or Quonset-type and Flat roofs must be trussed if located in the snow- belt.

Lanes, Pinsetters and automatic scorers must be added to the building values. Include the following additional equipment in your calculations: Differences between values requested and values of, Marshall & Swift cannot exceed 10%: Review the photographs of the inside of the building carefully. Stained or missing ceiling tiles can indicate prior losses or current maintenance problems.

Equipment Breakdown – See Addendum I for Rates and Forms

CRIME – See previous sections for Rates and Forms

GENERAL LIABILITY

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

- Certificates of Insurance from tenants and sub-contractors must be obtained. Certificates must show coverage limits equal to our insured's primary limits and indicate the insured is an A.I. on the tenant's policy. Additional Insured endorsement requirement will be waived if copies of all written contracts from the sub-contractor/supplier are in your underwriting file, and it documents that our insured is held-harmless and named an additional insured for liabilities arising out of the sub-contractor/supplier's activities or operations. If you do not have a copy of the contract, then an Additional Insured Endorsement is required.

Medical Payments is excluded from this program.

If a bar or lounge is present, alcohol awareness training for all servers is mandatory. Prior license revocation becomes a declination. Refer liquor liability in states which are a Grade C.

Evaluate the Entertainment. This program was designed for bowling, amusement centers and billiard centers.

Risks with outside promotions of live entertainment will be referred to the carrier.

All named insureds and additional insureds operations must be identified and reviewed. Knowing these operations and relationships is very important as they may be outside the operations of a bowling center and unacceptable exposures to insure.

General liability premiums are calculated using all receipts except liquor receipts. Receipts include the Bowling, Shoe Rental, Pro Shop, Restaurant/Snack Bar, Room Rental, Arcade and Fun Centers.

BOWLING or BILLIARDS PROGRAM

EXPOSURES: Premises Liability; Products Liability, Premises Office,
LRO- (Premises Pro Shop, Arcade, Restaurant, Offices, Retail), Restaurant, Arcades/Amusement Centers,
Vending Machine Operations, Pro-Shop, Billiard/Pool Halls, Sitter-Services for Bowlers.

| | | |
|----------------|-------------|---|
| LIMITS: | \$2,000,000 | General Aggregate Limit |
| | \$2,000,000 | Products - completed Operations Aggregate |
| | \$1,000,000 | Personal and Advertising Injury Limit |
| | \$1,000,000 | Each Occurrence Limit |
| | \$1,000,000 | Fire Damage Limit |
| | \$EXCLUDED | Medical Expense Limit |

MINIMUM PREMIUM: Applies regardless of policy term or limit of liability:
\$3,500 or 20% of policy premium whichever is greater for fully worded
certificate policy. \$1500 or 20% of policy premium whichever is greater for
certificates only, minimum earned premium regardless of policy term.

Based on underwriting criteria, up to 10% credit is approved for renewals

BOWLING RATES

| <u>STATE</u> | <u>RANGES OF RATES</u> | | |
|---------------|------------------------|-------------|-------------|
| | <u>LOW</u> | <u>BASE</u> | <u>HIGH</u> |
| ALABAMA | \$9 | \$18 | \$27 |
| ALASKA | \$14 | \$28 | \$43 |
| ARIZONA | \$9 | \$18 | \$27 |
| ARKANSAS | \$9 | \$18 | \$27 |
| CALIFORNIA | \$17 | \$33 | \$50 |
| COLORADO | \$9 | \$18 | \$27 |
| CONNECTICUT | \$27 | \$53 | \$80 |
| DELAWARE | \$9 | \$18 | \$27 |
| DIST. OF COL. | \$7 | \$13 | \$20 |
| FLORIDA | \$14 | \$28 | \$42 |
| GEORGIA | \$7 | \$13 | \$20 |
| HAWAII | \$13 | \$25 | \$38 |
| IDAHO | \$9 | \$18 | \$27 |
| ILLINOIS | \$9 | \$18 | \$27 |
| INDIANA | \$14 | \$28 | \$43 |
| IOWA | \$17 | \$33 | \$50 |
| KANSAS | \$9 | \$18 | \$27 |
| KENTUCKY | \$14 | \$28 | \$43 |
| LOUISIANA | \$9 | \$18 | \$27 |
| MAINE | \$14 | \$28 | \$43 |
| MARYLAND | \$14 | \$28 | \$43 |
| MA | \$14 | \$28 | \$43 |
| MICHIGAN | \$14 | \$28 | \$43 |
| MINNESOTA | \$14 | \$28 | \$43 |
| MISSISSIPPI | \$17 | \$33 | \$50 |
| MISSOURI | \$17 | \$33 | \$50 |
| MONTANA | \$14 | \$28 | \$43 |
| NEBRASKA | \$9 | \$18 | \$27 |
| NEVADA | \$14 | \$28 | \$43 |
| NEW HAMPSHIRE | \$12 | \$24 | \$36 |
| NEW JERSEY | \$17 | \$33 | \$50 |
| NEW MEXICO | \$20 | \$40 | \$60 |
| NEW YORK | \$15 | \$30 | \$45 |

Lexington Program Division 66

| | | | |
|--------------|------|------|------|
| N. CAROLINA | \$7 | \$13 | \$20 |
| N. DAKOTA | \$14 | \$28 | \$43 |
| OHIO | \$7 | \$13 | \$20 |
| OKLAHOMA | \$17 | \$33 | \$50 |
| OREGON | \$9 | \$18 | \$27 |
| PENNSYLVANIA | \$24 | \$49 | \$73 |
| RHODE ISLAND | \$17 | \$33 | \$50 |
| S. CAROLINA | \$7 | \$13 | \$20 |
| S. DAKOTA | \$9 | \$18 | \$27 |
| TENNESSEE | \$14 | \$28 | \$43 |
| TEXAS | \$9 | \$18 | \$27 |
| UTAH | \$17 | \$33 | \$50 |
| VERMONT | \$14 | \$28 | \$42 |
| VIRGINIA | \$5 | \$10 | \$15 |
| WASHINGTON | \$9 | \$18 | \$27 |
| W. VIRGINIA | \$14 | \$28 | \$43 |
| WISCONSIN | \$11 | \$23 | \$34 |
| WYOMING | \$14 | \$28 | \$43 |

BILLIARDS RATES

| <u>STATE</u> | <u>RANGES OF RATES</u> | | |
|---------------|------------------------|-------------|-------------|
| | <u>LOW</u> | <u>BASE</u> | <u>HIGH</u> |
| ALABAMA | \$4 | \$7 | \$11 |
| ALASKA | \$6 | \$13 | \$19 |
| ARIZONA | \$5 | \$9 | \$14 |
| ARKANSAS | \$2 | \$5 | \$7 |
| CALIFORNIA | \$10 | \$20 | \$30 |
| COLORADO | \$6 | \$12 | \$18 |
| CONNECTICUT | \$9 | \$17 | \$26 |
| DELAWARE | \$5 | \$9 | \$14 |
| DIST. OF COL. | \$4 | \$9 | \$13 |
| FLORIDA | \$7 | \$15 | \$22 |
| GEORGIA | \$3 | \$7 | \$10 |
| HAWAII | \$4 | \$8 | \$11 |
| IDAHO | \$5 | \$11 | \$16 |
| ILLINOIS | \$6 | \$12 | \$18 |
| INDIANA | \$6 | \$13 | \$19 |
| IOWA | \$5 | \$11 | \$16 |
| KANSAS | \$4 | \$8 | \$12 |
| KENTUCKY | \$5 | \$10 | \$15 |
| LOUISIANA | \$19 | \$39 | \$58 |
| MAINE | \$6 | \$13 | \$19 |
| MARYLAND | \$4 | \$9 | \$13 |
| MA | \$7 | \$14 | \$21 |
| MICHIGAN | \$6 | \$12 | \$18 |
| MINNESOTA | \$7 | \$13 | \$20 |
| MISSISSIPPI | \$8 | \$15 | \$23 |
| MISSOURI | \$6 | \$13 | \$19 |
| MONTANA | \$6 | \$12 | \$18 |
| NEBRASKA | \$4 | \$8 | \$12 |
| NEVADA | \$4 | \$9 | \$13 |
| NEW HAMPSHIRE | \$6 | \$11 | \$17 |
| NEW JERSEY | \$21 | \$41 | \$62 |
| NEW MEXICO | \$7 | \$15 | \$22 |

| | | | |
|--------------|------|------|------|
| NEW YORK | \$10 | \$19 | \$29 |
| N. CAROLINA | \$3 | \$6 | \$9 |
| N. DAKOTA | \$4 | \$8 | \$12 |
| OHIO | \$3 | \$6 | \$9 |
| OKLAHOMA | \$4 | \$7 | \$11 |
| OREGON | \$5 | \$11 | \$16 |
| PENNSYLVANIA | \$9 | \$19 | \$28 |
| RHODE ISLAND | \$8 | \$17 | \$25 |
| S. CAROLINA | \$6 | \$13 | \$19 |
| S. DAKOTA | \$6 | \$12 | \$18 |
| TENNESSEE | \$6 | \$11 | \$17 |
| TEXAS | \$5 | \$10 | \$15 |
| UTAH | \$6 | \$12 | \$18 |
| VERMONT | \$6 | \$13 | \$19 |
| VIRGINIA | \$3 | \$6 | \$8 |
| WASHINGTON | \$6 | \$12 | \$18 |
| W. VIRGINIA | \$8 | \$15 | \$23 |
| WISCONSIN | \$4 | \$8 | \$12 |
| WYOMING | \$6 | \$13 | \$19 |

In Addition Experience Rating may be utilized where applicable.

ENTERTAINMENT & AMUSEMENT CENTERS

EXPOSURES:

ENTERTAINMENT AND AMUSEMENT CENTERS are risks that will typically include the following eligible risks in any type of combination. These can also include bowling/billiard in addition to selling food concessions and gifts. They are a pay-per-play or pay one price for tickets to participate in any combination of these attractions at the facility.

RATES: All rates are per \$1,000 gross receipts.

| | | |
|------------|--------|---------------------------|
| | Low | High |
| RANGE | | |
| RATE FILED | \$5.00 | \$80.00 PER \$1,000 sales |

Type of Exposure Rate

| | Min. Rate | |
|---------------------|-----------|--------------------------------------|
| Go Karts | \$27.11 | \$54.22 |
| Driving Range | \$10.08 | \$20.16 |
| Miniature Golf | \$10.08 | \$20.16 |
| Arcades | \$6.00 | \$12.00 |
| Batting Cages | \$21.70 | \$43.39 |
| Laser Tag | \$10.08 | \$20.16 |
| Amusement Devices* | \$21.70 | \$43.39 |
| Inflatable | \$13.03 | \$26.07 –with operator |
| Kiddy Coin Operated | \$14.49 | \$28.97 –with operator |
| Soft Play | \$8.00 | \$16.00 |
| Food/Novelty | \$5.00 | \$10.00 |
| Rental | \$10.00 | \$20.00 |
| Climbing Walls | \$18.95 | \$37.90 -only if part of fun center. |
| Paintball | \$25.00 | \$50.00 -only if part of fun center. |

MINIMUM PREMIUM: \$3,500 or 20% of policy premium (whichever greater) for fully worded certificated policy. \$1,500 or 20% of policy premium (whichever greater) for certificates only. Minimum Earned Premium regardless of policy term. Based on underwriting criteria, up to 10% credit is approved for renewals.

(LCM's do not apply)

All rates contemplate -0- deductible.

All rates contemplate inclusion of terrorism.

****REFERRAL TO CARRIER**

Any deductible/SIR request over \$25,000 must be submitted for AIG Financial Analysis.

LIQUOR LIABILITY - See Previous Liquor Section for rates and forms

GENERAL LIABILITY FORMS USED MUST BE THE ISO FORMS ALONG WITH K&K SPECIAL FILING WHERE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED

GENERAL LIABILITY FORMS (12/07 edition date) See previous section on General Liability for Mandatory Forms. These forms below are specific to this program.

Mandatory

Commercial General Liability – Declarations

Commercial General Liability Coverage (CG0001) 12/07

Earned Premium Endorsement (97086 12-07)

Exclusion – Medical Payments (CG2135)

Exclusion – Employment Related Practices (CG2147)

Exclusion – Abuse and Molestation (CG2146) - When exposure exists

Exclusion – SLE Activities (97087 12-07)

Airport

Aircraft / Hot Air Balloon

Amendment of Other Insurance Condition (96728 12-07)

Designated Premises Operations (CG2144)

Common Options

CGL Broadened Endorsement (97008 2-08)

GL Enhancement Endorsement (97018 2-08 (\$500 Charge)

Additional Insured Required by Written Contract (96730 12-07) (Flat \$1500 Charge)

Requirements for Written Contract with Liquor Vendor (96724 12-07)

Exclusion – Professional Liability (97020 2-08), where applicable

Exclusion – Fireworks (96725 12-07)

Limited Fireworks (97015 2-08)

Exclusion – Personal Injury Exclusion for Content.... (97626 12-07)

Exclusion – Horse Track Participants (When PLL not provided) (96732 12-07)

Exclusion – Sports/Leisure/Entertainment Activities (97012 2-08)

Amusement devices

Bungee

Performers

Rodeos

Unintentional E&O / Knowledge-Notice of Occurrence (60207)

Deletion of Fellow Employees Exclusion (10% of Gross Premium (64007 4-05)

Employee Benefits – Declarations / Coverage (51767 4-02)

FREQUENTLY REQUESTED LIABILITY COVERAGE

Employee Benefits – Declarations/ Coverage (76163)

Liquor Liability – Declarations (CGDS03)

**Minnesota Mandatory endorsement must be attached when writing Liquor Liability In that State
(MNMAN 01/97)

Stop Gap – Declarations / Coverage (65300 11-96)

Follow Form Excess – See previous Section for Rates and Forms

| |
|-------------------|
| Addendum D |
|-------------------|

EDITION DATE: 8/15/10

PROGRAM NAME: OUTFITTERS AND GUIDES

PROGRAM DESCRIPTION:

Outfitters and Guides program has been designed to provide commercial property and casualty insurance coverage for Outfitters & Guides, Mountaineering and Adventure/Challenge Ropes Course Facilitators and Equine Operations.

| | | |
|-----------------------------|--------------------------|---------------|
| RELATED PUC NUMBERS: | Outfitters & Guides Pkg. | 0170, XS 0171 |
| | Ropes Course Pkg. | 0154, XS 0155 |
| | Whitewater Rafting Pkg. | 0156, XS 0157 |
| | Hunting & Fishing Pkg. | 0159, XS 0161 |

Eligibility Requirements

Eligible Risks:

Guided and Non-guided: Whitewater Operations, Fishing, Hunting, Canoe Livery, Kayak Livery, Non-motorized watercraft livery, Motorized watercraft up to 250hp, Mountain Bicycling, Bicycling, Hiking, Backpacking, Horseback Riding, Trail Riding, Indoor Climbing Centers. Training Clubs: Surfing, Shooting, Archery, Trap and Skeet.

Guided: Mountain Climbing, Rock Climbing, Ice Climbing, Carriage Rides, Stage Coach Rides, Hay Rides, Sleigh Rides, Horse or Vehicle Drawn Trolleys, Pony Rides, Adventure/Challenge Ropes Course Operations including High & Low elements, Hunting and Fishing Clubs and/or Lodges, Eco / Natural History Education Operations.

Incidental: Archery Ranges, Shooting Ranges, Trap/Skeet Ranges, Portable Climbing Walls, Cross Country Skiing, Ski Mountaineering, Telemarking, Sailing Activities, Snorkeling and Guided Snowmobiles; only if the operation is part of an otherwise eligible risk and receipts are 10% or less of the total receipts and all other operations pertaining to all the above exposures: Instruction, Retail, Equipment Rental, Overnight Expeditions, Lodging, Camping, Camps.

NAIC – 71399 – All other Amusement and Recreation Industries

Ineligible Risks:

Class VI River Classifications, Dude Ranches, Destination Resorts, Stand-alone Snowmobile Rental Operations, Stand-alone Retail Operations, Stand-Alone International Trips, Trip Planners, Operations designed specifically for “Troubled Youth” or Special Needs Programs, Homeowners Associations, Ski Resorts/Operations, Tobogganing Operations, Snow Tubing Operations, Ice Skating Operations, Adventure Races, Motorized Racing or Stunting Operations, Stand-alone Bicycle Rental Operations, Stand-alone Portable Climbing Walls, Rodeos, Hang Gliding Operations, Stand-alone Shooting/Archery/Trap/Skeet Ranges, Ropes Course Builders, Petting Zoos, Animal Breeding, Steeplechase, Roping Competitions, Animal Auctions, Cattle Ranches, Riding Clubs. Stand-alone Campgrounds

Ineligible activities:

Boarding of Horses; Riding Instructions; Riding Clubs; Horse Shows; Alcoholic Beverages and Controlled Substances are not allowed to be provided by the Insured to be consumed aboard any watercraft ; Risks which allow customers to be intoxicated or under the influence of illegal or controlled substances aboard any watercraft; Bungee Jumping, Off-Premises Catering, Hot Air Balloons, Mechanical Bulls, Fireworks, Amusement Rides, Bicycle Obstacle Activities, Public Storage during off-season, Go-karts.

Underwriting criteria:

Loss ratio for the current year or the past three years (all lines combined) 30% or less and with no single loss greater than \$50,000.

Accounts with GL premiums less than \$10,000 will require no specific financial information.

Three (3) years of loss history must be received and evaluated prior to quoting. Three-year currently valued hard copy loss history provided by the insurance carrier.

A Current Event Schedule and/or Brochure describing activities. This information may be obtained from their internet web site as applicable.

Waiver and Release

Renewals that were referred to and approved by Lexington Programs for the expiring year of coverage need not be referred for the renewal under the following circumstances: (Except this will not apply as respects property in the Wind Zone)

The loss ratio has not deteriorated.

Ineligible operations have not been added

The premium has changed only due to rate increase or revenue change.

AIG approval must be copied and carried forward to renewal.

Specific Underwriting Guidelines by line of business

COMMERCIAL PROPERTY/ INLAND MARINE – See previous Section for Rates and Forms

EQUIPMENT BREAKDOWN - EXCLUDED

CRIME – See previous sections for Rates and Forms

GENERAL LIABILITY

Each risk should be identified and categorized by the Harris Guide. This information should be part of the underwriting process. In any State identified as the "Worst", specific pricing issues are detailed on the rating section of this manual.

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

All named insured and additionally insured operations must be verified. Knowing these relationships and operations is very important as they may be outside the Outfitter or Guide operations and unacceptable exposures to insure.

Certificates of Insurance from tenants and sub-contractors must be obtained. Certificates must show coverage limits equal to our insured's primary limits and indicate the insured is an A.I. on the tenant's policy. Additional Insured endorsement requirement will be waived if copies of all written contracts from the sub-contractor/supplier are in your underwriting file, and it documents that our insured is held-harmless and named an additional insured for liabilities arising out of the sub-contractor/supplier's

activities or operations. If you do not have a copy of the contract, then an Additional Insured Endorsement is required. If neither the contract, endorsement nor a certificate of insurance is available, the exposures will be excluded.

Requests for "Per Location" and "Per Event" aggregates must be referred to the carrier.

An approved/acceptable waiver and release form must be utilized by the insured. An acceptable waiver and release procedure for the risk is mandatory. A close review of the risk's procedures for enforcing the signing of the Minor and/or Adult Waiver is imperative to this type of facility. The risk must be declined if an acceptable waiver and release procedure is not in place.

A thorough analysis of lodging risks is necessary. Smoke detectors must be present in every bedroom or sleeping quarters.

Primary Lead Guide, Supervisor or Leader must be at least 21 years of age and have at least two years of experience in their field or should be based on each individual State requirement.

Alcoholic Beverages and Controlled Substances are not allowed to be provided by the Insured to be consumed aboard any watercraft. In addition, any customer who appears to be intoxicated or under the influence of illegal or controlled substances will not be allowed on board any watercraft, or participate in any activity.

Equipment maintenance/inspection procedures must be in place to assure that all equipment is in good working order.

Guides/leaders/drivers must have emergency communications equipment available at all times. One person per activity should be certified in first aid and cardiopulmonary resuscitation.

Each activity that requires safety equipment as part of participation must be in place and implemented.

Each applicable activity should have written procedure for emergency weather conditions, emergency medical evacuation and customer safety orientation.

Horse or Vehicle Drawn rides must be operated only by employees.

All water activity should have United States Coast Guard approved Personal Flotation Devices; they will be fitted to each customer and required on board the customer's watercraft, as per statutory requirements

| |
|---|
| <p>OUTFITTERS AND GUIDES PROGRAM RATES GENERAL LIABILITY 2010</p> |
|---|

Minimum Premium: Regardless of policy term or limit of liability:

\$1,500 for All Programs/Operations EXCEPT:

- \$2500 Mountaineering, Ropes and Challenge Courses, EXCEPT \$2,000 for new ventures Operations in business for less than One (1) year
- \$5,000 Guided Trail Rides (Livery and Rental), Carriage/Sleigh/Trolley Rides in Metropolitan Cities.
- \$5,000 for all other Equine Exposures

All rates contemplate a \$1,000 BI/PD Deductible and the exclusion of Medical Payments. Based on underwriting criteria, up to 15% credit is approved for renewals.

BOATING - All Types applicable to boats 20 passengers or less. Including Products.

All Boating rates are per \$1,000 of Sales

| | LOW | BASE | HIGH |
|--|---------|---------|---------|
| Demos, Clinics | \$9.80 | \$19.55 | \$29.35 |
| Class I, 2, 3 River / Lake-Flat-water Guided/& Non-Guided | \$12.90 | \$25.80 | \$38.70 |
| Class 4 & 5 River Guided/Non-Guided | \$15.65 | \$31.30 | \$46.95 |

Boat/Tube Rental-only operations will utilize the rates for the appropriate river/lake Class

FISHING AND HUNTING

| | | | |
|--|----------|----------|----------|
| Boats-canoes or rowboats-Per Boat *not equipped with motors (Clubs-Owned) | \$84.00 | \$168.00 | \$252.00 |
| Boats-motor-Per Boat *w/Motors up to 150HP (Clubs-Owned)) | \$157.50 | \$315.00 | \$472.50 |
| Club Members - Per Member | \$2.00 | \$3.90 | \$5.85 |
| Fishing - Per \$1,000 Sales | \$12.90 | \$25.75 | \$38.60 |
| Hunting - Per \$1,000 Sales | | | |
| \$ 0-10,000 | \$44.10 | \$88.20 | \$132.30 |
| \$ 10,001-25,000 | \$27.60 | \$55.15 | \$82.70 |
| \$ 25,001 and up | \$16.55 | \$33.10 | \$49.65 |
| Rifle/Pistol ranges - Per Range | \$115.50 | \$231.00 | \$346.50 |
| Trap/Skeet/Archery - Per \$1,000 Sales | \$20.00 | \$40.00 | \$60.00 |

MOUNTAINEERING including mountain-hiking; climbing; biking and trekking

| | | | |
|-----------------------------------|---------|---------|----------|
| Guiding - Per \$1,000 Sales | \$35.00 | \$68.25 | \$102.35 |
| Competition - Per Competitor | \$19.35 | \$38.70 | \$58.00 |
| Clubs - Per Person | \$1.10 | \$2.15 | \$3.25 |
| Climbing Walls - | | | |
| *Indoor Walls - Per \$1,000 Sales | \$18.95 | \$37.90 | \$56.85 |
| - Per Competitor | \$19.35 | \$38.70 | \$58.00 |
| *Mobile Walls Flat Charge | \$1,050 | \$2,100 | \$3,150. |
| - Per Event Day | \$40.00 | \$80.00 | \$120 |

ADVENTURE/CHALLENGE ROPES COURSE

| | LOW | BASE | HIGH |
|--------------------------------|--------|--------|--------|
| Participants - Per Participant | \$1.70 | \$3.35 | \$5.00 |

COMMERCIAL EQUINE

| | | | |
|---|------------|----------|------------|
| Hay, sleigh, trolley Rides-up to 20 passengers On or off premises: Per Unit | \$1,072.50 | \$2,145. | \$3,217.50 |
| Stage Coaches - up to 10 passengers On or off premises: Per Unit | \$1,072.50 | \$2,145. | \$3,217.50 |
| Carriage Rides-Per Unit | \$1,072.50 | \$2,145. | \$3,217.50 |
| Incidental Tack sales-Per \$1,000 Sales | \$106.15 | \$212.25 | \$318.40 |
| Handicapped Instruction - Flat Charge | \$2,155. | \$4,310. | \$6,465. |
| Incidental Horse Driving Instruction-Flat | \$432.50 | \$865.00 | \$1,297 |
| Pony rides-Flat Charge | \$432.50 | \$865.00 | \$1,297 |
| Guided Trail Riding (Livery and Rental) *Includes Products - Per \$1,000 Sales | \$225.00 | \$450.00 | \$675.00 |

****OPTIONAL RATES/EXPOSURES FOR ALL OPERATIONS**

| | | | |
|--|----------|----------|----------|
| Hiking & Camping/\$1,000 Sales | \$12.80 | \$25.75 | \$38.45 |
| Retail/Sporting Goods/\$1,000 Sales | \$5.00 | \$10.00 | \$15.00 |
| Cabins and guest rooms - Each | \$40.00 | \$80.00 | \$120.00 |
| Campgrounds – Per \$1,000 Sales | \$26.00 | \$51.90 | \$77.85 |
| Picnic Grounds – Per \$1,000 Sales | \$26.00 | \$51.90 | \$77.85 |
| Swimming Pools or Beaches - Each | \$520.00 | \$1,040. | \$1,560. |
| Hot tubs/sauna, etc. – Per Tub/Sauna | \$127.50 | \$255.00 | \$382.50 |
| Athletic Courts – Per Court | \$45.00 | \$ 90.00 | \$135.00 |
| Fishing Ponds –Per Pond | \$307.50 | \$615.00 | \$922.50 |
| Cross Country Skiing-Flat-No Rentals | \$172.00 | \$345.00 | \$517.50 |
| Bicycle–Per Bicycle-No Sep. Charge | \$75.00 | \$150.00 | \$225.00 |
| Snowmobiles – Per Snowmobile | \$315.00 | \$630.00 | \$945.00 |
| Food and Beverage–Per \$1,000 Sales | \$9.15 | \$18.30 | \$27.45 |
| *Restaurant/Snack Bar/Stores | | | |
| Lodges-Owned – Per Lodge | \$395.00 | \$790.00 | \$1,185. |
| Misc. Rentals (excluding boats) | \$17.10 | \$34.25 | \$51.40 |
| (Camping Equipment, Sporting Goods, Skis, Snowshoes, Etc.) | | | |

OPTIONAL DEDUCTIBLES:

| Per Occurrence | Multiplier |
|----------------|------------|
| 0 | 1.10 |
| 500 | 1.05 |
| 1000 | 1.00 |
| 2500 | .95 |
| 5000 | .90 |

LIQUOR LIABILITY RATES – See Previous Liquor Liability section for availability

Most Outfitters & Guides or Ropes Course operations do not have alcohol sales exposure. Risks with this exposure will be underwritten per guidelines.

GENERAL LIABILITY FORMS USED MUST BE THE ISO FORMS ALONG WITH K&K SPECIAL FILING WHERE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED

GENERAL LIABILITY FORMS (12/07 edition date) See previous section on General Liability for Mandatory Forms. These forms below are specific to this program

MANDATORY:

Exclusion - Sports/Leisure/Entertainment Activities (97012 2-08)

- Animals
- Bungee
- Amusement devices
- Rodeo

Exclusion – SLE Activities (97087 4-08)

- Airport
- Motorized Racing/Motorcycle/
- Watercraft/Powerboat
- Sailboats
- Saddle Animals
- Aircraft / Hot Air Balloon
- Snowmobiles
- Snow Sleds

COMMON OPTIONS

Amendment - Primary/non-contributory condition (where required by Permit Grantor & Governmental Entities)

CGL Broadened Endorsement (97008 2-08)

GL Enhancement Endorsement (97018 2-08 (\$500 Charge)

Additional Insured Required by Written Contract (96730 12-07) (Flat \$1500 Charge)

Requirements for Written Contract with Liquor Vendor (96724 12-07)

Exclusion – Professional Liability (97020 2-08), where applicable
Exclusion – Fireworks (96725 12-07)
Limited Fireworks (97015 2-08)
Employee Benefits – Declarations / Coverage (51767 4-02)

LIQUOR LIABILITY – SEE PREVIOUS SECTION FOR RATES AND FORMS

Stop Gap – Declarations / Coverage (65300)

CRIME – SEE PREVIOUS SECTION FOR RATES AND FORMS

Equipment Breakdown not available for Outfitters and Guides

Follow form excess – see previous section for rates and forms. This program limits the XS to a \$3,000,000 limit.

| |
|-------------------|
| Addendum E |
|-------------------|

EDITION DATE: 1/1/12

PROGRAM NAME: Gaming

PROGRAM DESCRIPTION:

The Gaming program provides Multi-Line property and casualty insurance coverage for Casinos, Video Gaming Halls, Card Clubs and Bingo Halls. Coverage applies to all premises and operations to the insured Casino including Hotels and Restaurants, Bars, Theaters, Entertainment, Conventions or Exhibits, retail stores of all types. Sports Events and LRO exposures will be separately rated. This program is not for the large Vegas Strip based Mega Casino operations.

RELATED PUC NUMBERS: 0212 Gaming Package
0213 Gaming Excess

Eligibility Requirements

Eligible Risks:

Traditional Casinos: Land Based Casinos; Card Clubs: Card Room operations in which the only form of legal gaming are card games. The patron rents a chair at a table and plays against the rest of the table for the pot. These are primarily located in California and Washington. Bingo Halls: For-profit and Not-for-Profit bingo operations; Video Gaming Halls and Slot Routes described as machinery located in malls, markets, restaurants, etc., throughout a specifically defined region or area. These can only be written in conjunction with a Casino we have insured.

Ineligible Risks:

Risks whose operations are comprised of the following: Dog Tracks, Horse Tracks, Off Track Betting, Navigable Vessels (such as Riverboats), Tribal or Reservation Gaming. Risks whose primary exposure/operation is not gaming. Casinos located directly on the Las Vegas Strip or in Atlantic City. Risks whose sole operation is simulcasting of racing events; generally referred to as Off Track Betting. Cofferdam Casinos: The casino sits on a "Pond" specifically designed for this purpose. These are located in states that require the gaming to take place "On Water". They are usually found in-land along streams and rivers in Missouri and Mississippi. Dockside Casinos: Permanently Moored Barge or Vessel that is not navigable. These are found along rivers and the shoreline of coastal areas such as Mississippi and Missouri.

Eligible Activities:

Operations that are customary to these risks are: Hotels and motels, Restaurants, Liquor sales, Theaters, Sporting Exhibitions, Entertainment and Performances, Dancing, Slot Routes, Retail Establishments, Conventions/Trade Shows, Private and Business Functions, Valet Parking, RV Parking/Accommodations with Laundry Facilities, Parking areas/Garages, Hospitality Services/Shuttles, Emergency Medical Personnel on-site.

Ineligible activities: Bungee Jumping, Stunting Events for Promotional gain.

Underwriting criteria:

Pictures of the Facility must be received WITHIN 30 DAYS OF BINDING. Photographs must include:
Outside Photographs: Front (roof must be visible in the picture), any Free-standing signs, parking lot.
Inside Photographs: Lounge area, cooking area, lanes, child care area, and spectator area.

Acord applications will be utilized for the Property, Automobile, Crime and Inland Marine.
K&K Specialty applications will be used for the General Liability exposures, WHERE APPLICABLE.
A D&B detailed report must be run on all risks, with Paydex at minimum of 65 or better, prior to quoting.
Financial information is mandatory and must be received prior to quoting.

Detailed description of security measures, including any Post 911 procedures that may have been implemented must be evaluated subject to K&K underwriting criteria, prior to quoting.

All lease agreements, event user agreement and management agreements if Manager is not our insured.

Prior to binding, all Subcontractor/Tenant agreements and COI (Liquor, Concessions, Retails, etc.), and any security certificates and or contracts if applicable must be evaluated and in the file.

| | |
|----------------------------------|--------------------------|
| Current event schedule | |
| Gaming Supplemental Application | 1157 7/04 |
| Liquor Liability Application | VG-48 – Where Applicable |
| Abuse & Molestation Supplemental | VG - 95 |
| MANDATORY SIGNATURE | 1030-ED.12/03 |

STANDARD ACORD FORMS AND ANY SPECIAL SUPPLEMENTAL APPLICATIONS ARE THE ONLY APPLICATIONS APPROVED FOR THIS PROGRAM.

COMMERCIAL PROPERTY/ INLAND MARINE – See previous section
FORMS – See previous section

CRIME - see previous section

EQUIPMENT BREAKDOWN – See Addendum I for Rates and Forms

GENERAL LIABILITY

- Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally

responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

- Certificates of Insurance from tenants/subcontractors must be obtained. Certificates must show coverage limits equal to our insured's primary limits and indicate the insured is an A.I. on the tenant's policy. A Copy of the actual endorsement must be requested and in the file. The carrier must be rated A-(X11) or better.
- All named insureds' and additional insureds' operations must be verified. Knowing these relationships and operations is very important as they may be outside the gaming operations and unacceptable exposures to insure.
- Requests for "Per Location and "Per Event" aggregates must be referred to the carrier.
- Slips and falls are a major part of these risks. A thorough analysis by loss control is necessary. Providing the insured with Loss Control Bulletins with regards to maintaining ramps, stairways, seating, floors, parking lots and sidewalks is required.
- A thorough review of the contracts must be performed. Risk acceptability and pricing will depend on who is responsible for the various exposures present. The more a facility is held-harmless and indemnified by subcontractors/tenants/users, the more attractive the risk. Check the following exposures for responsibility:
 - Parking
 - Concessions / Liquor
 - Maintenance
 - Security
 - First Aid
 - Lessees/Users
- Security is an important component of a well-controlled casino. Determine if security personnel are armed or unarmed; our employees or subcontracted out. Closely review the hold-harmless and indemnification wording of the contract if contracted security. Review the training and hiring practices closely if the security personnel are our employees. Confirm criminal background checks when Security is handled by employees. If sub-contracted, confirm they are licensed, bonded and also type of security (Off duty police officers, etc.)
- Life Safety Guidelines: Hotel/Habitational exposures must have hard-wired smoke detectors and alarms in each room. Emergency lighting with backup generators should be present. If these are not in place, refer to carrier.
- All named Insureds and additional Insureds operations must be verified. Knowing these relationships and operations is very important as they may be outside the normal operations and unacceptable exposures to insure.
- Requests to add performers as additional Insureds will not be processed until a copy of the performer's contract has been received, reviewed and approved.
- Medical Payments Exclusion is mandatory for this program
- A written emergency evacuation plan must be in place and a copy reviewed by Underwriter.

| |
|---------------------|
| Gaming Rates |
|---------------------|

ISO rates and Lexington program specific filed rates are the only rates approved for this program.

MINIMUM EARNED PREMIUM: Applies regardless of policy term or limit of liability:
\$3,500 or 20% of policy premium whichever is greater.

Any new risk using below "LOW" rates above, must be referred to the Carrier.
Based on underwriting criteria, up to 10% credit is approved for renewals.
In addition, experience rating can be utilized.

RATES:

| <u>Description:</u> | <u>**Rates: Payroll per \$1,000</u> | | |
|-------------------------|-------------------------------------|-------------|-------------|
| | <u>LOW</u> | <u>BASE</u> | <u>HIGH</u> |
| Gaming | \$4.50 | \$9.00 | \$17.75 |
| Lessor's Risk: EACH LRO | \$250 | \$500 | \$750 |

****RATES ARE BASED ON THE PAYROLL FOR ALL EMPLOYEES OF THE OPERATIONS**

GENERAL LIABILITY FORMS USED MUST BE THE ISO FORMS ALONG WITH K&K SPECIAL FILING WHERE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED

GENERAL LIABILITY FORMS (12/07 edition date). See previous section on General Liability for Mandatory Forms. These forms below are specific to this program.

Mandatory

- Commercial General Liability – Declarations
- Commercial General Liability Coverage (CG0001) 12/07
- Earned Premium Endorsement (97086 12-07)
- Exclusion – Medical Payments (CG2135)
- Exclusion – Employment Related Practices (CG2147)
- Exclusion – Abuse and Molestation (CG2146) - When exposure exists
- Exclusion – SLE Activities (97087 12-07)
 - Airport
 - Aircraft / Hot Air Balloon
- Amendment of Other Insurance Condition (96728 12-07)
- Designated Premises Operations (CG2144)

Common Options

- CGL Broadened Endorsement (97008 2-08)
- GL Enhancement Endorsement (97018 2-08 (\$500 Charge)
- Additional Insured Required by Written Contract (96730 12-07) (Flat \$1500 Charge)
- Requirements for Written Contract with Liquor Vendor (96724 12-07)
- Exclusion – Professional Liability (97020 2-08), where applicable
- Exclusion – Fireworks (96725 12-07)
- Limited Fireworks (97015 2-08)

Exclusion – Personal Injury Exclusion for Content... (97626 12-07)

Exclusion – Horse Track Participants (When PLL not provided) (96732 12-07)

Exclusion – Sports/Leisure/Entertainment Activities (97012 2-08)

Amusement devices

Bungee

Performers

Rodeos

Unintentional E&O / Knowledge-Notice of Occurrence (60207)

Deletion of Fellow Employees Exclusion (10% of Gross Premium (64007 4-05)

Employee Benefits – Declarations / Coverage (51767 4-02)

FREQUENTLY REQUESTED LIABILITY COVERAGE

Employee Benefits – Declarations/ Coverage (76163)

Liquor Liability – Declarations (CGDS03)

**Minnesota Mandatory endorsement must be attached when writing Liquor Liability In that State
(MNMAN 01/97)

Stop Gap – Declarations / Coverage (65300 11-96)

Follow Form Excess – See previous Section for Rates and Forms

| |
|-------------------|
| ADDENDUM F |
|-------------------|

EDITION DATE: 8/15/10

PROGRAM NAME: K & K Special Property

PROGRAM DESCRIPTION: All Risk Property Insurance for
K&K Dealership Program
K&K Motorsports Program
K&K Recreation Program
K&K Sports Program

Eligibility Requirements

Eligible Risks: General property and Inland Marine coverage associated with the sport, leisure and recreation risks, where K&K writes all other lines of coverage within their other programs in conjunction with Concessionaires; Exhibitions; Vendors; Franchised Motorcycle Dealerships; Fairs and Fairgrounds; Festivals; Special Events; Shows; Themed Attractions; Zoos; Aquariums; Youth & Day Camps; Health Clubs; Community Centers; Skating Facilities (Indoors); Motor Sports Racing Facilities; Events and Associations; Racing Owners & Sponsors; Amateur Sports Camps and Clinics; Sports Fitness; Amateur Sports Teams & Leagues; Amateur Sports Tournaments and Events; Dance Schools and Programs; Gymnastic Clubs & Programs; Martial Arts Schools and Programs; Short Term Special Events; Amateur Sports Associations; Sport Events; College Bowl Games; College and High School All Star Games; Professional Sports Teams; School Athletics and Dog Race Tracks.

Ineligible Risks: Comedy Clubs; Bars; Taverns; Nightclubs; Civic and Social Clubs; Fraternal Orders; Amusement Centers; Amusement Parks; Water Parks; Family Fun Centers; Bowling Centers; Casinos on land or permanently moored on Water; Card Clubs; Bingo Halls; Indian Reservations; Skate Parks Outdoors; any Adult Entertainment facilities; Resorts; Ski Resorts or Operations; Homeowner's Associations; Rope Course Builders; Animal Breeding facilities; Cattle Ranches; Campgrounds; Off Track Betting Facilities; Roller Skating Facilities (unsupervised or outdoors) and any other programs already covered under the existing AIG Programs (Arenas & Facilities; Horse Tracks; Outfitters & Guides; Promoters; Bowling and Billiards; Mardi Gras Parades and Parades)
(Any Florida location must be referred to Program Manager and may not be written on Admitted paper unless referred to Program Manager.)

Ineligible activities: On track, automobile physical damage; animal mortality; Dealers Physical Damage;

Unless specific guidelines apply refer to the Division 66 Property Qwiknotes.

COMMERCIAL PROPERTY/ – See previous section for rates and forms

INLAND MARINE

Lexington Program Division 66

Equipment Breakdown - See Addendum I for Rates and Forms

CRIME - see previous section

| |
|-------------------|
| Addendum G |
|-------------------|

| | |
|----------------------|-------------------------------------|
| EDITION DATE: | 8/15/10 |
| PROGRAM NAME: | Excess Follow Form Liability |

PROGRAM DESCRIPTION: K&K Sports Leisure & Recreation Follow Form Excess program

RELATED PUC NUMBERS: 7086

POLICY PREMIUMS

You may underwrite, quote and bind business on accounts with premiums up to the following amounts. These premium amounts apply only to business written in the Lexington Program Division, and do not apply to any business written with any other member company, branch, division or department of American International Group, Inc.

| | |
|-----------------|--|
| <u>\$50,000</u> | For Excess Follow Form Liability Coverages |
| <u>\$50,000</u> | For the sum of all policies and/or coverages written for one insured |

LIMITS OF LIABILITY

You may underwrite, quote and bind business on accounts with limit(s) up to the following levels.

Per Occurrence:

\$5,000,000 Excess of \$2,000,000 (Nationwide, except Gymnastics - \$1,000,000)

Follow Form Excess Liability

\$5,000,000 Excess of \$5,000,000 (GAC); \$5,000,000 Excess of \$5,000,000 (Nationwide)

Eligible Risks: Health Clubs; Sports Clubs; Community Centers; Dog Tracks; Motorcycle Dealerships; Fairs; Events Planners; Festivals; Shows; Events; Zoos; Aquariums; Themed Attractions; Youth Camps; Motor Sports Events; (Renewals only for Motor Sports Facilities; Motor Sports Race Teams and Sponsors;) Amateur Sports & Associations; Minor League Sports, **Professional Sports (On referral only);** Intercollegiate/Interscholastic Sports; Sports Fitness Instructors; Special Events; Concessionaires; Exhibitions; Vendors; and all other carrier (Nationwide / Scottsdale/Mt. Hawley) approved primary general liability accounts, except for those specifically defined below.

Ineligible Risks: Primary exposure identified as follows: Professional Wrestling; or any Professional Wrestling events; Family Fun Centers; Amusement Parks; Water Parks; Golf Courses; Casinos (land and water based); Card Clubs; Bingo Halls; Arcades; BMX Tracks; Outdoor Ice Skate Parks; Natatoriums; Extreme Sports Centers; Roller Skating Operations; Road Houses; Drive Thru Establishments; Resorts; Snowmobile Rental Operations; Dude Ranches; Ski Resort Operations; Homeowner's Associations; Campgrounds; Extreme Camps; Boot Camps; Travel Camps; Swimming and Aquatic Centers; Residential Community Centers; Social Service Centers; Circuses; Boxing Events/Gyms; Non-Franchised Motorcycle Dealerships; Automobile Dealerships; Boat Dealerships; Go Kart Concessions; Off-Road Vehicle Parks; Tribal Gaming; Tribal Nations; Comedy Clubs; Bars, Taverns and Nightclubs; Civic or Social Clubs; and any Fraternal Orders or Associations. **Professional Sports are ineligible, but can be referred.**

Ineligible activities: Primary exposures identified as follows: BMX Racing; Adult Entertainment facilities; Snow Skiing/Tubing; Hang Gliding; Hot Air Ballooning; Mechanical Bulls; New Motorsports facilities, teams and sponsors; Shooting/Archery/Trap Skeet Ranges; Animal Breeding; Steeplechase; Cattle operations or ranches; Bungee Jumping; Extreme Sports; Tough/Iron Man Competitions; Rugby; Circuses or Circus Special Events; Rap Concerts; Law Enforcement Training Programs; Ultimate Fighting; Drag Boat Racing; Jet vehicle racing; Body Piercing or Tattooing operations;

Underwriting criteria:

Any primary policies which indicate a Loss ratio for the current year and/or the past three years (all lines combined) 30% or more and with any single loss greater than \$50,000, the XS will need to be referred.

Per underlying program criteria

Specific Underwriting Guidelines by line of business

POLICY FORMS and RATES MUST BE EITHER ISO OR LEXINGTON FILED AND APPROVED FORMS UNLESS SPECIFICALLY LISTED.

EXCESS Follow Form Liability

The Primary General Liability policy **must be written** within the scope of the Primary Liability Programs within K & K; written through Nationwide Insurance Company, and Scottsdale Insurance Company.

Operations outside the scope of the Primary Liability Program may be scheduled and covered subject to company approval.

Underlying schedule must include automobile liability coverage and/or miscellaneous liability coverage.(see underlying requirements)

Liquor Liability may be covered if primary coverage is shown in the schedule of underlying.

Employers Liability is included (see underlying requirements)

Employee Benefit Liability may be included on a following form basis

Professional Liability or E&O coverage must be on a following form basis and **only if provided on the primary**

TERM:

Odd time extension of up to ninety (90) days can be granted subject to premium adjustment.

If term is non-concurrent with effective date of the primary GL, non-concurrent endorsement must be attached. Form 66123 – Retained Limit Endorsement

UNDERLYING REQUIREMENTS FOR Excess COVERAGE:

General Liability-\$1,000,000 occ./\$2,000,000 ann. Agg. Combined Single Limit BI/PD. All provisions outlined in the Comprehensive General Liability Section of these guidelines shall apply.

Automobile Liability- (includes hired and non-owned) \$1,000,000 CSL

Employers Liability-\$500/500 or as permitted by state regulation

Liquor Liability-\$1,000,000 each common cause/aggregate

Employee Benefit Liability-\$1,000,000 each wrongful act /aggregate (Claims Made Form)

UNDERLYING CARRIERS FOR COVERAGES NOT PROVIDED IN THE PROGRAM MUST BE BEST RATED AT LEAST A- VII OR ABOVE.

THE PREMIUM AND MINIMUM PREMIUMS FOR EACH POLICY SHALL BE AS APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED.

FORMS USED MUST BE THOSE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED.

EXCESS PRICING GRID

RATING: Subject to \$2500 Minimum Earned Premium
 Base Underlying Premium = Written premium *before* deductible credits.
 1st Million excess of primary shall be rated as follows:
 .20 Base Underlying Primary GL Premium
 .25 Base Underlying Primary Automobile Premium
 .30 Base Underlying Liquor Liability Premium & Other Liability excluding Auto

| LIMIT | PRIMARY | Minimum Premium |
|-------|----------------|-----------------|
| 1X1 | 20% of Primary | \$ 2,500.00 |
| 1X2 | 30% of 1X1 | \$ 1,000.00 |
| 1X3 | 20% of 1X1 | \$ 1,000.00 |
| 1X4 | 20% of 1X1 | \$ 1,000.00 |
| 1X5 | 20% of 1X1 | \$ 1,000.00 |
| 1X6 | 12% of 1X1 | \$ 1,000.00 |
| 1X7 | 12% of 1X1 | \$ 1,000.00 |
| 1X8 | 12% of 1X1 | \$ 1,000.00 |
| 1X9 | 12% of 1X1 | \$ 1,000.00 |
| 1X10 | 12% of 1X1 | \$ 1,000.00 |
| 1X11 | 10% of 1X1 | \$ 1,000.00 |
| 1X12 | 10% of 1X1 | \$ 1,000.00 |
| 1X13 | 10% of 1X1 | \$ 1,000.00 |
| 1X14 | 10% of 1X1 | \$ 1,000.00 |
| 1X15 | 10% of 1X1 | \$ 1,000.00 |

****Minimum premium per Million is amended to \$750 for those K&k programs considered to be Mass Merchandising. (Gymnastic, Martial Arts, Dance and Exercise Studios)**

| |
|-------------------|
| Addendum H |
|-------------------|

EDITION DATE: 1/1/12

PROGRAM NAME: Parades/Mardi Gras

PROGRAM DESCRIPTION:

The Mardi Gras program has been designed to provide commercial property and casualty insurance coverage for any celebration parades held in Louisiana and Mardi Gras parades held in other States. Other Parades are also eligible for coverage.

RELATED PUC NUMBERS: Parades Pkg 0222
Parades Excess 0223

POLICY PREMIUMS

You may underwrite, quote and bind business on accounts with premiums up to the following amounts. These premium amounts apply only to business written in the Lexington Program Division, and do not apply to any business written with any other member company, branch, division or department of Chartis Insurance, Inc.

| | |
|----------|--|
| \$10,000 | For Property /Inland Marine Coverages |
| \$30,000 | For General Liability Coverages |
| \$10,000 | For Commercial Automobile Coverages |
| \$5,000 | For Umbrella Liability Coverages |
| \$5,000 | For Commercial Crime Coverages |
| \$50,000 | For the sum of all policies and/or coverages written for one insured |

Eligibility Requirements

Eligible Risks:

Parades, including Mardi Gras Parades. Under Mardi Gras parades we will provide coverage for Individual floats, units, bands, krewes, reviewing stands and associated events.

Ineligible Risks:

Float Builders, races, and Parades which are part of a larger event. Annual Parade policies with the exception of Mardi Gras accounts. Any risk that falls outside the Underwriting Guidelines and/or is not included in the "Eligible Risks" category; will be considered an "Ineligible Risk" and must be referred to the carrier.

Ineligible activities:

Athletic Events, Motorized Racing, and Stunts of any kind.

Three-year currently valued hard copy loss history provided by the insurance carrier, if available. Very often, there is no loss history available on the Parades. A No known Loss letter will be accepted from the Parade organizers on small parades under \$5,000. in premium.

K&K Mardi Gras Applications will be utilized for the General Liability and Inland Marine exposures

COMMERCIAL PROPERTY/ INLAND MARINE/(Mardi Gras Accounts Only)

Refer to Property Section for additional guidelines.

Unless specific guidelines apply refer to the Division 66 Property Qwiknotes.

General Description of each float. Evaluate the valuation and determine if the limit requested is adequate.

Determine if our insured owns or leases the float. If leased, review the lease contract to determine our insured's liability. Determine at what point we are responsible to provide coverage. If we are responsible in transit, determine our insured's ability to properly protect the floats during transit. Additionally review the period our insured is responsible to provide coverage and have the policy correctly reflect this period.

Obtain information for storage of the floats. If stored at the insured's premise, obtain complete security and details for storage. If stored elsewhere, obtain and review the contract with the storage location. Request information regarding security for the storage location.

POLICY FORMS MUST BE EITHER ISO OR CHARTIS FILED AND APPROVED FORMS UNLESS SPECIFICALLY LISTED. ISO Rates are to be utilized for all property risks.

FORMS COMMON TO ALL COVERAGE PARTS

Common Policy - Declarations
Exclusion – Terrorism & War (81127 / 12/02) (If applicable)
Exclusion – Nuclear Liability (IL0021)
State Mandatory Forms

COMMERCIAL PROPERTY FORMS (10/00)

Commercial Property – Declarations
Building & Personal Property (CP0010)
Special Causes of Loss (CP1030)
Windstorm or Hail Exclusion – CP1054)
Louisiana Changes, Appraisal PR26501LA (Mardi Gras accounts)
Louisiana Changes - Cancellation/Nonrenewal (IL 0277)
Commercial Property Extension Endorsement (AIU 130) - Note Additional minimum premium charge of \$500 for all states except Ca, where charge is \$600.

**INLAND MARINE-
FREQUENTLY REQUESTED COMMERCIAL INLAND MARINE COVERAGE FORMS- see previous section**

GENERAL LIABILITY

Applications and accompanying statements must identify all entities insured as they are currently and entities, products and operations as they were in the past if the insured remains legally responsible for them. If any past entities, products or operations would not be eligible for consideration within this program, the prospect must be submitted to the company prior to any commitment.

All named insured's and additional insured's operations must be verified. Knowing these relationships and operations is very important as they may be outside the operations of this program and unacceptable exposures to insure.

Local and Low Profile Performers may be added as an additional insured. Well-known entertainers will not be added as an additional insured to the policy unless the insured is an additional insured on their policy as well.

Float Builders may be added as Additional insured only upon proof that our Insured is an Additional insured on the Float Builder's policy. Certificates must show coverage limits equal to our Insured's primary limits and indicate the Insured is an Additional Insured on the Float Builders policy. Additional Insured endorsement requirement may be waived if copies of all written contracts from the Float Builder are in the

underwriting file, and it documents that our Insured is held-harmless and named an additional insured for liabilities arising out of the Float Builders activities or operations. If you do not have a copy of the contract, then an Additional Insured endorsement is required.

Requests for Waiver of subrogation must be referred to the program manager. If prior approval has been granted and if policy is a renewal, than authority is granted on the renewal.

Requests for "Per Location" and "Per Event" aggregates must be referred to the program manager. (Authority is granted for \$3,000,000 policy aggregate only for those parades in Jefferson Parrish and only for the Day of the Parade)

Review parade route.

Review contingency plan, in the event of a disaster.

Review the participants of the parade. If there are animals participating, obtain details of our insured's liability. Determine controls in place to avoid injury to spectators.

If there are motorized units in the parade, determine if there are proper controls in force to avoid injury to spectators.

Review security plan with relation to crowd control and determine the adequacy based on the event in question.

Review the planned event and determine if this parade is part of a larger event. If so, refer to the program manager.

Review contracts the insured is signing with others. Determine the full extent of our insured's liability. All sub-contractors should name our insured as additional insured on their policy and present our insured with a certificate of insurance as proof of coverage in force.

Regarding annual policies for Mardi Gras, review all exposure occurring throughout the course of the year. An applicable charge needs to be made for each non-parade event.

Regarding Mardi-Gras Balls, a special Ball application must be completed. Each Ball will be individually underwritten and will be covered under the annual policy.

MARDI GRAS PARADES

EXPOSURES: Premises Liability; Products Liability, Premises Office, Premises Retail, Premises Warehouse including LRO exposures for these occupancies.

LRO- (Premises - Offices, Retail, Warehouse),

OPTIONS OF LIMITS AVAILABLE:

| | | |
|---------|--------------|---|
| LIMITS: | \$ 1,000,000 | General Aggregate Limit |
| | \$ 1,000,000 | Products - completed Operations Aggregate Limit |
| | \$ 500,000 | Personal and Advertising Injury Limit |
| | \$ 500,000 | Each Occurrence Limit |
| | \$ 300,000 | Fire Damage Limit |
| | Excluded | Medical Expense Limit |
| LIMITS: | \$2,000,000 | General Aggregate Limit |
| | \$2,000,000 | Products - completed Operations Aggregate Limit |

| | |
|-------------|---------------------------------------|
| \$1,000,000 | Personal and Advertising Injury Limit |
| \$1,000,000 | Each Occurrence Limit |
| \$ 300,000 | Fire Damage Limit |
| Excluded | Medical Expense Limit |

MARDI GRAS RATES:

MARDI-GRAS MINIMUM EARNED PREMIUM \$2,500
NON-MARDI GRAS MINIMUM EARNED PREMIUM
\$1,500

Mini Floats (5 or less Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$500,000 | \$192 |
| Per Float | \$1,000,000 | \$289 |

Standard Floats (6 - 12 Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$500,000 | \$337 |
| Per Float | \$1,000,000 | \$425 |

Regular Floats (13 - 20 Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$500,000 | \$482 |
| Per Float | \$1,000,000 | \$602 |

Super Float (21-50 Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$1,000,000 | \$670 |
|-----------|-------------|-------|

Tandem Float (51- 100 Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$1,000,000 | \$804 |
|-----------|-------------|-------|

Super Tandem Float (101-150 Riders)

| | | |
|-----------|-------------|-------|
| Per Float | \$1,000,000 | \$963 |
|-----------|-------------|-------|

Super-Super Tandem Float (151-200 Riders)

| | | |
|-----------|-------------|---------|
| Per Float | \$1,000,000 | \$1,158 |
|-----------|-------------|---------|

Year Round Special Events (Per 6 Events) (Picnics, Small Dances, Krewe Meetings. **EXCLUDES: Bingo and Sporting Events.**

| | | |
|-----------|-------------|---------|
| \$ | | \$2,407 |
| \$500,000 | | |
| | \$1,000,000 | \$3,127 |

Special One-Time Events (Dances, Dinners) **EXCLUDES: Bingo and Sporting Events *BALLS MUST BE REFERRED TO K&K**

| | | |
|------------|-------------|-----|
| Per Person | \$500,000 | \$2 |
| Per Person | \$1,000,000 | \$3 |

| | | |
|--------------------------------------|-------------|-------|
| Marching Clubs | | |
| Under 100 members – Flat – Per Event | | \$125 |
| Over 100 members: | | |
| Per Member | \$500,000 | \$2 |
| Per Member | \$1,000,000 | \$4 |

| | | |
|------------------------|-------------|-----|
| Reviewing Stands | | |
| Per Person / Per Stand | \$500,000 | \$3 |
| Per Person / Per Stand | \$1,000,000 | \$4 |

| | | |
|--|--|---|
| Truck Parades (Per Truck Rates) | | <u>UNDERWRITER APPROVAL REQUIRED</u> |
| \$500,000 Per Occ. / \$500,000 Aggregate | | \$450 |
| \$1,000,000 Per Occ. / \$1,000,000 Aggregate | | \$600 |
| \$1,000,000 Per Occ. / \$2,000,000 Aggregate | | \$700 |

| | | |
|---|--|-------|
| Truck Parades Float & Flatbed Storage (Per Trailer Includes AI Charges) | | |
| Parked Floats & Flatbeds in Fenced Storage \$1,000,000/\$2,000,000 | | \$100 |
| Extended Motor Vehicle Liability | | \$150 |

| | |
|---|---------------------|
| Inland Marine (\$1,000 Deductible) | Subject to \$500 MP |
| Floats & Other Property - Per \$100 Value | \$1 |
| Theatrical Property (Costumes, Beads) Per \$100 Value | \$1 |

St. Patrick's Day Parade

| | |
|--------------------|-------|
| \$500,000 | |
| Truck Floats | \$450 |
| Traditional Floats | \$361 |
| Mini-Floats | \$119 |
| Convertibles/PU | \$119 |
| Marching Clubs | \$242 |
| \$1,000,000 | |
| Truck Floats | \$700 |
| Traditional Floats | \$456 |
| Mini-Floats | \$181 |
| Convertibles/PU | \$145 |
| Marching Clubs | \$312 |

NON MARDI GRAS RATES:

GENERAL LIABILITY: Based on number of admissions
Rate Range: .20 - .50 per admission
Minimum Premium: \$1,500

GENERAL LIABILITY FORMS USED MUST BE THE ISO FORMS WHERE APPROVED FOR USE BY THE COMPANY IN THE STATE WHERE COVERAGE IS AFFORDED

GENERAL LIABILITY FORMS (10/01 edition date) **Mandatory

Commercial General Liability – Declarations **
Commercial General Liability Coverage (CG0001)**
Terrorism Exclusion (81127)
Premium Recap (VSK17486GL)**
Earned Premium Endorsement (PRG2009)
Exclusion – Medical Payments (CG2135)**
Exclusion – Employment Related Practices (CG2147)**
Exclusion – Asbestos (42833 or LX5047)**
Exclusion – Abuse and Molestation (CG2146)**
Exclusion – Fireworks (60276)**
Exclusion – Athletic Participants (List Ineligible Activities) (CG2101)
Exclusion – Field of Entertainment (60638)
Exclusion – Securities and Financial Interest (73003)
Limitation of Coverage (CG2144)
Exception to exclusion for parade float – 100468
Limited Event Coverage – 100472
Limited motorized parade vehicle liability -102080
Limited Event Coverage – PRG 3090 (06/04)
Unintentional E&O / Knowledge-Notice of Occurrence (60207)
Limited Motorized Parade Vehicle Liability – (PRG 3199 12-08)
Additional Insured – Designated Person or Organization (CG2026)
Louisiana Changes – Cancellation / Non-Renewal (IL0277) Mardi-Gras
Louisiana Changes – Non-Binding Arbitration (CG2640) Mardi-Gras
Louisiana Changes – Insuring Agreement (CG0125) Mardi-Gras
Louisiana Changes – Legal Action Against Us (CG0118) Mardi-Gras
Louisiana Changes – Premium Audit Condition (CG2672) Mardi-Gras
Louisiana Changes – Pollutants and Hostile Fire Conditions (CG2679) Mardi-Gras
Excess Provision – Vendors (CG2410)
Passenger Hazard Coverage (PRG3093)
Absolute Pollution Exclusion (CG2149)
Exclusion – Stunting (72981)
Exclusion –Described Hazards (Carnivals, Circuses, Fairs) (CG2258)
Service of Suit Clause (73035)
Products and Completed Operations – Redefined (CG2407)
Additional Insured (CG2026)
Exclusion – Lead Paint (61717)12/94

POLICY FORMS MUST BE EITHER ISO OR CHARTIS FILED AND APPROVED FORMS UNLESS SPECIFICALLY LISTED.

CRIME (Mardi Gras Accounts Only) – See previous Crime section for rates and forms

FORMS USED ARE TO BE THE FILED AND APPROVED ISO CRIME FORMS.

EXCESS Follow Form – See Previous section for rating and forms

Mardi Gras Program Excess limits : \$3,000,000 maximum allowable.

**SPORTS, LEISURE AND ENTERTAINMENT RPG - Filing 2009
Exception Page**

A. EXPOSURES: Premises, Operations, Parade Route, Parking, Staging/Disbanding Area, Reviewing Stands, Den/Office, Events, LRO Exposures for Facilities ; Additional Insured's

Parade Program (\$500,000 Occurrence)

B (1)

**LIABILITY
LIMITS**

| | |
|-------------|---|
| \$1,000,000 | General Aggregate Limit |
| \$1,000,000 | Products-Completed Operations Aggregate Limit |
| \$ 500,000 | Personal Injury and Advertising Injury Limit |
| \$ 500,000 | Each Occurrence Limit |
| \$ 300,000 | Damage to Premises rented to you |
| Excluded | Medical Expense Limit |

| | | | |
|-------------------|-------|-------|----------------|
| | Low | High | |
| RANGE RATE | \$83 | \$626 | Per Float |
| FILED: | \$.09 | \$.40 | Per Admissions |

**COMMON
PROGRAM
OPTIONS:**

| | |
|-----------------------------|---|
| One Day Events: | |
| \$1.00 - \$2.60 | Per Head |
| Annual Events: (includes 6) | |
| \$1685 - \$3129 | Per 6 events |
| Marching Clubs: | |
| \$1.40 - \$2.60 | Per Member (Min. of \$125 Per Event) |
| Reviewing Stands: | |
| \$2.00 - \$4.00 | Per Person – Per Stand |
| Truck Parades: | |
| \$315 - \$585 | Per Truck (\$500,000 Occ/\$500,000 Agg) |

Parade Program (\$1,000,000 Occurrence)

B (2)

**LIABILITY
LIMITS**

| | |
|-------------|---|
| \$2,000,000 | General Aggregate Limit |
| \$2,000,000 | Products-completed Operations Aggregate Limit |
| \$1,000,000 | Personal Injury and Advertising Injury Limit |
| \$1,000,000 | Each Occurrence Limit |
| \$ 300,000 | Damage to Premises rented to you |
| Excluded | Medical Expense Limit |

| | | | |
|-------------------|-------|--------|----------------|
| | Low | High | |
| RANGE RATE | \$102 | \$1505 | Per Float |
| FILED: | \$.14 | \$.65 | Per Admissions |

**COMMON
PROGRAM
OPTIONS:**

| | |
|---|---|
| One Day Events: | |
| \$2.10 - \$3.90 | Per Head |
| Annual Events: (includes 6) | |
| \$2189 - \$4065 | Per 6 events |
| Marching Clubs: | |
| \$2.80 - \$5.20 | Per Member (Min. of \$125 Per Event) |
| Reviewing Stands: | |
| \$2.80 - \$5.00 | Per Person – Per Stand |
| Broadened Parade Vehicle Liability: (Mardi Gras only) | |
| \$105 - \$195 | Flat Charge |
| Truck Parade Float: | |
| \$490 - \$910 | Per Truck |
| Parked Floats & Flatbeds | |
| \$70 - \$130 | Per Trailer-includes AI charge |
| Truck Parades: | |
| \$420 - \$780 | Per Truck (\$1,000,000 Occ/\$1,000,000 Agg) |

C. LCM'S Do Not Apply.

All rates contemplate the inclusion of terrorism.

All rates contemplate the inclusion of the Limited Motorized Parade Vehicle Liability Coverage, and Passenger Hazard Coverage. (This applies to Mardi Gras Parades in all states, and applies to St. Patrick and Easter Parades in Louisiana)

All rates contemplate a -0- deductible.

Minimum Premium: \$2500 Mardi Gras
\$1500 Non Mardi Gras

Addendum I

K & K -- EQUIPMENT BREAKDOWN GUIDELINES

Covering operations for accounts quoted by K & K Insurance Group, Inc., in conjunction with the Lexington Program Division.

Eligibility:

- K&K Property Program
- Arenas / Facilities / Movie Theatre Program
- Bowling& Amusement Centers & Billiards Program

- Horse Tracks and Gaming Program

Referral Risks:

- Any risk that has a location with a Total Insured Value (Building, Personal Property and BI) greater than the TIV granted for Property and Inland Marine, per these guidelines
- Any risk with locations outside the United States
- Any risk with Inland Marine Coverage, Builders Risk, Equipment Floater or Contractor Installation Floater that requires Equipment Breakdown coverage
- Any risk, regardless of class or value, which is engaged in the generation of power, other than emergency back-up power
- Any risk with mixing, blending or other manufacturing operations, or any cold storage operations.

Equipment Breakdown wording:

Enhanced Property Forms and Endorsements

| <u>Equipment Breakdown Insurance Profile</u> | | |
|--|--|---|
| Coverage: | Comprehensive Equipment Breakdown Coverage | |
| | Equipment Breakdown Limit | Up To \$25,000,000 TIV, to follow property authority as provided per these guidelines |
| | Property Damage | Included |
| | Off Premises Property Damage | Follows property up to \$50,000 Sublimit |
| | Business Income | Follows Property |
| | Extra Expense | Follows Property |
| | Expediting Expenses | \$25,000 Sublimit |
| | Hazardous Substances | \$25,000 Sublimit |
| | Perishable Goods | \$25,000 Sublimit |
| | Dependent Property | \$25,000 Sublimit |
| | Computer Equipment | \$25,000 Sublimit |
| | Data Restoration | \$25,000 Sublimit |
| | Ordinance or Law | Follows Property |
| | Service Interruption | \$25,000 Sublimit (24 Hr Waiting Period) |
| | Newly Acquired Premises: per Property form, subject to a maximum: | \$1,000,000 - Building \$1,000,000 - Business Personal Property \$500,000 - Business Income |
| Other Conditions: | Newly Acquired Locations per Property form, subject to a maximum: | 60 days |
| Deductible: | Follows property, \$1,000 minimum. | |
| Definition of TIV: | 100% Building Value and Contents Value (excluding Stock) and Business Interruption | |

Rates:

- K&K Property Program: Gross rate of .01 per \$100 of TIV **
- Arenas / Facilities / Movie Theatre Program: Gross rate of .019 per \$100 of TIV

- Bowling & Amusement Centers and Billiards Program: Gross rate of .035 per \$100 of TIV
- Horse Tracks and Gaming Program: Gross rate of .054 per \$100 of TIV

** as respects the K&K Property Program only: to increase sublimit From \$25,000 to \$100,000 = Factor 1.04

ADDENDUM J

| | |
|----------------------|--|
| EDITION DATE: | 1/1/12 |
| PROGRAM NAME: | Off Track Storage Physical Damage |
| PUC CODE: | 203 |

PROGRAM DESCRIPTION: All Risk Physical Damage to property stored in connection with Off Track Motor Sports Program

Eligibility Requirements

Eligible Risks: Physical Damage coverage on Off Track Storage for motor sports program including race vehicles, Off Road/rock crawl buggies, tools, trailers or motor homes related to the storage and transportation and unloading and loading of said equipment or vehicles.

Ineligible Risks: Any Motorcycle/Automobile dealerships, Fleets of Commercial Buses, and any On track vehicle operating under its own power.

Authority is granted to quote or bind any account that requests property/inland marine coverage for any of track storage coverage subject to the existing eligibility requirements documented in these guidelines.

This coverage may be written on a mono-line basis.

Limits as shown on Page 2 of the Underwriting Guidelines for Commercial Property and/or Inland Marine are limited to \$5,000,000 amount subject. Higher limits can be handled as a referral to the Program Manager.

Policy forms must either be ISO or New Hampshire filed and approved forms unless specifically listed.

| | |
|----------------|-------------------------------------|
| 59659(2/94) | Common Dec |
| 78711 (10/10) | Addendum to the Dec |
| IL 00 17 11 98 | Common Conditions |
| CM DS 02 09 00 | Commercial Inland Marine Dec |
| IL 1201 11 85 | Endorsements / Schedule |
| CM 00 01 09 04 | Commercial Inland Marine Conditions |
| 106463 (01/11) | Off-Track and Storage Coverage Form |

Loss ratio parameters for Off Track Storage are amended to read: loss ratio for the current year and/or the past four years 40% or less and with no single loss greater than \$50,000

The following is updates apply to buildings where property is stored :

Buildings should be 20 years of age or less, or evidence must be obtained and kept in the file that wiring, heating and plumbing is up to date with all current codes and that the roof condition is satisfactory. Acceptable documentation is:

- The signed application affirming updates to the roof within the past 15 years, or if more than 15 years, or
- Additional written affirmation that the roof covering has been inspected and is in satisfactory condition; and
- The signed application affirming updates to the wiring, heating and plumbing have been performed; or
- Additional written affirmation that the roof covering has been inspected and is in satisfactory condition;

If such affirmation is not received, then copies of inspections by a licensed contractor, municipal building inspector or loss control reports will be sufficient documentation.

Additional questions will be incorporated into the application for this class regarding the construction and age of building.

Exception to standard property guidelines contained here in:

Property located in Protection Class 8, 9 and 10 will not require referral. If no more than \$2,500,000 of storage within a building that is in PC 8,9 or 10, we can agree to a TIV of \$5,000,000. If more than that to be within a building, we would require a referral.

Section 5. Property Perils, in the Wind/Coastal Property section amended as follows: (For this specific program only) Refer to the property section of this guidelines.

Wind/Coastal Property – For accounts that have storage locations within any of the windstorm control zones, authority is granted to provide windstorm and hail coverage, subject to the requirements shown in the Section 16. A. Commercial Property / Inland Marine. The Definition of windstorm control zones may be found in the Property Qwik Notes.

Add to Section 16. A.:

Authority is granted to provide windstorm coverage for accounts that have storage locations within windstorm control zones, subject to documentation within the underwriting file that the insured has written procedures in place that in the event of a Named Storm whose path is forecasted to cross a covered location or where local authorities have issue a hurricane warning which includes a covered location that:

- All such property, being mobile in nature, will be relocated to a location beyond the predicted geographic impact area of such Named Storm or if not;
- Covered property will be moved inside buildings at the storage location.

With affirmation of such procedures, coverage may be provided at the same deductible as all other perils subject to the limit authority in the guidelines.

Rates as approved for the program are as follows:

OFF COURSE & STORAGE RATES

| CLASSIFICATION | DEDUCTIBLE | LOW BASE | BASE | HIGH BASE | VERY HIGH BASE |
|----------------|------------|-------------|--------|--------------|-------------------|
| PROFESSIONAL | \$1,000 | \$0.50 | \$1.00 | \$1.25 | \$2.00 |
| | \$2,500 | \$0.40 | \$0.75 | \$0.94 | \$1.50 |
| | \$5,000 | \$0.35 | \$0.60 | \$0.75 | \$1.20 |
| | \$10,000 | \$0.30 | \$0.50 | \$0.63 | \$1.00 |
| PRO - AM | \$1,000 | \$0.50 | \$1.20 | \$1.56 | \$2.50 |
| | \$2,500 | \$0.45 | \$1.05 | \$1.31 | \$2.10 |
| | \$5,000 | \$0.40 | \$0.90 | \$1.13 | \$1.80 |
| | \$10,000 | \$0.35 | \$0.75 | \$0.94 | \$1.50 |

Lexington Program Division 66

| | | | | | |
|---------|----------|--------|--------|--------|--------|
| AMATEUR | \$1,000 | \$0.58 | \$1.50 | \$1.88 | \$3.00 |
| | \$2,500 | \$0.53 | \$1.35 | \$1.69 | \$2.70 |
| | \$5,000 | \$0.47 | \$1.25 | \$1.56 | \$2.50 |
| | \$10,000 | \$0.43 | \$1.00 | \$1.25 | \$2.00 |

M.H./TRAILERS

COST NEW

| | | | | | |
|-----------------------|-------------------|--------|--------|--------|--------|
| 0 - \$200,000 | \$2,000 - 5,000 | \$0.64 | \$0.85 | \$1.06 | \$1.70 |
| \$200,001 - 300,000 | \$3,000 - 5,000 | \$0.71 | \$0.95 | \$1.19 | \$1.90 |
| \$300,001 - 499,999 | \$5000 - 10,000 | \$0.83 | \$1.10 | \$1.38 | \$2.20 |
| \$500,000 - 1,000,000 | \$10,000 - 25,000 | \$1.01 | \$1.35 | \$1.69 | \$2.70 |

Rating Modification. The company rates for the risk may be modified in accordance with the rating table to recognize such special characteristics of the risk as are not fully reflected in the in the basic company premium or company rates. The total credits or debits under the following table shall not exceed 25%

| Risk Characteristics | Description | Modifications | |
|------------------------|---|---------------|--------|
| | | Credits | Debits |
| Management | Cooperation in safeguarding and proper handling of property | 8% | 8% |
| Location | Accessibility and environment | 7% | 7% |
| Building Features | Age, condition and unusual structural features | 5% | 5% |
| Premises and Equipment | Care, condition and type | 5% | 5% |
| Employees | Selection, training, supervision and experience | 5% | 5% |
| Protection | Not otherwise recognized | 10% | 10% |
| Total | | | |

ADDENDUM K

EDITION DATE:

1/1/12

PROGRAM NAME: K & K Specialty Automobile
PUC CODE: 231

PROGRAM DESCRIPTION: K&K Mono line Automobile business written to support K&K where they provide all other lines of coverage in conjunction with their program underwriters which are garaged in New Jersey, District of Columbia and Massachusetts.

Eligibility Requirements

Eligible Risks: Commercial Automobile as described in these guidelines associated with the sport, leisure and recreation risks, where K&K writes all other lines of coverage within their other programs in conjunction with Concessionaires; Exhibitions; Vendors; Fairs and Fairgrounds; Festivals; Special Events; Shows; Themed Attractions; Zoos; Aquariums; Youth & Day Camps; Health Clubs; Community Centers; Skating Facilities (Indoors); Amateur Sports Camps and Clinics; Sports Fitness; Amateur Sports Teams & Leagues; Amateur Sports Tournaments and Events; Dance Schools and Programs; Gymnastic Clubs & Programs; Martial Arts Schools and Programs; Short Term Special Events; Amateur Sports Associations; Sport Events; College Bowl Games; College and High School All Star Games; Professional Sports Teams; School Athletics and Dog Race Tracks.

Ineligible Risks: Any competition race track vehicle, semi-tractor trailers type vehicles and motor homes associated with the Motorsports Program or any other program, Motorcycle/Automobile dealerships, Fleets of Commercial Buses, Physical Damage on any On track or off track vehicles.

Subject to existing eligibility requirements documented in these guidelines.

The underwriting authority within these guidelines is granted exclusively to Michael Larkin and may not be transferred to anyone without the prior consent of the issuing company. Any authority previously extended is hereby rescinded. Authority is to be used with discretion, as individual risks falling within the scope of the authority granted herein may vary. Whenever a questionable situation is confronted, it should immediately be referred for consideration. All authority granted herein is further subject to limitations and guidelines as outlined in the Company underwriting manuals and bulletins, and, as amended from time to time.

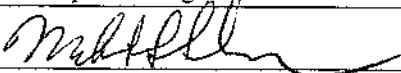
ACKNOWLEDGEMENT AND ACCEPTANCE

This Underwriting Guideline and the authority grant within, supercedes any previous document outlining underwriting requirements and authority. Only the terms of this written statement apply to the conduct of your underwriting responsibility. Verbal expressions of underwriting authority do not alter the terms of this Statement.

I acknowledge and accept the terms and conditions set forth in this Statement.

Acknowledged By:

Name of Recipient/Designee

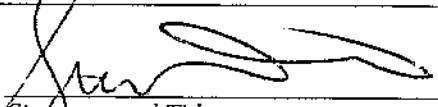

Signature of Recipient/Designee

2-16-2012
Date

Delegated By:

Steve Lecret

Name of Grantor

 VP
Signature and Title

3/1/12
Date