

ADVISORY NOTICE - UMBRELLA PRIME COMMERCIAL UMBRELLA LIABILITY POLICY

This is a summary of the major changes to your umbrella liability coverage. This notice does not reference every editorial difference between the Umbrella Prime Commercial Umbrella Liability Policy (the "Policy") and your previous umbrella policy. No coverage is provided by this summary nor can it be construed to replace any provisions of your policy or endorsements. You should read your policy and review your declaration page for complete information on the coverages you are provided. If there is any conflict between the policy and this summary, **THE PROVISIONS OF THIS POLICY SHALL PREVAIL.**

The major areas within the policy that broaden or reduce coverage are highlighted below. Also, the areas within the policy that do not impact coverage are highlighted below.

NO IMPACT IN COVERAGE

Definition of Named Insured

- Named Insured defined to include any organization (except for partnership, joint venture or limited liability company), in which you maintain an interest of more than (50%) as of the inception date. Under the Policy, any such entity must be included as an insured in the underlying policy in order to be considered a Named Insured.
- Partnerships, Joint Ventures or Limited Liability Companies in which you maintain an interest of more than (50%) are not given automatic status as a Named Insured and must be added as an insured by written endorsement.

Insuring Agreement Conditions

The Policy's Insuring Agreement contains standard conditions to coverage that were not included in your prior policy:

- No coverage for any continuation, change or resumption of bodily injury or property damage during or after the policy period, if certain categories of persons know prior to the policy period that the bodily injury or property damage had occurred.
- Bodily injury or property damage that occurs during the policy period of this insurance includes any continuation, resumption, or change in such injury or damage after this insurance expires.
- Bodily injury or property damage will be deemed to have been known to have occurred when a designated insured reports the bodily injury or property damage to us or any other insurer, receives a written or verbal demand or claim for damages for bodily injury or property damage, or such insured becomes aware by any other means that bodily injury or property damage has occurred.
- Damages that arise from bodily injury include those that any party claims at any time for care, loss of services, or death that results from such bodily injury.

Defense Provisions

- The Policy provides for the tendering of control of defense to the insured after exhaustion of the applicable limits of insurance.

Limits of Insurance

- The Policy applies only in excess of the Retained Limit. If however, a policy shown in the Schedule of Underlying Insurance forming a part of this policy has a limit of insurance: (1) greater than the amount shown in such schedule, this policy will apply in excess of the greater amount of valid and collectible insurance; or (2) less than the amount shown in such schedule, this policy will apply in excess of the amount shown in the Schedule of Underlying Insurance forming a part of this policy.

Conditions

- Under the Transfer of Rights of Recovery Condition, if prior to an occurrence, the Named Insured waives any right of recovery against a specific person or organization for injury or damage as required under an insured contract, the Company will also waive any rights it may have against such person or organization.

Definitions

- Scheduled Underlying Insurance defined to mean: (1) the policy or policies of insurance and limits of insurance shown in the Schedule of Underlying Insurance forming a part of this policy; and (2) automatically any renewal or replacement of any policy in (1) above, provided that such renewal or replacement provides equivalent coverage to and affords limits of insurance equal to or greater than the policy being renewed or replaced. Scheduled Underlying Insurance does not include a policy of insurance specifically purchased to be excess of this policy affording coverage that this policy also affords.
- No person or organization is an Insured under this Policy who is not an Insured under applicable Scheduled Underlying Insurance. This provision shall not apply to any organization set forth in the definition of Named Insured in Paragraphs R. 2 and 3.

BROADENINGS IN COVERAGE

Defense Provisions

- If prevented by law from assuming defense obligations, we will pay any expenses incurred with our consent.

Exclusions

- The Policy includes the following exceptions to the Property Damage Exclusion:
 - Paragraph (2) above does not apply if the location is the named insured's work and the named insured never occupied or rented the location or held it for rent.
 - Paragraphs (3), (4), (5) and (6) above do not apply to any liability assumed under a sidetrack agreement.
 - Paragraph (6) above does not apply to property damage included in the products/completed operations hazard.
- Policy includes the following exceptions to the Pollution exclusion:
 - Equipment to cool, dehumidify or heat a building and contractor/lessee operations
 - Fuels, lubricants and other operating fluids – mobile equipment and auto

Definitions

- Definition of “Insured” includes volunteer workers.

Conditions

- The Named Insured’s failure to disclose all hazards existing as of the inception date of the policy will not prejudice you with respect to the coverage afforded by this policy, provided that any such failure or omission is not intentional.

REDUCTIONS IN COVERAGE

Limits of Insurance

- Defense expenses are in addition to Limits. However, under the Policy, if such expenses reduce the limit of underlying policy, then such expenses reduce the limits of the Policy.

Exclusions

- No exception for aircraft and watercraft if insurance provided by a policy listed in the Schedule of Underlying Insurance
- Aircraft and Watercraft exclusion applies to entrustment of the aircraft and watercraft to others.
- Policy includes the following exclusions:
 - Contractual Liability
 - Violation of Communication or Information Law (CANSPAM)
- Policy includes various Personal and Advertising Injury Related Exclusions:
 - Electronic Chatrooms or Bulletin Boards or Electronic Data
 - Infringement of Copyright, Patent, Trademark or Trade Secret
 - Unauthorized Use of Another’s Name or Product
- Employees and Volunteers exclusion extended to cover not only liability arising out of bodily injury and property damage, but also personal and advertising injury when against another insured. Policy also excludes loss of consortium claims related to the above and liability arising out of an employees or volunteer workers’ providing or failing to provide professional healthcare services.
- Employment Practices exclusion broadened to exclude failure to promote or advance any employee or employment-related practices, policies, acts, omissions or misrepresentations directed at a present, past, future or prospective employee, including, but not limited to retaliation, libel, slander, invasion of privacy or violation of civil rights.
- Exclusion for insured whose business is advertising, broadcasting or telecasting extended to also exclude offenses committed by an insured in the business of designing or determining content of websites for others, or internet search, access, content or service provider.

- Under Pollution exclusion, there is no coverage for Bodily Injury or Property Damage included within the Products-Completed Operations Hazard when Your Product or Your Work has been discarded, dumped, abandoned, thrown away; or transported, handled, stored, treated, disposed of or processed as waste by anyone.
- Under Pollution exclusion, coverage provided under the exception for upset, overturn or damage of an auto only applies if the pollutants or any property in which the pollutants are contained are upset, overturned or damaged as a result of the maintenance or use of an auto covered by scheduled underlying insurance and the discharge, dispersal, seepage, migration, release or escape of the pollutants is caused directly by such upset, overturn or damage.
- Personal Injury and Advertising Injury excluded when caused by or at the direction of the Insured with the knowledge that the act would violate the rights of another and would inflict Personal Injury and Advertising Injury

Definitions

- Definition of Property Damage does not include electronic data as tangible property.
- Definition of Products-Completed Operations Hazard does not include bodily injury or property damage arising out of the transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you.

Conditions

- Under Maintenance of Underlying Limits Condition, any renewals or replacements of Scheduled Underlying Insurance must provide both equivalent coverage to and afford limits of insurance equal to or greater than the policy being renewed or replaced. Your previous policy only required equivalent coverage.