**ENDORSEMENT**

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

This endorsement, effective 12:01 A.M.,

Forms a part of Policy No.:

ENDORSEMENT – SELF-INSURED RETENTION

This endorsement modifies insurance provided by the policy:

Educators Legal And Employment Practices Liability Coverage Form

I. It is understood and agreed that SECTION III – LIMITS OF LIABILITY is amended to include the following:

**F**. The LIMITS OF LIABILITY as set forth in Item 3 of the Declarations shall apply excess of a Self-Insured Retention in the amount of:

$ each **claim**

and you agree to assume the Self-Insured Retention. The Self-Insured Retention, or any part of it, shall not be insured without our prior written approval.

II. It is understood and agreed that SECTION I – COVERAGE, subsection **A. Insuring Agreement,** paragraph 2. is deleted in its entirety and replaced by the following:

**A. Insuring Agreement**

2. Defense and Settlement Obligations

a. We do not have the duty to investigate or defend any **claim** or **suit** seeking **damages** for a **wrongful** **act** unless and until the Self-Insured Retention is exhausted. The **insured** has the right to appoint defense counsel, subject to ourwritten consent and approved hourly rates. However, we may, at our discretion and expense, participate with you in the investigation of any such **wrongful act,** and the defense of any such **claim** or **suit** that may result.

1. Once the Self-insured Retention is exhausted, with respect to any specific **claim** or **suit**, we will have the right and duty to defend the **insured** against any **claim** or **suit** seeking **damages** for a **wrongful act** to which this insurance applies even if the allegations of the **claim** or **suit** are groundless, false or fraudulent. However, we will have no duty to defend the **insured** against any **suit** seeking **damages** for a **wrongful act** to which this insurance does not apply. We may, at our sole discretion, investigate any **wrongful act** or settle any **claim** or **suit** that may result. However:

(1) The amount we will pay for **damages** is limited as described in SECTION III - LIMITS OF LIABILITY;

(2) Our right and duty to defend end when we have used up the applicable Limit of Liability in the payment of judgments or settlements; and

(3) We shall have the right, but not the duty, to appeal any judgment.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION I - COVERAGE, B. Supplementary Payments.

###### In no event shall you agree to a settlement in excess of the Self-Insured Retention without our prior written approval.

###### There will be no reduction of the Self-Insured Retention because of payment of **claims** or **suits** arising from **claims** or **suits** for which coverage is not afforded by the policy.

###### Your bankruptcy, insolvency, inability to pay, failure to pay, or refusal to pay the Self-Insured Retention will not increase our obligations under the policy. In the event there is insurance, whether or not applicable to a **wrongful act**, **claim** or **suit** within the Self-Insured Retention, you will continue to be responsible for the full amount of the Self-Insured Retention, before the Limits of Liability under this policy apply. In no case will we be required to pay the Self-Insured Retention, or any portion thereof.

III**.** For the purposes of this endorsement only, **SECTION V – CONDITIONS**, subsection **A. Duties in the Event of a Wrongful Act, Claim or Suit** is deleted in its entirety and replaced with:

**A. Duties in the Event of a Wrongful Act, Claim or Suit**

1. You shall immediately notify us in writing, in accordance with the terms of the policy, of any **wrongful act** which may result in a **claim**, which:
2. Is likely to exceed 50 % of the Self-Insured Retention, or for which you have established a reserve (including Indemnity and **claim expenses**) at or more than 50% of the Self-Insured Retention,
3. You receive a demand for damages that exceeds the Self-Insured Retention, and/or
4. You receive notice of a **suit** which seeks punitive damages.
5. On a quarterly basis, you must provide us with a written summary (loss run) of all **wrongful acts**, **claims**, or **suits** which have or may result in payments within the Self-Insured Retention.

This written summary must show:

1. The date of the **wrongful acts,** **claims** or **suits**; and
2. The name(s) of the injured person(s) or identification of the damaged property; and
3. A description of the injury or damage; and
4. The amount paid or reserved, including **claim expenses**, resulting from the **wrongful acts**, **claim** or **suit**.
5. If you contract with an independent firm for the purpose of providing claim services (hereinafter, such firm is referred to as the “TPA”), you shall maintain a written service agreement with such TPA as named below and pay such TPA without reimbursement from us.
6. You may not, without our written consent, cancel, amend, or suspend the service agreement between you and the TPA.

**5.** You and any other involved insured must:

1. Authorize us to obtain records and other information;
2. Cooperate with us in the investigation or settlement of any claim, or defense against the suit; and
3. Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

**6.** Loss settlements made by you or the TPA will be made in accordance with the terms and conditions of the policy.

TPA:

Address:

IV. **SECTION V – CONDITIONS**, subsection **I. Consent to Settle** is deleted in its entirety and replaced with the following:

**I. Consent to Settle**

If you refuse to agree to a settlement we recommend and the resulting judgment or settlement exceeds our recommended settlement, our liability for that wrongful act, claim or suit, subject to the Limits of Liability, will not exceed our recommended settlement amount (less any amount of the Self-Insured Retention remaining). In such event, we will have no further obligation with respect to claim expenses subsequent to the date of such refusal.

V. For **claim expenses** incurred by the **insured** with the Self-Insured Retention, **SECTION VI – DEFINITIONS**, subsection **D. Claim Expenses** is deleted in its entirety and replaced by the following:

**D. Claim Expenses** – means all fees for service of process and court costs and court expenses; pre- and post-judgment interest; attorneys’ fees; cost of undercover operative and detective services; costs of employing experts; costs for legal transcripts, copies of any public records, and costs of depositions and court reported or recorded statements; costs and expenses of subrogation; and any similar fee, cost or expense reasonably chargeable to the investigation, negotiation, settlement or defense of a loss or a **claim** or **suit** against you or any insured under the policy, or for the protection and perfection of your or our subrogation rights.

**Claim Expenses** shall not include your or our general overhead, the salary and employee benefits of any of our employees, nor the fees of any attorney who is our employee or under our permanent retainer; nor the fees of any attorney we retain to provide counsel to us about our obligations, if any, under any policy issued by us or our affiliated company(ies), with respect to a **claim** or **suit** against you.

VI. For the purposes of this endorsement only, **SECTION IV – DEDUCTIBLE** is deleted in its entirety.

All other terms and conditions of the policy remain the same.

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Authorized Representative