

## **CSAC EXCESS INSURANCE AUTHORITY GENERAL LIABILITY 2 PROGRAM MEMORANDUM OF COVERAGE**

In consideration of the payment of the premium, if paid, in reliance upon the statements in the Declarations made a part hereof and subject to all of the terms of this General Liability 2 Program Memorandum of Coverage (Memorandum), the CSAC Excess Insurance Authority (Authority) agrees with the Member as follows:

### **COVERAGE AGREEMENT**

The Authority will reimburse the **covered party** for **ultimate net loss** in excess of the self-insured retention hereinafter stated which the **covered party** shall become legally obligated to pay as **damages** by reason of liability imposed by law or liability assumed by contract because of:

Coverage A. **Bodily injury and property damage**

to which this Memorandum applies, caused by an **occurrence**;

Coverage B. **Personal injury**

to which this Memorandum applies, caused by an offense;

Coverage C. **Public officials errors and omissions liability** or

Coverage D. **Employment practices liability**

to which this Memorandum applies, caused by a **wrongful act**;

### **DEFENSE AND SETTLEMENT COSTS**

After the amount of the **covered party's** self-insured retention has been exhausted by payment of judgments, settlements and/or **defense costs**, the Authority will reimburse the **covered party** for **excess defense costs** the **covered party** incurs on covered losses. A final coverage determination will be made at the conclusion of a claim or **suit**, and if deemed not covered, then the associated defense costs will not be covered. The Authority's liability for **excess defense costs** is subject to, and not in addition to, the Authority's limit of liability.

The Authority has no duty to defend under the Memorandum. The Authority shall; however, have the right, but not the duty, to associate itself, at its own cost, with the **covered party** in the control, investigation, defense or appeal of any claim or **suit** which, in the opinion of the Authority, is or may be covered by the Memorandum. The **covered party** shall fully cooperate in all matters pertaining to such claim or **suit**.

No claim or **suit** shall be settled for an amount in excess of the **covered party's** self-insured retention without the prior written consent of the Authority.

## **SELF-INSURED RETENTION – THE AUTHORITY’S LIMIT OF LIABILITY**

Regardless of the number of (1) **covered parties** under this Memorandum, (2) persons or organizations who sustain injury or **damage**, (3) claims made, or (4) **suits** brought on account of **bodily injury, property damage, personal injury, public officials errors and omissions liability** or **employment practices liability**, the Authority's liability is limited as follows:

- A. With respect to **bodily injury, property damage, personal injury, public officials errors and omissions liability**, and **employment practices liability**, or any combination thereof, the Authority's liability shall be only for the **ultimate net loss** in excess of: (1) the self-insured retention as specified in the Declarations as the result of any one **occurrence**, offense, or **wrongful act**, and (2) collectible insurance available to a **covered party** also covering a loss hereunder, whether on a primary, excess or contingent basis; and then for an amount not exceeding the Authority's limit of liability specified in the Declarations as the result of any one **occurrence**, offense, or **wrongful act**.
- B. For the purpose of determining the limit of the Authority's liability, as respects Coverages A and B, all **damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence** under Coverage A or one offense under Coverage B. For the purpose of determining the limit of the Authority's liability, as respects Coverages C and D, all **damages** arising out of a single act, error or omission or a series of related acts, errors or omissions shall be treated as arising from a single **wrongful act**. There is no limit of the number of **occurrences** during the Memorandum Period for which claims may be made, except that the liability of the Authority arising out of the **Completed Operation Hazard** because of all **occurrences** shall not exceed the amount specified in the Declarations for each twelve months, commencing with the first day of the Memorandum Period.

An **occurrence**, offense, or **wrongful act** taking place over more than one Memorandum Period shall be deemed to have taken place during the last Memorandum Period, but no later than the Memorandum Period in effect at the filing of the claim or **suit**, whichever filing occurs first, and only that limit shall apply.

Notwithstanding the foregoing, if a claim or **suit** names more than one Member, a separate self-insured retention and a separate limit shall apply to each Member.

## MEMORANDUM PERIOD, TERRITORY

This Memorandum applies to **bodily injury, property damage, personal injury, public officials errors and omissions liability, or employment practices liability** which occur anywhere in the world during the Memorandum Period.

## COVERED PARTY, COVERED PERSONS OR ENTITIES

- A. The Member;
- B. Those individuals, including volunteers, who were or are now elected or appointed officials of the Member, whether or not compensated, including members of the Member's governing body or any other committees, boards, commissions or special districts of the Member, while acting for or on behalf of the Member;
- C. All special districts **governed directly** by the Member's governing board and other districts or agencies which are named on the Memorandum;
- D. Past or present employees of the Member, including volunteers, or other covered entity, whether or not compensated, while acting for or on behalf of the Member or other covered entity;
- E. Notwithstanding sub-paragraphs (A) through (D) above, the determination and findings made in good faith by the Member pursuant to California Government Code Section 995.2 or any other similar provision of law shall be conclusive and binding on the Authority and all other persons for the purposes of coverage under the Memorandum; and
- F. 1937 Act Retirement Association of the Member.

As respects the above **covered parties**, this Memorandum does not cover the breach of fiduciary duty which means:

- 1. Violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by:
  - a) The Employee Retirement Income Security Act of 1974 (ERISA) or amendments thereto; or
  - b) The common or statutory law of the United States of America, or of any state or other jurisdiction therein; and
- 2. Negligent acts, errors or omissions in administration.

Administration as used herein shall mean:

- a) Giving counsel to participants and beneficiaries with respect to a **plan**;
- b) Interpreting a **plan**;
- c) Providing or failing to provide benefits under a **plan**;
- d) Handling the records connected with a **plan**; and
- e) Effecting enrollment, termination or cancellation of participants under a **plan**.

## **EXCLUSIONS**

As respects **ultimate net loss**, this Memorandum does not apply:

- A. To any obligation for which any **covered party** or any carrier as its insurer may be held liable under any workers' compensation, unemployment compensation or disability benefits law, or under any similar law;
- B. To **bodily injury** to any employee of any **covered party** arising out of and in the course of his/her employment by such **covered party**; but this exclusion does not apply to **employment practices liability** or liability assumed by the **covered party** under any written contract;
- C. To injury to or destruction of (1) property owned by a **covered party**, or (2) property rented or leased to the **covered party** where the **covered party** has assumed liability for damage to or destruction of such property unless the **covered party** would have been liable in the absence of such assumption of liability, or (3) **aircraft** or **watercraft** in the care, custody or control of any **covered party**;
- D. As respects liability assumed by the **covered party** under any contract:
  - 1. To any claim, judgment or agreement from any arbitration proceeding wherein the Authority is not entitled to exercise with the **covered party**, the **covered party's** rights in the choice of arbitrators, and in the conduct of such proceedings; or
  - 2. To any obligation for the rendering or failure to render professional services for the **covered party**, if the indemnitee of the **covered party** is an architect, engineer or surveyor, arising out of:
    - a) The preparation or approval of contracts, maps, plans, drawings, opinions, reports, tests, surveys, change orders, designs or specifications; or
    - b) The giving or the failure to give directions or instructions by the indemnitee, the indemnitee's agents or employees, provided such giving or failure to give

directions or instructions is the primary cause of **bodily injury** or **property damage**;

E. To **bodily injury** and **property damage** arising out of any **covered party's** ownership, maintenance, loading or unloading, use or operation of any:

1. **Aircraft**;
2. Airfields;
3. Runways;
4. Hangars; or
5. Buildings or other properties in connection with aviation activities.

This exclusion shall not apply, however, (1) to liability arising out of the ownership, operation, rental, or loan of vehicles licensed for highway use while being operated away from the premises of any airfield owned or operated by the **covered party**; or (2) to **non-owned aircraft** operated by or on behalf of the **covered party**;

This exclusion does not apply to liability arising out of the ownership, operation, use, maintenance or entrustment to others of any **Unmanned Aerial Vehicle (UAV)** that owned or operated by or on behalf of, or rented to, or loaned by, any **covered party**.

F. To liability arising out of the rendering of or failure to render the following medical professional services:

1. Medical, surgical, dental, x-ray, or nursing, service or treatment, to any person, including the furnishing of food or beverages in connection therewith;
2. Service or treatment related to physical or mental health;
3. Furnishing or dispensing of drugs or medical, dental, or surgical supplies or appliances;
4. Handling of or performing post-mortem examination on human bodies;
5. Service by any person as a member of a formal accreditation or similar professional board or committee of the Member or as a person charged with the duty of executing directives of any such board or committee; or
6. Any cosmetic or tonsorial service or treatment.

This exclusion shall not apply, however, to any professional activities arising out of the performance of occupational physical examinations, paramedics, emergency first aid, or preventative health services related to: alcoholism, drug abuse, well child healthcare, California children services, immunizations, sexually transmitted diseases, tuberculosis, and family planning.

Notwithstanding such exceptions to this exclusion as are set forth immediately above, however, if any collectible insurance or other coverage, including but not limited to coverage afforded by any other Authority program, is available to the **covered party**, for liability for loss, **damage** or injury arising from the operation of any clinic or other established health care facility (whether on a primary, excess or contingent basis), any coverage afforded hereunder shall apply in excess of, and shall not contribute with, such insurance or other coverage; provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Memorandum, or to insurance or reinsurance which is intended to provide the remainder of the limit of liability stated in the Declarations of this Memorandum when the coverage afforded under this Memorandum provides less than 100 percent of the limit set forth in the Declarations;

- G. To liability, directly or indirectly, arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, by whatever name called, whether grounded in federal or state law, regardless of whether such claims are made directly against the **covered party** or by virtue of any agreement entered into by or on behalf of the **covered party**.

This exclusion does not apply to any aspect of inverse condemnation liability directly arising out of physical injury to, or destruction of, tangible property neither expected nor intended from the standpoint of the **covered party**; provided, however, this exception does not apply to any nonphysical consequential **damages** or to expert or attorney fees claimed by or awarded to a claimant or a plaintiff in a **suit**.

- H. To liability arising out of the failure to provide an adequate supply of fuel, water or electricity; however, this exclusion applies only if such failure to provide results from any decision by the Member's governing body with respect to (1) obtaining such fuel, water or electricity, or (2) allocating such fuel, water or electricity among the users thereof;
- I. To **property damage** arising out of **subsidence**;
- J. To liability for **bodily injury** or **property damage** arising out of any transit authority, transit system or public transportation system owned or operated by any **covered party**. This exclusion shall not apply to transit or public transportation systems operating over non-fixed routes such as dial-a-ride, senior citizen transportation, or handicapped persons transportation;
- K. To liability arising out of the hazardous properties of **nuclear material**;
- L. To liability imposed upon a **covered party** (or which is imputed to a **covered party**) under the "Employment Retirement Income Security Act of 1974" and any law amendatory thereof;

- M. To liability arising out of the rupture, bursting, overtopping, accidental discharge or partial or complete failure of any **dam(s)**;
- N. To any liability for past, present, or future claims or **suits** arising in whole or in part, either directly or indirectly, out of the mining, manufacture, distribution, sale, resale, rebranding, installation, repair, removal, encapsulation, abatement, replacement or handling of, or exposure to, asbestos or products containing asbestos, whether the asbestos is or was at any time airborne as a fiber or particle, contained in a product, carried on clothing, inhaled, transmitted in any fashion, or found in any form whatsoever;
- O. 1. To liability arising out of the actual or threatened discharge, dispersal, seepage, migration, release or escape of **pollutants** anywhere in the world;
2. To **ultimate net loss** arising out of any governmental direction or request that the Authority, the **covered party** or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, neutralize or assess the effects of **pollutants**; or
3. To **ultimate net loss**, including but not limited to costs of investigation or attorneys' fees, incurred by a governmental unit or any other person or organization to test for, monitor, clean-up, remove, contain, treat, detoxify or neutralize **pollutants**;

As used in this exclusion, pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste material. Waste material includes materials which are intended to be or have been recycled, reconditioned or reclaimed. However, this exclusion does not apply to water, whether recycled, reconditioned or reclaimed.

However, this exclusion does not apply to liability arising out of:

1. Any discharge, dispersal, seepage, migration, release or escape directly or indirectly caused by fire, explosion, lightning, windstorm, vandalism or malicious mischief, riot and civil commotion, flood, collision, or upset of a motor vehicle, railroad vehicle, mobile equipment, automatic sprinkler leakage or **aircraft**;
2. The **completed operations hazard**; or
3. Any discharge, dispersal, seepage, migration, release or escape of pollutants that meets all of the following conditions:
  - a) It was accidental and neither expected nor intended by the **covered party**. This condition would not serve to deny coverage for a specific incident where such discharge, dispersal, seepage, migration, release or escape of pollutants was a result of an attempt by the **covered party** to mitigate or avoid a situation where substantial third party **bodily injury, property damage or personal injury** could occur;
  - b) It was demonstrated as having commenced on a specific date during the term

of this Memorandum;

- c) Its commencement became known to the **covered party** within seven calendar days and was further reported to the person responsible for risk management at the Member within a reasonable time frame;
- d) Its commencement was reported in writing to the Authority within twenty-one calendar days of becoming known to the person responsible for risk management at the Member; and
- e) Reasonable effort was expended by the **covered party** to terminate the situation as soon as conditions permitted;

However, nothing contained in this provision 3, shall operate to provide any coverage with respect to:

- a) Any site or location principally used by the **covered party** or by others on the **covered party's** behalf, for the handling, storage, disposal, dumping, processing or treatment of waste material;
  - b) Any fines or penalties;
  - c) Any clean up costs ordered by the Superfund Program, or any federal, state or local governmental authority. However, this specific exclusion c) shall not serve to deny coverage for third party clean up costs otherwise covered by this Memorandum simply because of the involvement of a governmental authority;
  - d) Acid rain;
  - e) Clean up, removal, containment, treatment, detoxification or neutralization of pollutants situated on premises the **covered party** owns, rents or occupies at the time of the actual discharge, dispersal, seepage, migration, release or escape of said pollutants; or
  - f) Water pollution caused by oil or its derivatives;
- P. To injunctions, equitable relief, writs of mandate or any other form of relief other than the payment of **damages**.

However, this exclusion shall not apply to writs of mandate where **damages** are recoverable. Where this exception to the exclusion applies, coverage is afforded solely for those causes of action under which **damages** are recoverable.

Q. Under Coverage C, **public officials errors and omissions liability**, to:

1. **Bodily injury, property damage, personal injury, or employment practices liability** as defined in the Memorandum;
2. Injury to, destruction or disappearance of any tangible property (including money) or the loss of use thereof; or

3. Failure to perform, or breach of, a contractual obligation.

Nothing contained in this exclusion shall limit the **covered party's** rights of recovery, if applicable, under Coverages A, B, and D of this Memorandum;

- R. To the refund of taxes, fees or assessments;
- S. To liability of a **covered party** arising in whole or in part, out of any **covered party** obtaining remuneration or financial gain to which the **covered party** was not legally entitled except that any act for which a **covered party** is responsible shall not be imputed to any other **covered party** for purposes of this exclusion;
- T. To liability arising out of the willful violation of a penal statute, code, or ordinance committed by or with the knowledge or consent of any **covered party** except that any act for which a **covered party** is responsible shall not be imputed to any other **covered party** for purposes of this exclusion;
- U. To liability of any **covered party** arising out of estimates of probable costs or cost estimates being exceeded or for faulty preparation of bid specifications or plans or failure to award contracts in accordance with statute or ordinance which under law must be submitted for bids;
- V. To benefits payable under an employee benefit **plan** (whether the **plan** is voluntarily established by the **covered party** or mandated by statute) because of unlawful discrimination;
- W. To any liability arising out of or in connection with any claim for punitive, exemplary or multiples of **damages/penalties**;
- X. Under Coverage D, **employment practices liability**, to:
  - 1. Strikes and lockouts. This Memorandum does not apply to any claim or **suit** for loss arising out of a lockout, strike, picket line, replacement or similar actions in connection with labor disputes or labor negotiations;
  - 2. W.A.R.N. Act. This Memorandum does not apply to any claim or **suit** for loss arising out of the Workers Adjustment and Retraining Notification Act, Public Law 100-379 (1988), or any amendment thereto, or any similar federal, state or local law; Any cost incurred by the **covered party** to modify or purchase any building or property in order to make said building or property more accessible or accommodating to any disabled person; or
  - 3. **Property damage, personal injury, and public officials errors and omissions.**
- Y. To liability arising out of (1) the ownership, maintenance, operation, use, loading, or unloading of any mobile equipment or vehicle, including any motorized **watercraft**, while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice in preparation for any such contest or activity, or

(2) the operation or use of any snowmobile or trailer designed for use herewith when used for recreational, stunting or racing activities.

However, this exclusion shall not apply to liability arising out of the ownership, maintenance, operation, use, loading or unloading of any non-motorized **watercraft**.

For the purpose of this exclusion, “non-motorized **watercraft**” shall mean **watercraft** without power motors and **watercraft** with power motors which are not in use during an event otherwise excluded hereunder;

Z. Under Coverage A, **bodily injury** and **property damage**, to **personal injury** as defined in the Memorandum.

Nothing contained in this exclusion shall limit the **covered party’s** rights of recovery, if applicable, under Coverage B.

AA. To liability arising out of or by reason of:

1. The purchase, or sale, or offer of sale, or solicitation of any security, debt, bank deposit or financial interest or instrument;
2. Any representation made at any time in relation to the price or value of any security, debt, bank deposit or financial interest or instrument; or
3. Any depreciation or decline in price or value of any security, debt, bank deposit or financial interest or instrument;

It is further agreed that the Authority has no obligations to defend or pay for the defense of any claim or **suit** that may allege any of the foregoing.

## DEFINITIONS

The following definitions shall govern the meaning of the defined terms for the purposes of this Memorandum. The defined terms are set forth in **bold face** type where used herein.

“**Aircraft**” means a vehicle designed for the transport of persons or property principally in the air.

“**Bodily injury**” means bodily harm, sickness, disability or disease sustained by a person, including death resulting from any of these at any time. **Bodily injury** includes mental injury, mental anguish, humiliation, shock or death if resulting directly from **bodily injury**. **Bodily injury** shall include care, loss of services, loss of consortium, or death resulting at any time from the **bodily injury**.

“**Completed operations hazard**” includes **bodily injury** and **property damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **bodily injury** or **property damage** occur after such operations have been completed or abandoned and occur away from premises owned by or rented to the **covered party**. “Operations” include materials, parts or equipment

furnished in connection therewith. Operations shall be deemed completed at the earliest of the following times:

- A. When all operations to be performed by or on behalf of the **covered party** under the contract have been completed;
- B. When all operations to be performed by or on behalf of the **covered party** at the site of the operations have been completed; or
- C. When the portion of the work out of which the injury or **damage** arises has been put to its intended use by any person or organization other than another contractor or subcontractor engaged in performing operations for a principal as a part of the same project.

Operations which may require further service or maintenance work or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed.

The **completed operations hazard** does not include liability arising out of:

- A. Operations in connection with the transportation of property unless the liability arises out of a condition in or on a vehicle created by the loading or unloading thereof;
- B. The existence of tools, uninstalled equipment or abandoned or unused materials.

“**Covered party**” means any person or organization qualifying as a **covered party** under the “COVERED PARTY, COVERED PERSONS OR ENTITIES” section of this Memorandum. The coverage afforded applies separately to each **covered party** against whom claim is made or **suit** is brought, except with respect to the limits of the Authority's liability.

“**Dam**” means any artificial barrier together with appurtenant works which:

- A. Is twenty-five feet or more in height from the foot of a natural bed of stream or watercourse; or
- B. Has water impounding capacity of fifty acre feet or more.

Except that no structure specifically exempted from jurisdiction by the State of California Department of Water Resources, Division of Safety of Dams shall be considered a **dam**, unless such structure is under the jurisdiction of any agency of the federal government.

“**Damages**” means monetary compensation resulting from: (a) **bodily injury or property damage**, (b) **personal injury**, (c) **public officials errors and omissions liability**, or (d) **employment practices liability**.

“**Defense costs**” means reasonable fees charged by an attorney, expenses of a claims servicing organization the **covered party** has engaged, all other reasonable fees, costs and expenses attributable to the investigation, defense, administration or appeal of a claim or **suit** within the scope of coverage afforded by the **covered party**, all costs taxed against the **covered party**, and any attorney's fees and costs paid to a claimant or

claimant's counsel as part of a settlement between a **covered party** and the claimant that has been approved by the Authority.

**Defense costs** include in-house counsel's fees and costs incurred in the defense of a covered claim. In-house counsel are those attorney's identified as an employee of the **covered party**. The billed rate for the employed attorneys shall be limited to the actual hourly cost or \$200 per hour, whichever is less.

**Defense costs** shall not include any fees, costs, or expenses incurred in connection with administrative proceedings where a claimant does not seek **damages**.

**"Employment practices liability"** means liability, except as related to **property damage**, **personal injury**, or **public officials errors and omissions liability**, arising out of an actual or alleged **wrongful act** in connection with any person's prospective employment, actual employment, or termination of employment by a **covered party**, including but not limited to wrongful termination, discrimination or sexual harassment.

**"Excess defense costs"** means **defense costs** incurred by the **covered party** with the written consent of the Authority after the self-insured retention has been exhausted by payment of judgments, settlements and **defense costs**.

**"Governed directly"** means the special district is governed by the Member's governing board.

**"Non-owned aircraft"** means any **aircraft** other than:

- A. **Aircraft** owned in whole or in part by or registered in the name of the **covered party**;
- B. **Aircraft** having a seating capacity in excess of forty-five passenger seats; or
- C. **Aircraft** which are the subject of a lease or service agreement with the **covered party** for a period in excess of thirty days.

**"Nuclear material"** means source material, special nuclear material, or byproduct material. "Source material", "special nuclear material", and "byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

**"Occurrence"** means an accident, including injurious exposure to conditions, during the Memorandum Period, which results in **bodily injury** or **property damage**, neither expected nor intended from the standpoint of the **covered party**. All **damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **occurrence**.

**"Personal injury"** means injury, including consequential **bodily injury** or **property damage**, arising out of one or more of the following offenses: (a) false arrest, detention or imprisonment or malicious prosecution; (b) the publication or utterance of libel or slander, including disparaging statements concerning the condition, value, quality or use of real or personal property, or publication or utterance in violation of rights of privacy; (c) wrongful

entry or eviction, or other invasion of the right of private occupancy; (d) assault and battery, not committed by, at the direction of or with the consent of the **covered party**, unless committed or directed for the purpose of protecting persons or property from injury or death; (e) discrimination based upon race, religion, nationality, national origin, color, creed, sex, sexual orientation, age, nature of employment, or disability, but excluding unlawful discrimination intentionally committed by, at the direction of, or with consent of the **covered party**.

**“Plan”** means the written instrument which sets forth specific benefits and eligibility under a named trust.

**“Property damage”** means (1) physical injury to, or destruction of, tangible property which occurs during the Memorandum Period, including the loss of use thereof at any time resulting therefrom; or (2) loss of use of tangible property which has not been physically injured or destroyed provided such loss of use is caused by an **occurrence** during the Memorandum Period.

**“Public officials errors and omissions liability”** means any actual or alleged error or misstatement or act of omission or neglect or breach of duty including misfeasance, malfeasance or nonfeasance by the **covered parties** in the discharge of their duties with the public entity individually or collectively, or any matter claimed against them solely by reason of their being or having been **covered parties**.

**“Subsidence”** means any **property damage** directly or indirectly arising out of, caused by, resulting from, contributed to or aggravated by the settling, sinking, slipping, falling away, caving in, shifting, eroding, mud flow, rising, tilting, or any other movement of land or earth.

**“Suit”** means a civil or administrative proceeding, including arbitration and other alternative dispute resolution procedures, in which **damages**, because of **bodily injury, property damage, personal injury, public officials errors and omissions liability, or employment practices liability** to which this coverage applies, are alleged.

**“Ultimate net loss”** means the total sum which the **covered party** becomes legally liable to pay as **damages** by reason of judgments or by reason of settlements made with the written consent of the **covered party** and the Authority. **Excess defense costs** which are paid as a consequence of any **occurrence, offense, or wrongful act** covered hereunder are reimbursed by the Authority as part of the **ultimate net loss** as defined herein.

**“Unmanned Aerial Vehicle (UAV)”** or drone means an aircraft (with its aerial system or control device) that is not controlled directly by a person from within or on the aircraft, as defined by the Federal Aviation Administration (FAA) Small Unmanned Aircraft Regulations (Part 107).

**“Watercraft”** means a vehicle designed for the transport of persons or property principally on water.

**“Wrongful act”** means any actual or alleged negligent act, error or omission arising out of conduct or performance of the **covered party** in the performance of his or her or their

duties or any actual or alleged act in connection with any person's prospective employment, actual employment or termination of employment by a **covered party**. All **damages** arising out of a single act, error or omission or a series of related acts, errors or omissions shall be treated as arising from a single **wrongful act**. **Wrongful acts** do not include willful acts committed by a **covered party**. Willful act means a deliberate act committed by a **covered party** with the intent to cause harm or knowledge that injury is highly probably or substantially certain to result.

## CONDITIONS

### 1. INSPECTION

The Authority shall be permitted, but not obligated to, inspect the **covered party's** property and operations at any time. Neither the Authority's right to make inspections nor the making thereof nor any report thereon shall constitute an undertaking, on behalf of or for the benefit of the **covered party** or others, to determine or warrant that such property or operations are safe. The Authority may examine the **covered party's** books and records at any time during the Memorandum Period and extensions thereof and within three years after the final termination of this Memorandum, as far as they relate to the subject matter of this coverage.

### 2. CLAIM REPORTING REQUIREMENTS

It is agreed that with respect to claim reporting, the **covered party**, in addition to the terms set forth in this Memorandum, must report an **occurrence**, offense, or **wrongful act** in which the amount incurred has reached 50 percent or more of their individual self-insured retention. The **covered party** must also give the Authority immediate written notice for any claims or **suits** which the **covered party** becomes aware of that include injury of the following types:

- A. Death;
- B. Paralysis, paraplegia, or quadriplegia;
- C. Loss of eye(s) or limbs;
- D. Spinal cord or brain injury;
- E. Dismemberment or amputation;
- F. Sensory organ or nerve injury or neurological deficit;
- G. Serious burns;
- H. Severe scarring;
- I. Sexual assault or battery, including, but not limited to, rape, molestation, or sexual abuse;
- J. Substantial disability or disfigurement;
- K. Any class action;
- L. Any claim or **suit** in which the Authority is named as a defendant; or
- M. Any injury caused by Lead.

### 3. COVERED PARTY'S DUTIES IN THE EVENT OF OCCURRENCE, OFFENSE, WRONGFUL ACT, CLAIM OR SUIT

- A. In the event of an **occurrence**, offense, or a **wrongful act** reasonably likely to

involve the Authority, written notice containing particulars sufficient to identify the **covered party** and also reasonably obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the **covered party** to the Authority or any of its authorized agents as soon as practicable, after the individual responsible for the coverage at the Member, or his/her designee, has knowledge of the **occurrence**, offense, or **wrongful act**.

- B. If claim is made or **suit** is brought against the **covered party** which appears likely to involve the Authority, the **covered party** shall forward to the Authority every demand, notice, summons or other process received by him/her or his/her representative, immediately or within a reasonable amount of time after the individual responsible for coverage at the Member or his/her designee has knowledge of the claim or **suit**. The Member shall be responsible for the investigation, settlement, defense and appeal of any claims made, **suits** brought or proceeding instituted against the **covered party**. The Member shall also be responsible for timely periodic reporting developments in the claim, **suit**, or proceeding to the Authority sufficient to allow the Authority to fairly assess coverage under the Memorandum for the claim, **suit**, or proceeding at its conclusion.
- C. The **covered party** shall cooperate with the Authority and upon its request, assist in making settlements, in the conduct of **suits** and in enforcing any right to contribution, subrogation or indemnity against any person or organization who may be liable to the **covered party** because of liability with respect to which coverage is afforded under this Memorandum, and the **covered party** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **covered party** shall not, except at its own costs, voluntarily make any payment, assume any obligation or incur any expense; however, in the event that the amount of **ultimate net loss** becomes certain either through trial court judgment, arbitration award, or agreement among the **covered party**, the claimant and the Authority, then the **covered party** may pay the amount of **ultimate net loss** to the claimant to effect settlement and, upon submission of due proof thereof, the Authority shall indemnify the **covered party** for that part of such payment which is in excess of the self-insured retention.
- D. The Authority, at its option, shall have the right at its own expense to investigate any claim or **suit** and/or negotiate the settlement thereof, as it deems expedient, but the Authority shall not commit the **covered party** to any settlement without the **covered party's** consent. Should the claimant or plaintiff, as the case might be, tender a bona-fide, good faith, settlement demand which when added to the incurred **defense costs** is in excess of the **covered party's** retention, the payment of which would result in the full and final disposition of said claim or **suit**, then if such settlement demand is acceptable to either (1) the **covered party**, or (2) the Authority (but not both), then with regard to that settlement demand:
1. If such settlement demand is not acceptable to the Authority and the **covered party** tenders to the Authority an amount equal to the **covered party's** retention less incurred **defense costs**, if any, the Authority shall then reimburse the **covered party** all sums which the **covered party** shall be legally obligated to

pay as **damages**, including without limitation, the **covered party's** retention, plus future investigation, adjustment, appraisal, appeal, post judgment interest and **defense costs**. However, in no event shall the Authority's agreement to reimburse the **covered party** exceed the limit of liability as stated in the Declarations in addition to such investigation, adjustment, appraisal, appeal, post-judgment interest and **defense costs**. Should the full and final disposition of the claim, including judgments, settlements, investigation, adjustment, appraisal, appeal, post-judgment interest and **defense costs** be less than the amount tendered by the **covered party**, the unused portion of the tendered amount shall be returned to the **covered party** by the Authority.

2. If such settlement demand is not acceptable to the **covered party** and the Authority tenders to the **covered party** an amount equal to the difference between the **covered party's** retention, less incurred **defense costs**, and said settlement demand, or the applicable amount specified in the limits of liability section of the Declarations, whichever is less, then the Authority's agreement to reimburse the **covered party** for the **ultimate net loss** hereunder shall be discharged and terminated and the Authority shall have no further obligations with respect thereto.

E. The Member shall be solely responsible for exhausting all collectible insurance and group coverage through another Joint Powers Authority, interlocal cooperative agreement, self-insurance, or other public entity group coverage available to a **covered party** also covering a loss hereunder, whether on a primary, excess or contingent basis.

#### 4. APPEALS

When a **suit** has proceeded to trial court judgment and neither the **covered party** nor the Authority have invoked the provisions of Condition 3.D. 1. or 2. above and the **covered party** elects not to appeal a judgment in excess of the self-insured retention, the Authority may elect to do so at its own expense, but in no event shall the liability of the Authority for **ultimate net loss** exceed the applicable amount specified in the limits of liability section of the Declarations inclusive of all **defense costs** necessary and incident to such appeal.

#### 5. ACTION AGAINST THE AUTHORITY

No action shall lie against the Authority with respect to any one **occurrence**, offense, or **wrongful act** unless, as a condition precedent thereto, the **covered party** shall have fully complied with all the terms of this Memorandum, nor until the amount of the **covered party's** obligation to pay an amount of **ultimate net loss** in excess of the self-insured retention shall have been finally determined either by judgment against the **covered party** after actual trial, arbitration award, or by written agreement of the **covered party**, the claimant and the Authority. Any person or organization or the legal representative thereof who has secured such judgment or written agreement, shall thereafter be entitled to recover under this Memorandum the extent of the coverage afforded by this Memorandum. Nothing contained in this Memorandum shall give any person or organization any right to join the Authority as a co-defendant in any action against the **covered party** to determine the **covered party's** liability.

Bankruptcy or insolvency of the **covered party** shall not relieve the Authority of any of its obligations hereunder.

## 6. OTHER COVERAGE

If collectible insurance with an insurer is available to the **covered party** covering a loss also covered hereunder (whether on a primary, excess or contingent basis), the coverage hereunder shall be in excess of, and shall not contribute with, such insurance; provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Memorandum, or to insurance or reinsurance which is intended to provide the remainder of the limit of liability stated in the Declarations of this Memorandum when the coverage afforded under this Memorandum provides less than 100 percent of the limit set forth in the Declarations.

If other valid and collectible coverage through any insurer or other pooling arrangement is available to the Member for a loss also covered by the Member's self-insured retention and this Memorandum, such other valid and collectible coverage shall apply in lieu of the Member's self-insured retention.

Notwithstanding the foregoing paragraph, if, because of liability arising out of or in connection with the operation of any clinic or established health care facility, coverage for **damages** is available under this Memorandum and under the Authority's Medical Malpractice Program, it shall be conclusively presumed that the coverage afforded under the Medical Malpractice Program shall be primary and any coverage available under this Memorandum shall be excess only. For claims to which this provision applies, the exhaustion of the Authority's limit of liability under the Medical Malpractice Program will satisfy the **covered party's** self-insured retention under this Memorandum.

## 7. SUBROGATION

The Authority shall be subrogated to the extent of any payment hereunder to all the **covered party's** rights of recovery therefore; and the **covered party** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be apportioned as follows:

Any interest (including the **covered party's**) having paid an amount in excess of the self-insured retention plus the limit of liability hereunder shall be reimbursed first to the extent of actual payment. The Authority shall be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the **covered party**. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the Authority, it shall bear the expenses thereof.

## 8. CHANGES

Notice to the Authority or any agent of the Authority or knowledge possessed by the Authority or any agent of the Authority or by any other person shall not effect a waiver or change in any part of this Memorandum or stop the Authority from asserting any right under the terms of this Memorandum, nor shall the terms of this Memorandum be

waived or changed, except by endorsement issued to form a part of this Memorandum.

#### 9. ASSIGNMENT

Assignment of interest under this Memorandum shall not bind the Authority until its consent is endorsed hereon; if, however, the **covered party** shall die, such coverage as is afforded by this Memorandum shall apply (a) to the **covered party's** legal representative, as the **covered party**, but only while acting within the scope of his/her duties as such, and (b) with respect to the property of the **covered party**, to the person having proper temporary custody thereof, as **covered party**, but only until the appointment and qualification of the legal representative.

#### 10. CANCELLATION AND NON-RENEWAL

This Memorandum may be canceled by the **covered party** only at the end of the Memorandum Period and pursuant to the provisions of Article 20(b) of the Joint Powers Agreement. The Authority may cancel this agreement pursuant to the provisions of Article 21(a)(1) and (a)(2) of the Joint Powers Agreement or the Authority's Invoicing and Payment Policy established by the Board of Directors. This Memorandum does not apply to any **occurrence**, offense, or **wrongful act** taking place at or after the effective date of any such cancellation.

In the event of non-renewal by the Authority, notice shall be given to the Member not less than sixty days prior to expiration.

#### 11. MEMBER

The Member named in the Declarations is authorized to act on behalf of all **covered parties** with respect to the giving and receiving of notice of cancellation and receiving any return premium that may become payable under this Memorandum. The Member named in the Declarations is responsible for the payment of all premiums but the other **covered parties** jointly and severally agree to make such premium payments in full if the Member fails to pay the amount due within thirty days after the Authority gives a written demand for payment to the Member.

#### 12. SEVERABILITY OF INTERESTS

The term **covered party** is used severally and not collectively, but the inclusion herein of more than one **covered party** shall not operate to increase the limits of the Authority's liability.

**ENDORSEMENT NO. U-1**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**ADDITIONAL COVERED PARTY AMENDATORY ENDORSEMENT**

It is agreed that the "COVERED PARTY, COVERED PERSONS OR ENTITIES" section of the Memorandum is amended to include the person or organization named on the Certificate of Coverage, but only with respect to liability arising out of premises owned by or rented to the Member, or operations performed by or on behalf of the Member or such person or organization so designated.

Coverage provided under this endorsement is limited to the lesser of the limits stated on the Certificate of Coverage or the minimum limits required by contract.

**Additional Covered Party:**

NAME OF PERSON OR ORGANIZATION SCHEDULED PER ATTACHED CERTIFICATE OF  
COVERAGE

**As Respects:**

PER ATTACHED CERTIFICATE OF COVERAGE

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:**

EIA 19 GL2-00

**Issued to:** ALL MEMBERS

**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-2**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**VIOLATION OF COMMUNICATIONS OR INFORMATION LAW EXCLUSION**

As respects **ultimate net loss**, this Memorandum does not apply:

To any liability arising out of any act that violates any statute, ordinance or regulation of any federal, state, or local government, including any amendment or addition to such laws, which prohibits or limits the sending, transmitting or communicating of material or information by unsolicited sending of faxes, emails or other means of electronic transmission.

It is understood that to the extent any coverage may otherwise be available under this Memorandum or any of its endorsements, the provisions of this exclusion will supersede.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-3**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**STRIP SEARCH EXCLUSION**

As respects **ultimate net loss**, this Memorandum does not apply:

To liability arising out of or in connection with a strip search or body cavity search of a detained person or persons. As used in this exclusion, strip search means a search which includes a physical or visual inspection of the underclothing, breasts, buttocks, or genitalia of the searched person. As used in this exclusion, body cavity search means a visual or physical inspection of the stomach, rectal cavity and/or vagina.

This exclusion shall apply only to strip search or body cavity search activity that is alleged in a class action. As used in this exclusion, "class action" means a certified class action or a **suit** that includes class action allegations; provided however, "class action" does not include any **suit** in which class certification has been denied or withdrawn.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

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Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-4**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**ECONOMIC OR TRADE SANCTIONS**

If coverage for a claim or **suit** under this Memorandum is in violation of any United States of America economic or trade sanctions, including but not limited to, sanctions administered and enforced by the United States Treasury Department's Office of Foreign Assets Control ("OFAC"), then coverage for that claim or **suit** will be null and void.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-5**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**FAIR LABOR STANDARDS ACT EXCLUSION**

As respects **ultimate net loss**, this Memorandum does not apply:

To any liability arising from the failure to pay wages earned by an employee of a **covered party**, including but not limited to any claim or **suit** brought under the overtime compensation or minimum wage provisions of the Fair Labor Standards Act, 29 U.S.C. 201 et seq., or any state or local law governing the payment of overtime compensation or minimum wage. However, this exclusion does not apply to any claim or **suit** brought pursuant to the Equal Pay Act, 29 U.S.C.s. 206 (d).

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

## ENDORSEMENT NO. U-6

### CSAC EXCESS INSURANCE AUTHORITY GENERAL LIABILITY 2

#### EMPLOYEE BENEFIT PLAN EXCLUSION

As respects **ultimate net loss**, this Memorandum does not apply:

To any liability arising out of any representations made at any time in relation to the price or value of any security, debt, bank deposit, or financial interest or instrument, including, but not limited to, advice given to any person to participate in any **plan** included in the employee benefit program.

This Memorandum does not apply to any liability arising out of any depreciation or decline in price or value of any security debt, bank deposit or financial interest or instrument.

This Memorandum does not apply to any liability arising out of any insufficiency of funds to meet any obligation under any employee benefit program.

As used in this endorsement employee benefit program means any employee benefit program including but not limited to the following: group life insurance, group accident or health insurance, profit sharing plans, pension plans and, unemployment insurance, social security benefits, workers' compensation and disability benefits.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:** EIA 19 GL2-00

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-7**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**LEAD EXCLUSION-FIRST PARTY EXPENSES ENDORSEMENT**

Any costs associated with the removal, remediation, encapsulation, abatement, monitoring, assessment or testing for the presence of lead or any materials containing lead, including but not limited to lead based paint, on, at, under or within any property owned, leased, rented or occupied by any **covered party**.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

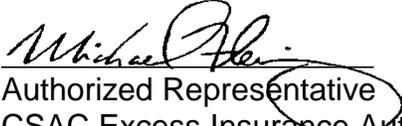
**Effective Date:**

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

## ENDORSEMENT NO. U-8

### CSAC EXCESS INSURANCE AUTHORITY GENERAL LIABILITY 2

#### WAR EXCLUSION

The Memorandum of Coverage is hereby amended to include the following exclusion:

This Memorandum does not apply to any liability arising out of or in connection with:

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- (3) Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.

However, this exclusion does not apply to a **Covered Party's** response to such acts or conditions.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms, definitions, conditions and exclusions of this Memorandum of Coverage remain unchanged.

**Effective Date:**

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

## ENDORSEMENT NO. U-9

### CSAC EXCESS INSURANCE AUTHORITY GENERAL LIABILITY 2

#### AMENDATORY ENDORSEMENT - WAIVER OF SUBROGATION

It is understood and agreed that Condition 7. SUBROGATION, of the Memorandum to which it is attached, is deleted in its entirety and replaced by the following:

#### 7. SUBROGATION

The Authority shall be subrogated to the extent of any payment hereunder to all the **covered party's** rights of recovery therefore; and the **covered party** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. Any amount so recovered shall be apportioned as follows:

Any interest (including the **covered party's**) having paid an amount in excess of the self-insured retention, plus the limit of liability, hereunder shall be reimbursed first to the extent of actual payment. The Authority shall be reimbursed next to the extent of its actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the **covered party**. The expenses of all such recovery proceedings shall be apportioned in the ratio of respective recoveries. If there is no recovery in proceedings conducted solely by the Authority, it shall bear the expenses thereof.

Notwithstanding the above, the Authority waives its rights of subrogation against any person or organization with whom the **covered party** has entered into a written agreement that includes a waiver of subrogation, but only if the agreement is in effect before the injury, damage or liability occurs.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

**Memorandum No.:**

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**Issue Date:** June 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority

## ENDORSEMENT NO. U-10

### CSAC EXCESS INSURANCE AUTHORITY GENERAL LIABILITY 2

#### AMENDATORY ENDORSEMENT-PRIMARY/NON-CONTRIBUTORY

It is understood and agreed that Condition 6. OTHER COVERAGE, of the Memorandum to which it is attached, is deleted in its entirety and replaced by the following:

#### 6. OTHER COVERAGE

If collectible insurance with an insurer, or collectible group coverage through another joint powers authority, interlocal cooperative agreement, self-insurance or other public entity group coverage, is available to the **covered party** covering a loss also covered hereunder (whether on a primary, excess or contingent basis), the coverage hereunder shall be: (a) in excess of, and shall not contribute with, such insurance; and (b) shall contribute only with any excess group coverage available through another joint powers authority according to a pro-rata, time on the risk basis. However, this clause does not apply with respect to excess insurance purchased specifically to be in excess of this Memorandum, or to insurance or reinsurance which is intended to provide the remainder of the limit of liability stated in the Declarations of this Memorandum when the coverage afforded under this Memorandum provides less than 100 percent of the limit set forth in the Declarations. However, if the **covered party** has entered into a written agreement, prior to any loss event, in which it is agreed that this coverage shall be primary and/or non-contributory with respect to an additional **covered party** as specified in Endorsement U-1 of this Memorandum, then this coverage shall respond as primary and/or non-contributory, but shall be limited to the lesser of the limits stated on the Certificate of Coverage or the minimum limits required by the written agreement.

If other valid and collectible coverage through any insurer or other pooling arrangement is available to the Member for a loss also covered by the Member's self-insured retention and this Memorandum, such other valid and collectible coverage shall apply in lieu of the Member's self-insured retention.

Notwithstanding the foregoing paragraph, if, because of liability arising out of or in connection with the operation of any clinic or established health care facility, coverage for **damages** is available under this Memorandum and under the Authority's Medical Malpractice Program, it shall be conclusively presumed that the coverage afforded under the Medical Malpractice Program shall be primary and any coverage available under this Memorandum shall be excess only. For claims to which this provision applies, the exhaustion of the Authority's limit of liability under the Medical Malpractice Program will satisfy the **covered party's** self-insured retention under this Memorandum.

Coverage for the additional **covered party** under this endorsement is limited to the written contract or agreement as specified on the Certificate of Coverage and Endorsement U-1 of this Memorandum.

It is further agreed that nothing herein shall act to increase the Authority's limit of liability.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

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Authorized Representative  
CSAC Excess Insurance Authority

**ENDORSEMENT NO. U-11**

**CSAC EXCESS INSURANCE AUTHORITY  
GENERAL LIABILITY 2**

**WRONGFUL INCARCERATION ENDORSEMENT**

It is agreed this endorsement addresses the scope of coverage afforded, if any, for **wrongful incarceration claims**, as defined below, notwithstanding any provisions of the Memorandum to the contrary.

As respects **ultimate net loss**, this Memorandum does not apply to **wrongful incarceration claims** where the arrest and conviction occurred while the member was not a participant in one of the Authority's General Liability programs.

For a **wrongful incarceration claim** that is afforded coverage, only the memorandum in effect at the time the claimant is found factually innocent or his or her conviction is set aside, whichever occurs earlier, shall be deemed to have been triggered and only that limit shall apply. Where the member is not participating in one of the Authority's General Liability programs at the time the claimant is found factually innocent or his or her conviction is set aside, then only the last memorandum in effect prior thereto shall be deemed to have been triggered and only that limit shall apply.

As used herein, **wrongful incarceration claim** means a claim or suit against a **covered party** alleging **personal injury** arising out of the claimant being arrested and incarcerated for a crime of which he or she was later found factually innocent or which his or her conviction was later set aside.

This endorsement is part of the Memorandum and takes effect on the effective date of the Memorandum unless another effective date is shown below. All other terms and conditions remain unchanged.

**Effective Date:**

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**Issued to:** ALL MEMBERS

**Issue Date:** July 28, 2019

  
Authorized Representative  
CSAC Excess Insurance Authority