

NOTICE

THIS POLICY IS ISSUED BY YOUR RISK RETENTION GROUP. YOUR RISK RETENTION GROUP MAY NOT BE SUBJECT TO ALL OF THE INSURANCE LAWS AND REGULATIONS OF YOUR STATE. STATE INSURANCE INSOLVENCY GUARANTY FUNDS ARE NOT AVAILABLE FOR YOUR RISK RETENTION GROUP.

INTERNSHIPS AND PROFESSIONAL LIABILITY
CLAIMS-MADE INSURANCE POLICY (**Defense Costs** outside **Limit of Liability**)
DECLARATIONS

Item 1. **Educational Organization:**

Address:

Item 2. **Policy Period:**

From May 99, 9999 to May 99,9999
12:01 A.M. at the address stated in Item 1. above.

Item 3. **Limits of Liability:**

\$[0,000,000] Each **Claim**
\$[0,000,000] Annual Aggregate

Item 4. **Deductible:**

(a) \$0 For **Claims** solely made against **Covered Students**
(b) \$[00,000] Per **Claim** for all other **Insureds**

Item 5. **Date of First Coverage:**

May 99, 9999
12:01 A.M. at the address stated in Item 1. above.

Item 6. Premium

\$Premium

Item 7. Applicable Initial Forms and Schedules:

Policy Form [Policy form name for this Product]
Schedule(s) [Schedule name selected for this Product]
[Schedule name selected for this Product]

Item 8. Applicable Initial Endorsements:

[Endt name] [#] [Endt description]

This insurance is subject to the provisions, stipulations, conditions and exclusions contained in the policy form as well as other provisions, stipulations, conditions and exclusions as may be endorsed or added thereto (collectively hereinafter referred to as the "Policy").

Issued by: United Educators Insurance, a Reciprocal Risk Retention Group

SPECIMEN
Authorized Representative

United Educators Insurance, a Reciprocal Risk Retention Group
Internships and Professional Liability Policy
(Claims Made, Defense Costs outside Limit of Liability)

(The words "**we**," "**us**," and "**our**," when used in this Policy, refer to United Educators Insurance, a Reciprocal Risk Retention Group, the Company issuing this Policy of insurance.)

In consideration of the payment of the premium, and in reliance on the statements made and information furnished to **us** in the application and attachments, and subject to the **Limit of Liability**, exclusions, definitions, conditions and other provisions of this Policy, **we** agree with the **Educational Organization** that:

1. INSURING AGREEMENT

We will pay on behalf of the **Educational Organization, Included Entities**, any **Individual Insureds** or any other **Insureds**:

- a. all **Damages** up to the **Limit of Liability** of the Policy; and
- b. all reasonable **Defense Costs** incurred by **us** or by the **Insureds** with **our** prior consent in addition to the **Limit of Liability**,

as a result of a **Wrongful Act** in the performance or failure to perform an **Internship Program** or the rendering or failure to render a **Professional Service** anywhere in the world for which a **Claim** is first made against the **Insured** during the **Policy Period** and reported to **us** as required by this Policy. This Policy is subject to a **Deductible**.

2. DEFINITIONS

This Policy is subject to the following Definitions:

Claim means a written notice to an **Insured** of the intent to hold the **Insured** liable for monetary damages for the results of a **Wrongful Act**, and includes a lawsuit or an arbitration proceeding to which the **Insured** is required to submit or to which the **Insured** has submitted with **our** consent. **Claim** does not mean investigations, audits or requests for information from government entities or others, including but not limited to accrediting organizations, athletic associations and professional societies. All **Claims** (regardless of whether they involve one or more **Insureds**) arising out of the same **Wrongful Act** or related **Wrongful Acts** shall be considered one **Claim**. A **Claim** is made at the time an **Insured** receives the first written notice of the **Claim**.

Covered Students means:

- a. students of the **Educational Organization** while in an **Internship Program**; or
- b. a graduate of the **Educational Organization** who began an **Internship Program** prior to the date of graduation and continues to participate in that **Internship Program**, for up to 150 days after that date,

while under the supervision, direction or control of any person described in Paragraph b.i. of the definition of **Individual Insured**.

Damages means the amount that the **Insureds** become legally obligated to pay as a result of a **Wrongful Act**.

Damages does not include:

- a. taxes, fines, punitive or exemplary damages, or penalties imposed by law, or interest on any of the foregoing;

- b. the cost of compliance with equitable or injunctive relief; or
 - c. any matters uninsurable under the law pursuant to which this Policy shall be construed.
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Date of First Coverage means the date and hour listed in item 5. of the Declarations.

Deductible means the amount of **Damages** and **Defense Costs** for which the **Insureds** are liable and must reimburse us within 30 days of the billing date with respect to each **Claim**, and

- a. is in the amount shown in Item 4.(a) of the Declarations for **Claims** made solely against **Covered Students** when there are no other **Insureds** named as defendants; or
- b. is the amount shown in item 4.(b) of the Declarations for all other **Claims**.

In the event that the **Insureds** have not reimbursed us for a **Deductible** obligation within 60 days, we may charge an interest rate of 3% per year.

Defense Costs means:

- a. the fees and expenses of investigation and defense; and
 - b. the costs of appeal or similar bonds for face amounts up to the **Limit of Liability**, incurred in the defense of **Claims** and includes reasonable attorney's fees and disbursements; but **Defense Costs** does not include the wages or salary of any employee or any **Insured** or the Company.
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Educational Organization means the entity or association named as such in Item 1. of the Declarations.

Extended Discovery Period means, if granted, the 12-month period after the end of the **Policy Period** for reporting **Claims**, but only for a **Wrongful Act** which first takes place before the end of the **Policy Period**.

Healthcare Services means:

1. any medical, psychological, or mental health counseling services provided at any clinic, event, mobile health unit or facility, owned or operated by the **Educational Organization** primarily serving either:
 - a. students, faculty, or staff of the **Educational Organization**, and the families of the foregoing; or
 - b. **Members of the Public**,but only if provided or performed in connection with a related academic program of the **Educational Organization** which grants a degree or certificate in that healthcare profession by providing:
 - i. a clinical learning opportunity for students; or
 - ii. continuing education for faculty members; and
 2. any medical services provided by employed and volunteer **Insureds** primarily to students, faculty or staff of the **Educational Organization** for authorized athletic or sporting events, including athletic training activities, whether on or away from campus.
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Incident means any event, condition or alleged **Wrongful Act** which may result in a **Claim**.

Included Entity means the **Educational Organization** and any entity listed on the Schedule of **Included Entities** of this Policy.

Individual Insureds means the individual persons who, at the time of any **Wrongful Act**, were or are:

- a. any trustee, officer or administrator of the **Educational Organization** but only with respect to a **Wrongful Act** committed by, or allegedly committed by, an **Individual Insured** whose acts are attributed to the **Educational Organization**, trustee officer or administrator, or for whose acts the **Educational Organization**, trustee, officer or administrator is liable;
- b. at the option of the **Educational Organization**, any:
 - i. members of the faculty, instructors, adjunct instructors, teachers or other professionals, whether or not employees, who instruct or supervise students in an **Internship Program**, but only with respect to a **Wrongful Act** in an **Internship Program** for which act the instructor or supervisor is liable;
 - ii. **Covered Students**; and
 - iii. employees and uncompensated volunteers of the **Educational Organization** while providing **Professional Services**;

but only with respect to **Wrongful Acts** committed or allegedly committed within the scope of their duties or obligations in their respective **Insured** capacities as described in paragraphs a. through b. above.

Insured means:

- a. the **Educational Organization**, any **Individual Insured** and any **Included Entity**; and
- b. at the option of the **Educational Organization** and prior to a **Wrongful Act**, any **Internship Host** to whom the **Educational Organization** is obligated by virtue of a written contract or agreement to provide liability insurance such as is afforded by this Policy, but only with respect to a **Wrongful Act** in an **Internship Program** for whose **Wrongful Act** that organization is liable.

Other than as provided in item b. above, an independent contractor is not an **Insured** unless specifically endorsed to this Policy.

Internship Host means:

- a. any entity or organization that, subject to a prior written agreement with the **Educational Organization**, hosts an **Internship Program** for **Covered Students**; or
 - b. any other entity or organization that hosts an **Internship Program** to **Covered Students** in satisfaction of course requirements.
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Internship Program means any practicum, clinical training, externship or internship:

- a. that is provided either by the **Educational Organization** for its students or provided by any **Internship Host**; or
- b. designated in the Schedule of **Internship Programs** and **Professional Services** of this Policy;

but only while students are under the direction, control and supervision of the **Educational Organization** or **Internship Host**.

Joint Venture means a partnership agreement or joint operating agreement between an **Included Entity** and an entity that is not an **Included Entity** with respect to a common undertaking, enterprise or activity involving joint control.

Limit of Liability means the amount of **Damages** stated in Item 3. of the Declarations applicable to each

Claim and in the aggregate annually for all **Claims** covered by this Policy.

Members of the Public means individuals other than students, faculty, or staff of the **Educational Organization** and families of the foregoing.

Policy Period means the period from the first date and hour listed in Item 2. of the Declarations until the earlier of the last date and hour listed in Item 2. of the Declarations or the date and hour of cancellation of this Policy.

Professional Service means:

- a. any **Healthcare Services**;
- b. any engineering, architecture, veterinary, law; or social work services; or
- c. any activity designated in the Schedule of **Internship Programs** and **Professional Services** of this Policy,

but only if the **Professional Service** is performed by an employee, faculty member, student, uncompensated volunteer, or independent contractor of an **Included Entity**, and only while acting within the scope of his or her duties assigned by an **Included Entity**.

Professional Service does not include any activity for which an individual is compensated by any party other than an **Included Entity**.

Wrongful Act means any actual or alleged error, omission, act, misstatement, neglect or breach of duty.

Wrongful Employment Practices means wrongful acts against or wrongful treatment of an employee, former employee or applicant for employment by an **Included Entity** in its capacity as employer or by any person for whose conduct or misconduct the **Included Entity** is liable, including wrongful failure to hire, retain or promote; wrongful discrimination in the terms or conditions of employment, including sexual harassment; wrongful demotion, termination of employment, or discipline; failure to grant due process; the granting or removal of tenure; defamation or retaliation.

3. LIMIT OF LIABILITY

- a. Regardless of the number of **Insureds**, parties who sustain injuries or **Claims** made or suits brought on account of one or more **Wrongful Acts**:
 - i. **Our** liability for all **Damages** arising out of one **Claim** is limited to the amount stated in Item 3. of the Declarations as applicable to "Each **Claim**" (except to the extent that the Annual Aggregate limit has been exhausted by **Damages** from other **Claims**); and
 - ii. **Our** liability for all **Damages** arising out of all **Claims** first made in the **Policy Period** is limited to the amount stated in Item 3. of the Declarations as "Annual Aggregate."
- b. After the applicable **Limit of Liability** has been exhausted by payment of **Damages**, we have no further obligation to any **Insured**.
- c. **Defense Costs** shall be paid by us in addition to the **Limit of Liability** of this Policy.

4. DEFENSE AND SETTLEMENT

- a. **We have the right and duty to appoint counsel and to defend lawsuits covered by this Policy, even if groundless, false or fraudulent, and at our option to investigate and settle any Claim.**

- b. As a condition precedent to their rights under this Policy with respect to any **Claim**, the **Insureds** shall fully cooperate with **us** and with defense counsel **we** appoint.
- c. If more than one **Insured** is involved in a **Claim**, **we** may decline to appoint or approve separate counsel for the **Insureds** unless there is a material conflict of interest among them.
Notwithstanding any other provision of this Policy, where there is a material conflict of interest among **Insureds** involving a **Claim**, **we** shall have the right to appoint counsel to defend each of the **Insureds** in that **Claim**.
- d. The **Insureds** shall immediately notify **us** of any settlement demand made with respect to any **Claim**. No **Insured** shall admit any liability or, without **our** prior consent, make any payment, propose any settlement, settle any **Claim**, or incur any expense except for amounts for which no payment is sought by the **Insured** under this Policy.
- e. If the **Insured** elects not to appeal a judgment, **we** may appeal, but in no event shall **our** liability for **Damages** exceed the **Limit of Liability** of this Policy applicable to each **Claim** and in the aggregate for all **Claims**.
- f. If a single **Claim** involves both covered and uncovered elements, the **Insureds** and **we** agree to use **our** best efforts to determine a fair and proper allocation of **Damages** between the covered and non-covered elements of the **Claim**, taking into account the relative exposure presented by each element. **We** will be obligated to pay only that portion of **Damages** allocated to covered elements of **Claims** against **Insureds**. If the **Insureds** and **we** are unable to agree upon an allocation, **we** shall advance that portion of **Damages** which the parties agree is not in dispute until a different allocation is negotiated or judicially determined.

5. EXCLUSIONS

This Policy does not apply to and **we** will not defend any **Claim**, or pay any amounts related to, arising out of, based upon or in any way involving:

- a. any **Claim** already made against any **Insured** at the **Date of First Coverage**; or any **Wrongful Act** that, prior to the **Date of First Coverage**, any **Insured** had any reasonable basis to believe might lead to a **Claim**;
 - b. any program of education or training, or any practicum, clinical training, externship or internship that is not an **Internship Program**; or any service that is not a **Professional Service**;
 - c. any **Wrongful Act** while an **Insured's** license or certification to practice his/her profession or the license under which he/she is practicing has been suspended, revoked or surrendered;
 - d. any express warranty or guarantee of performance or result;
 - e. **Professional Services** performed by, or **Internship Programs** involving:
 - i. medical students, medical interns, medical residents, or any other physicians in training;
 - ii. osteopathic doctors or dentists in training;
 - iii. chiropractors, midwives, anesthetists; or
 - iv. nuclear or aerospace engineers;
 - f. any treatment provided at:
 - i. a medical facility with overnight beds that primarily services individuals other than students, faculty, staff and families of the **Educational Organization**, or any entity that is a part of a hospital, healthcare system, urgent care facility, or medical school; or
 - ii. any clinic, event, mobile health unit or facility that primarily provides specialized treatment or diagnosis for:
 - (1) heart disease;
 - (2) cancer;
 - (3) neurological or nervous system disease;
 - (4) autoimmune disease;
 - (5) intellectual disability;
 - (6) genetic disease; or
 - (7) any other organ failure, or terminal disease, illness or condition;
 - g. any surgery;
- Exception:** This Exclusion does not apply to any **Internship Programs**;

Exception: This Exclusion does not apply to suturing, stitching, or incising of superficial wounds, or lacerations to the skin;

- h. sexual misconduct, sexual molestation, sexual assault or sexual abuse;
However, **we** will reimburse **Defense Costs**,
 - i. of an **Individual Insured** if a civil judgment or final civil adjudication finds that the **Individual Insured** did not engage in any such conduct;
 - ii. of the **Included Entity** if a civil judgment or final civil adjudication finds that the **Included Entity** had no liability for any such conduct;
- i. the operation or use of any motor vehicle, boat or aircraft; or
 - i. the design, manufacture, construction, maintenance, service, use or operation of any aircraft, (including lighter-than-air craft or manned balloon) or any component part or equipment thereof, or any other aircraft navigational or aviation-related equipment;
 - ii. air traffic control operations, wherever located; or
 - iii. airport operations, including helipads or heliports;
- j. the breach or alleged breach of any contract or agreement whether written, oral, implied, or otherwise; or any liability assumed by any **Insured** in any contract or indemnification agreement except for liability that the **Insured** would have in the absence of any such agreement;
- k. any **Insured** gaining any illegal or unjust profit or economic advantage; or the return of any remuneration, grant, or fees paid to any **Insured**;
- l. any willful violation of any statute, governmental regulation or ordinance; or any **Wrongful Act** committed by the **Insured** with the knowledge that it was unlawful or that it would harm or injure;
- m. asbestos or materials containing asbestos, lead or radon in any form; or the storage, disposal, discharge, dispersal, release, growth, or escape of bacteria, fungi (which includes, but is not limited to, any form or type of mold, mushroom, or mildew), spores (which includes any reproductive body produced by or arising out of fungi), smoke, vapors, soot, fumes, acids, alkalis, toxic substances, chemicals, liquids, gases, waste materials or other irritants, contaminants or pollutants of any kind into or upon land, in or into any building, or into the atmosphere or any watercourse or body of water whether above ground or underground, or in any other place; or the failure to test for, cleanup, mitigate, protect or warn against, or monitor any of the above under any circumstances;
- n. activities of any **Insured** as a fiduciary of any employee benefit plan or any violation of any of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 or amendments thereto or any similar statute, regulation, ordinance, order or edict of any jurisdiction or political subdivision;
- o. any **Claim** brought by or on behalf of any **Insured** against any other **Insured**; or any injury or alleged injury to an employee of an **Insured** arising out of and in the course of employment by an **Insured**;
- p. services or acts involving:
 - i. peer review, professional certification or credentialing;
 - ii. utilization review;
 - iii. activity by any **Insured** as a member of any professional licensing board;
- q. libel, slander or other defamation; any actual or alleged discrimination against any person; or any **Wrongful Employment Practice**;
- r. damage to, or loss of, any property at any time in the care, custody or control of any **Insured**;
Exception: This Exclusion does not apply to animals placed in the custody of an **Included Entity** for veterinary purposes;
- s. human clinical trials; or the use, administration or prescription of any drug, pharmaceutical or medical device for a treatment of human beings that has not been approved for distribution or sale by the USFDA;
- t. any goods or products sold or distributed by an **Included Entity** or others trading under its name;
- u. any:
 - i. actual or alleged violation of any anti-trust or unfair trade practices laws, or
 - ii. demand for the return of funds or gifts brought by or on behalf of a government agency or

- other entity or person, including but not limited to any actual or alleged violation of the False Claims Act or similar laws;
- v. the administration or management of:
 - i. any insurance entity or mechanism owned, controlled or operated by an **Included Entity**;
 - or
 - ii. any charitable trust or endowment;
- w. legal services provided to any person who is not an **Insured**;

Exception: This exclusion does not apply to legal services:

 - i. listed on the Schedule of **Internship Programs** and **Professional Services** of this Policy;
 - ii. provided in connection with a clinical learning opportunity for students of the **Educational Organization** at a legal clinic owned or operated by the **Educational Organization**; or
 - iii. provided by **Covered Students** in an **Internship Program**;
- x. the hazardous properties of radioactive or nuclear material (including source material, special nuclear material and by-product material as those terms are defined in the Atomic Energy Act of 1954 and amendments thereto);

Exception: While in all instances applying to nuclear material (including *source material*, *special nuclear material* and *by-product material* as those terms are defined in the Atomic Energy Act of 1954 any amendments thereto), this exclusion shall not apply to:

 - i. any other radioactive material; or
 - ii. Byproduct defined under the Atomic Energy Act Sections 11e.(3) and 11.e.(4); that is used by an **Included Entity** for medical or research or educational purposes;
- y. **Professional Services** provided to or on behalf of any **Joint Venture** to which an **Included Entity** is a party;
- z. damage, destruction of or corruption of, inability to access, loss of use, or inability to manipulate any electronic data or computer software; and,
- aa. any actual or alleged infringement of any patent, trademark, service mark, trade dress, trade name, copyright, or misappropriation of trade secrets.

6. NOTICE OF CLAIMS AND WRONGFUL ACTS

- a. As a condition precedent to an **Insured's** rights under this Policy the **Insured** or the **Educational Organization** must give **us** written notice of any **Claim** as soon as reasonably practicable and promptly and fully give **us** such information with regard to that **Claim** as **we** may require. If this Policy is not renewed, then (subject always to the preceding sentence) the **Insured** or the **Educational Organization** must give **us** written notice of any **Claim** no later than 60 days after the end of the **Policy Period** or, if all conditions of Paragraph 8. have been satisfied, no later than the end of the **Extended Discovery Period**.
- b. As a condition precedent to any **Insured's** rights under this Policy, the **Insured** or the **Educational Organization** must report to us immediately any **Incident** related to or arising out of a **Professional Service** or **Internship Program** that involves:
 - i. fatality,
 - ii. major paralytic conditions such as paraplegia and quadriplegia;
 - iii. second or third degree burns to 25% or more of the body;
 - iv. amputation, permanent loss of use of permanent loss of sensation of a major extremity;
 - v. head or brain injuries resulting in coma, behavioral disorders, personality changes, seizures, aphasia or permanent disorientation;
 - vi. loss of sight in one or both eyes or loss of hearing;
 - vii. injury resulting in incontinence of bowel or bladder; or
 - viii. any injury resulting from **Healthcare Services**, to which this Policy may apply.

The **Insured** must:

- i. notify us as soon as practicable in writing;

- ii. provide to **us**:
 - (1) particulars sufficient to identify the **Insured**, person, persons or organizations involved in the **Incident**,
 - (2) information required for reporting under Section 111 of the Medicare, Medicaid and State Children's Health Insurance Program Extension Act of 2007, and
 - (3) such reasonably detailed information as **we** may request;
 - iii. promptly forward to **us** any written demand, notice, summons, complaint, or other process of service received by the **Insured** or its representatives; and
 - iv. cooperate with **us** and with any claims administrator **we** designate in the investigation, defense or settlement of **Claims**.
- c. Subject to the requirements of Paragraphs 6.a. and 6.b. above, if during the **Policy Period** an **Insured** first becomes aware of any **Incident** and gives **us** written notice of, and specific information about, that **Incident** including but not limited to the:
- i. nature of the **Incident**;
 - ii. the alleged injury;
 - iii. the name of injured parties and/or potential claimants; and
 - iv. the manner in which the **Insured** first became aware of the **Incident**,
- then any **Claim** subsequently made arising out of that **Incident** will be deemed to have been made on the date on which that notice was first given to **us**.
- d. All notices of **Wrongful Act** or **Claim** shall be in writing to United Educators Insurance, 7700 Wisconsin Ave, Suite 500, Bethesda, MD 20814, Fax 301-907-0303, or at newclaims@ue.org or through www.ue.org. If a **Claim** is submitted electronically, **we** will send an electronic confirmation.

7. CANCELLATION AND NONRENEWAL

- a. The **Educational Organization** may cancel this Policy for itself and all other **Insureds** by surrendering it to **us** or by written notice to **us** by certified mail at the address in Paragraph 6.d. stating when (not less than 10 days thereafter) the cancellation shall be effective. **We** may cancel this Policy only in the event that any payment of premium or any payments of a **Deductible** for which an **Insured** must reimburse **us** is not made when due and payable by mailing written notice by certified mail to the **Educational Organization** at the last mailing address known by **us** stating when, not less than 10 days thereafter, such cancellation shall be effective.
- b. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Policy Period**. Earned premium shall be calculated in accordance with the customary short rate table and procedure.
- c. If **we** elect not to renew coverage provided by this Policy at then current standard terms and conditions (a change or increase in premium is not a change of terms and conditions) at the end of the **Policy Period**, **we** shall give the **Educational Organization** written notice at least 60 days before the end of the **Policy Period**.
 - i. In the event that **we** learn of a change in the insurability of the risk that **we** deem material within 60 days or less before the end of this Policy and **we** are not then willing to renew at the current standard terms and conditions, **we** will notify the **Educational Organization** of this determination as soon as practicable, and **we** will also advise the **Educational Organization** whether **we** are willing to renew on different terms and conditions before the end of this **Policy Period**.
 - ii. Under such circumstances, **we** may but are not required to offer the **Educational Organization** the opportunity to purchase a 60-day extension to the expiring Policy. Although this accommodation by **us** would be meant to give the **Educational**

Organization that purchases a 60-day extension additional time to make decisions, this extension of the **Policy Period** shall under no circumstances create any additional Policy limits or increase the **Limits of Liability** available to the **Insureds**.

If offered by **us**, the **Educational Organization** may exercise this option by electing in writing before the end of the current **Policy Period** to pay to **us** an additional prorated portion of the current Policy's premium. Payment of the additional premium must be made no later than 10 days following the end of the original **Policy Period**.

8. EXTENDED DISCOVERY PERIOD

If **we** are unable to agree with the **Educational Organization** to a renewal at the end of the **Policy Period**, the **Educational Organization** shall have the right, upon payment of an additional premium of 100% of the annual premium of this Policy, to an **Extended Discovery Period**; but

- i. the right to an **Extended Discovery Period** must be exercised to **us** in writing and payment of the additional premium must be made no later than 10 days following the end of the **Policy Period**;
- ii. any **Claim** first made during the **Extended Discovery Period** will be treated as a **Claim** first made during the **Policy Period** and subject to the **Limit of Liability** and **Deductible** amounts for the **Policy Period**;
- iii. this Policy does not cover any **Claim** that is covered in whole or in part by any policy of insurance that replaces this Policy or that succeeds this Policy in time; and
- iv. the additional premium will be considered fully earned on the first day of the **Extended Discovery Period**.

9. GOVERNING LAW AND INTERPRETATION

This Policy shall be governed by and construed in accordance with the internal laws of the State of New York, without regard to principles of conflicts of laws thereunder, except the substantive law of New York shall not be used to supplant or override (1) the provisions of this agreement regarding payment of punitive damages; (2) the provisions of this agreement addressing the award, rate or accrual date of prejudgment interest; and/or (3) the requirement that the provisions, stipulations, exclusions and conditions of this Policy be construed in an evenhanded fashion between the **Insureds** and **us**. Where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in the manner most consistent with the relevant provisions, stipulations, exclusions and conditions without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either the **Insureds** or **us**.

10. RESOLUTION OF DISPUTES

Any and all disputes arising out of or related to this agreement or the parties' performance hereunder shall be submitted first to mediation before a mutually-acceptable mediator. The parties shall: (1) mediate in good faith; (2) exchange all documents which each believes to be relevant and material to the issue(s) in dispute; (3) exchange written position papers stating their position on the dispute(s) and outlining the subject matter and substance of the anticipated testimony of persons having personal knowledge of the facts underlying the dispute(s); and (4) engage and cooperate in such further discovery as the parties agree or mediator suggests may be necessary to facilitate effective mediation. Mediator, venue, and related costs shall be shared equally by the parties.

Should the mediation required by this section fail to resolve the parties' dispute within four months of the initial mediation session, the parties agree to submit their dispute to a confidential, binding arbitration held according to the JAMS Comprehensive Arbitration Rules & Procedures in effect as of June 1, 2021 (the "Rules"), each party to bear (1) their own attorneys' fees and costs and (2) the fees and costs of their party-appointed arbitrator; and an equal share of the fees and expenses of the

Chairperson and of the other expenses of the arbitration except for fees subject to paragraph 31(c) of the Rules.

Unless the parties consent in writing to a lesser number, the arbitration panel shall consist of three (3) arbitrators, the first to be appointed by the **Educational Organization** on behalf of the **Insureds**, the second to be appointed by **us**, and the third (the "Chairperson") to be appointed by the two (2) arbitrators so appointed. The Chairperson shall either (1) have a minimum of 10 years' experience working in the insurance industry or (2) have handled a minimum of 5 insurance-related arbitrations or trials. The seat of the arbitration shall be Bethesda, Maryland; but the arbitration panel may, for the convenience of the parties and without changing the locale of the final arbitration hearing, meet or take evidence at any place or places.

To the extent any dispute arises regarding any privileged information or documents, the Panel shall determine whether an *in camera* review is necessary. If the Panel decides that such a review is necessary, the privileged information or documents shall be referred to *in camera* inspection by a special master selected by the majority of the arbitrators for such decisions, rather than being decided *in camera* by the arbitrators. The special master must be an attorney who has acted as a special master deciding privilege issues under state or federal law of the United States, or a retired jurist of any federal trial or appellate court of the United States.

The award of the arbitration panel may be, alternatively or cumulatively, for money damages, an order requiring the performance of obligations under this Policy, or any other appropriate order or remedy. The award shall not allocate arbitration fees or Chairperson compensation, costs or expenses in any manner except for equally between the parties. The decision of a majority of the arbitration panel shall be final and binding except to the extent otherwise provided in the Federal Arbitration Act.

For purposes of entering judgment upon any award by the arbitration panel, **we** and the **Insureds** submit to the jurisdiction of the State and Federal District Courts located in the State of Maryland.

We and the **Insureds** agree that prejudgment interest shall be calculated at the prime rate plus one percent and shall begin to accrue on the first date either party requested mediation.

11. COMPLIANCE WITH APPLICABLE UNITED STATES SANCTIONS

This insurance does not apply when **we** are prohibited from providing insurance by virtue of any United States laws or regulations.

12. CURRENCY

All premiums, **Limit of Liability, Deductible, Damages, Defense Costs** and all other monetary amounts used in this Policy are expressed and payable in United States currency.

13. OTHER INSURANCE

This Policy shall always be primary to any general liability, educators legal liability, umbrella liability or excess liability policy issued by **us** to the **Educational Organization**.

However, this Policy shall at all times be excess over any other valid and collectible insurance (including any insurance naming the **Insured** as "additional insured") available to the **Insured** other than insurance that is expressly and specifically excess of the limits of this Policy, and nothing in this Policy shall be construed to require this Policy to contribute with, or subject this Policy to the conditions of any other insurance. **We** will not defend or pay any **Defense Costs** incurred in connection with any **Claim** that another insurer has a duty to defend.

14. REPRESENTATION

- a. Except as respects the giving of notice of **Claim** pursuant to Paragraphs 6.a. and 6.c. and giving of notice to exercise the **Extended Discovery Period** and payment of premium under Paragraph 8., the **Educational Organization** agrees to act on behalf of all **Insureds** with respect to all matters under this Policy, including, without limitation, payment of premium, negotiation of the terms of renewal, the adjustment, settlement and payment of **Claims**, resolution of disputes, allocation of the proceeds of this Policy, the giving and receiving of notice of cancellation, the receiving of any return premiums that may become due and the giving of notice to entities or persons whom the **Educational Organization** chooses to not make an **Insured** or **Individual Insured**.
- b. In the event there is a dispute among **Insureds** as to allocation of the proceeds of this Policy among any of them or on their behalf, **we** may pay such proceeds to the **Educational Organization**, which agrees to accept such proceeds and to assume responsibility for its allocation among the **Insureds** or on their behalf, and **we** shall be discharged from any further responsibility or liability hereunder or otherwise with respect to such proceeds. The **Insureds** agree that the **Educational Organization** shall so act on their behalf. Notice by certified mail to the **Educational Organization** at the last mailing address known by **us** shall constitute notice to all **Insureds**.

15. SUBROGATION

In the event of any payment under this Policy, **we** shall be subrogated to all the **Insureds'** rights of recovery against any person or organization, and the **Insureds** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and shall do nothing to prejudice such rights after the **Wrongful Act**. **We** agree to waive any right of recovery **we** may have against any person or organization when the **Educational Organization** has agreed to such waiver prior to a **Wrongful Act**.

16. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by a written endorsement to this Policy that is signed by **our** authorized representative.

17. HEADINGS

The descriptions in the headings and subheadings of this Policy are inserted solely for convenience and do not constitute any part of the terms or conditions of this Policy.

IN WITNESS WHEREOF, United Educators Insurance, a Reciprocal Risk Retention Group has caused this Policy to be signed by its President, subject to signature by a duly authorized representative of the Company on the Declarations page.

SPECIMEN

President