

**IN THE SUPREME COURT OF THE STATE OF NEVADA**

ST. PAUL FIRE & MARINE  
INSURANCE COMPANY

Appellant,

v.

NATIONAL UNION FIRE INSURANCE  
COMPANY OF PITTSBURGH, PA.;  
ROOF DECK ENTERTAINMENT, LLC,  
D/B/A MARQUEE NIGHTCLUB,

Respondents.

Supreme Court No: 81344

District Court Case No: A758902

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**APPENDIX TO APPELLANT'S OPENING BRIEF  
VOLUME XVI of XVI**

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HUTCHISON & STEFFEN, PLLC

Michael K. Wall (2098)  
10080 W. Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
[mwall@hutchlegal.com](mailto:mwall@hutchlegal.com)

*Attorneys for Appellant*

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**CERTIFICATE OF SERVICE**

I certify that I am an employee of HUTCHISON & STEFFEN, PLLC and that on the 18<sup>th</sup> day of February, 2021 the foregoing ***APPENDIX TO APPELLANT'S OPENING BRIEF VOLUME XVI of XVI*** was filed electronically with the Clerk of the Nevada Supreme Court, and therefore electronic service was made in accordance with the master service list below:

Daniel F. Polsenberg (2376)  
Abraham G. Smith (13250)  
LEWIS ROCA ROTHGERBER CHRISTIE  
LLP  
3993 Howard Hughes Parkway,  
Ste. 600  
Las Vegas, NV 89169  
[dpolsenberg@lrrc.com](mailto:dpolsenberg@lrrc.com)  
[asmith@lrrc.com](mailto:asmith@lrrc.com)  
T: 702.474.2689  
F: 702.949.8398  
*Attorneys for Respondent National Union  
Fire Insurance Company of Pittsburgh, PA  
and Roof Deck Entertainment, LLC dba  
Marquee Nightclub*  
Michael M. Edwards, Esq. (6281)  
Nicholas L. Hamilton, Esq. (10893)  
MESSNER REEVES LLP  
8945 W. Russell Road, Suite 300  
Las Vegas, NV 89148  
[medwards@messner.com](mailto:medwards@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
[efile@messner.com](mailto:efile@messner.com)  
T: 702-363-5100  
F: 702-363-5101  
*Attorneys for Defendant Aspen Specialty  
Company*

Andrew D. Herold, Esq. (7378)  
Nicholas B. Salerno, Esq. (6118)  
HEROLD & SAGER  
3960 Howard Hughes Parkway,  
Suite 500  
Las Vegas, NV 89169  
[aherold@heroldsagerlaw.com](mailto:aherold@heroldsagerlaw.com)  
[nsalerno@heroldsagerlaw.com](mailto:nsalerno@heroldsagerlaw.com)  
T: 702-990-3624  
F: 702-990-3835  
*Attorneys for Respondent National Union Fire  
Insurance Company of Pittsburgh, PA and  
Roof Deck Entertainment, LLC dba Marquee  
Nightclub*

/s/ ***Bobbie Benitez***

\_\_\_\_\_  
An employee of Hutchison & Steffen, PLLC

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

**TOTAL LEAD EXCLUSION**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following Exclusion is added to 2., Exclusions of the GENERAL LIABILITY COVERAGE FORM:

This Policy Does Not Apply To:

1. "Bodily Injury", "Property Damage", "Personal Injury", or "Advertising Injury" arising out of, resulting from, caused by or contributed to by the presence, ingestion, inhalation, or absorption of or exposure to lead, lead compounds, or lead contained in any materials;
2. Any cost or expense to abate, mitigate, remove, or dispose of lead, lead compounds or materials containing lead;
3. Any supervision, instruction, recommendations, warnings or advice given or which should have been given in connection with parts 1. or 2. above; or
4. Any obligation to share damages with or repay anyone else who must pay damages in connection with parts 1., 2., or 3. above.

**POLICY NUMBER:** CRA8XYD11

**INSURED NAME:** THE RESTAURANT GROUP ETAL

**ADDITIONAL NAMED INSURED ENDORSEMENT**

**THE NAMED INSURED IS HEREBY AMENDED TO INCLUDE THE FOLLOWING:**

- 1) Madison Entertainment Associates, LLC.
- 2) Asia Las Vegas, LLC.
- 3) Buddha Entertainment, LLC.
- 4) Buddha Beach, LLC.
- 5) Stripview Entertainment, LLC.
- 6) Roof Deck Entertainment, LLC.
- 7) 5 Chinese Brothers, LLC.
- 8) Tao Licensing, LLC.
- 9) RMNJ, LLC.

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

**SILICA EXCLUSION ENDORSEMENT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following Exclusion is added to SECTION I - COVERAGES, COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. - EXCLUSIONS and SECTION I - COVERAGES, COVERAGE B. - PERSONAL AND ADVERTISING INJURY LIABILITY, 2. - EXCLUSIONS:

1. Any liability for "bodily injury", "property damage", "personal injury", "advertising injury", occupational disease, disability, shock, mental anguish or mental injury, at any time arising out of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to silica, silicate, any silica material or any by-product, residue or compound containing silica or silicate; or
2. Any obligation of the "insured" to indemnify any party because of damages arising out of "bodily injury", "property damage", "personal injury", "advertising injury", occupational disease, disability, shock, mental anguish or mental injury, at any time as a result of the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to silica or silicate, any silica material or any by-product, residue or compound containing silica or silicate; or
3. Any obligation to defend any "suit" or claim against the "insured" alleging bodily injury, "property damage", "personal injury", "advertising injury", occupational disease, disability, shock, mental anguish or mental injury, resulting from or contributed to, by the manufacture of, mining of, use of, sale of, installation of, removal of, distribution of, or exposure to silica, silicate, any silica material or any by-product, residue or compound containing silica or silicate.

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

**CONTRACTUAL LIABILITY – AMENDMENTS**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART

This insurance does not apply to any claim for damages resulting:

1. from the sole negligence of the indemnitee; or
2. from the ownership, maintenance or use of any aircraft;

arising out of any liability assumed under any "insured contract."

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

**HIRED AUTO AND NON-OWNED AUTO LIABILITY**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<b>Coverage</b>	<b>Limits of Insurance</b>	<b>Additional Premium</b>
Hired Auto Liability	\$ 1,000,000	\$INCL.
Non-Owned Auto Liability	\$ 1,000,000	\$INCL.

- A.** Insurance is provided only for those coverages for which a specific premium charge is shown in the Declarations or in this Schedule.

**1. HIRED AUTO LIABILITY**

The insurance provided under the Commercial General Liability Form, **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, applies to "bodily injury" or "property damage" arising out of the maintenance or use of a "hired auto" by you or your "employees" in the course of your business.

**2. NON-OWNED AUTO LIABILITY**

The insurance provided under the Commercial General Liability Form, **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, applies to "bodily injury" or "property damage" arising out of the use of any "non-owned auto" in your business by any person other than you.

- B.** For insurance provided by this endorsement only:

- 1.** The exclusions, under the Commercial General Liability Form, **SECTION I – COVERAGES, COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY**, 2. Exclusions, e. and j. are deleted and replaced by the following:

- e. "Bodily injury" to:

- (1)** An "employee" of the insured arising out of and in the course of:
  - (a)** Employment by the insured; or
  - (b)** Performing duties related to the conduct of the insured's business; or
- (2)** The spouse, child, parent, brother or sister of that "employee" as a consequence of Paragraph **(1)** above.

This exclusion applies:

- (1)** Whether the insured may be liable as an employer or in any other capacity; and
- (2)** To any obligation to share damages with or repay someone else who must pay damages because of injury.



This exclusion does not apply to:

- (1) Liability assumed by the insured under an "insured contract"; or
  - (2) "Bodily injury" arising out of and in the course of domestic employment by the insured unless benefits for such injury are in whole or in part either payable or required to be provided under any workers compensation law.
- j. "Property damage" to:
- (1) Property owned or being transported by, or rented or loaned to the insured; or
  - (2) Property in the care, custody or control of the insured,

**2. SECTION II – WHO IS AN INSURED** in the Commercial General Liability Form, is replaced by the following:

Each of the following is an insured under this endorsement to the extent set forth below:

- a. You
- b. Any other person using a "hired auto" with your permission
- c. For a "non-owned auto", any partner or "executive officer" of yours, but only while such "non-owned auto" is being used in your business; and
- d. Any other person or organization, but only for their liability because of acts or omissions of an insured under a., b. or c. above

None of the following is an insured:

- (1) Any person engaged in the business of his or her employer for "bodily injury" to any co-"employee" of such person injured in the course of employment, or to the spouse, child, parent, brother or sister of that co-"employee" as a consequence of such "bodily injury", or for any obligation to share damages with or repay someone else who must pay damages because of the injury.
- (2) Any partner or "executive officer" for any "auto" owned by such partner or officer or a member of his or her household;
- (3) Any person while employed in or otherwise engaged in duties in connection with an "auto business", other than an "auto business" you operate;
- (4) The owner or lessee (of whom you are a sublessee) of a "hired auto" or the owner of a "non-owned auto" or any agent or "employee" of any such owner or lessee;
- (5) Any person or organization for the conduct of any current or past partnership or joint venture that is not shown as a Named Insured in the Declarations.

**C. The following additional definitions apply:**

- 1. "Auto Business" means the business or occupation of selling, repairing, servicing, storing or parking "autos".
- 2. "Hired Auto" means any "auto" you lease, hire or borrow. This does not include any "auto" you lease, hire or borrow from any of your "employees" or members of their households, or from any partner or "executive officer" of yours.
- 3. "Non-Owned Auto" means any "auto" you do not own, lease, hire or borrow which is used in connection with your business. However, if you are a partnership, a "non-owned auto" does not include any "auto" owned by any partner.

ALL OTHER TERMS AND CONDITIONS OF THE POLICY REMAIN UNCHANGED.

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

**AMENDMENT – COMMON POLICY CONDITIONS**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

The Common Policy Conditions (IL 00 17 11/98) are amended by the addition of the following:

**G. Other Insurance with This Company**

If this policy contains two or more Coverage Parts providing coverage for the same "occurrence," "accident," "cause of loss," "loss" or offense, the maximum limit of insurance under all Coverage Parts shall not exceed the highest limit of insurance under any one Coverage Part.

If this policy and any other policy issued to you by us apply to the same "occurrence," "accident," "cause of loss," "injury," "loss" or offense, the maximum limit of insurance under all of the policies shall not exceed the highest limit of insurance under any one policy. This condition does not apply to any policy issued by us which specifically provides that the policy is to apply as excess insurance over this policy.

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

**ELECTROMAGNETIC FIELDS (EMF'S) EXCLUSION**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

1. The following Exclusion is added to SECTION I – COVERAGES, COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. – EXCLUSIONS:

Any liability for bodily injury or property damage, or any other loss, cost (including defense costs) or expense arising out of exposure to an electromagnetic field in any form, including but not limited to liability for the installation, operations, repair, sale or manufacture or distribution of any kind of equipment or products producing or in any way involving the effects of an electromagnetic field.

2. The following Definition is added to SECTION V – DEFINITIONS:

"Electromagnetic Field" means electric and magnetic fields generated by varying electrical current through any medium including but not limited to wires whether or not intended for the purpose of conducting electricity.

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

**GARAGEKEEPERS COVERAGE**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

**COMMERCIAL GENERAL LIABILITY COVERAGE PART**

With respect to coverage provided by this endorsement, the provisions of the Coverage Form apply unless modified by the endorsement.

This endorsement changes the policy effective on the inception date of the policy unless another date is indicated below.

Endorsement Effective:  Named Insured: THE RESTAURANT GROUP ETAL	Countersigned By:  (Authorized Representative)
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**SCHEDULE**

Location No.	Coverages	Limits of Insurance for Each Location	
<input type="checkbox"/>	Comprehensive	\$	PER LOCATION FOR ALL CUSTOMER'S AUTO MINUS A
	SIR \$25,000	\$	DEDUCTIBLE FOR EACH "CUSTOMER'S AUTO FOR LOSS" CAUSED BY THEFT OR MISCHIEF OR VANDALISM
ONE	SUBJECT TO \$		DEDUCTIBLE FOR ALL SUCH "LOSS" IN ANY ONE EVENT
<input checked="" type="checkbox"/>	Comprehensive	\$100,000	MINUS \$25,000 DEDUCTIBLE FOR EACH "CUSTOMER'S AUTO" FOR "LOSS" CAUSED BY THEFT OR MISCHIEF VANDALISM; OR
	Specified Causes	\$	MINUS \$
	Of Loss	\$	MINUS \$
	Collision	\$	MINUS \$
<input type="checkbox"/>	Comprehensive	\$	MINUS \$ DEDUCTIBLE FOR EACH "CUSTOMER'S AUTO" FOR "LOSS" CAUSED BY THEFT OR MISCHIEF VANDALISM; OR
	Specified Causes	\$	MINUS \$
	Of Loss	\$	MINUS \$
	Collision	\$	MINUS \$

**LOCATIONS WHERE YOU CONDUCT "GARAGE OPERATIONS"**

<b>Location No.</b>	<b>Address</b> <b>State Your Main Business Location as Location No. 1</b>
<input type="checkbox"/>	All locations where insured provides Valet Parking Services. Limit is subject to a policy aggregate limit of \$100,000
<input type="checkbox"/>	
<input type="checkbox"/>	

<b>Premium For All Locations</b>	
Comprehensive	\$
Specified Causes of Loss	\$
Collision	\$

**DIRECT COVERAGE OPTIONS**

Indicate below with "X" which, if any, Direct Coverage Option is selected.

☒ **EXCESS INSURANCE**

If this box is checked, Garage keepers Coverage remains applicable on a legal liability basis. However, coverage also applies without regard to your or any other "insured's" legal liability for "loss" to a "customer's auto" on an excess basis over any other collectible insurance regardless of whether the other insurance covers your or any other "insured's" interest or the Interest of the "customer's auto's" owners.

☐ **PRIMARY INSURANCE**

If this box is checked, Garage keepers Coverage is changed to apply without regard to your or any other "insured's" legal liability for "loss" to a "customer's auto" and is primary insurance.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. This endorsement provides only those coverages:**

1. Where the Limit of Insurance and a premium are shown for that coverage in the Schedule:  
and
2. For the location shown in the Schedule.

**B. Coverage**

1. We will pay all sums the "insured" legally must pay as damages for "loss" to a "customer's auto" or "customer's auto" equipment left in the "insured's" care while the "insured" is attending, servicing, repairing, parking or storing it in your "garage operations" under:

**a. Comprehensive Coverage**

From any cause except:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

b. **Specified Causes Of Loss Coverage**

Cause by:

- (1) Fire, lightning or explosion;
- (2) Theft; or
- (3) Mischief or vandalism.

c. **Collision Coverage**

Caused by:

- (1) The "customer's auto's" collision with another object; or
- (2) The "customer's auto's" overturn.

2. We will have the right and duty to defend any "insured" against a "suit" asking for these damages. However, we have no duty to defend any "insured" against a "suit" seeking damages for "loss" to which this insurance does not apply. We may investigate and settle any claim or "suit" as we consider appropriate. Our duty to defend or settle ends for a coverage when the Limit of Insurance for that coverage has been exhausted by payment of judgments or settlements.

3. **Who Is An Insured**

The following are "insureds" for "loss" to "customer's autos".

- a. You.
- b. Your partner (if you are a partnership), or members (if you are a limited liability company), "employees", directors or shareholders while acting within the scope of their duties as such.

4. **Coverage Extensions**

The following applies as Supplementary Payments. In addition to the Limit of Insurance, we will pay for the "Insured":

- a. All expenses we incur.
- b. The costs of bonds to release attachments in any "suit" against an "insured" we defend, but only for bond amounts within our Limit of Insurance.
- c. All reasonable expenses incurred by the "insured" at our request, including actual loss of earnings up to \$250 a day because of time off from work.
- d. All costs taxed against the "insured" in any "suit" against an "insured" we defend.
- e. All interest on the full amount of any judgment that accrues after entry of the judgment in any "suit" against an "insured" we defend; but our duty to pay interest ends when we have paid, offered to pay, or deposited in court the part of the judgment that is within our Limit of Insurance.

C. **Exclusions**

1. This insurance does not apply to any of the following:

a. **Contractual Obligations**

Liability resulting from any agreement by which the "Insured" accepts responsibility for "loss".

b. **Theft**

"Loss due to theft or conversion caused in any way by you, "employees" or by your shareholders.

c. **Defective Parts**

Defective parts or materials.

d. **Faulty Work**

Faulty "work you performed".

2. We will not pay for "loss" to any of the following:

- a. Tape decks or other sound reproducing equipment unless permanently installed in a "customer's auto".
- b. Tapes, records or other sound reproducing devices designed for use with sound reproducing equipment.
- c. Sound receiving equipment designed for use as a citizen's band radio, two-way mobile radio or telephone or scanning monitor receiver, including its antennas and other accessories, unless permanently installed in the dash or console opening normally used by the "customer's auto" manufacturer for the installation of a radio.
- d. Any device designed or used to detect speed measurement equipment such as a radar or laser detectors and any jamming apparatus intended to elude or disrupt speed measurement equipment.

**D. Limit Of Insurance And Deductible**

1. Regardless of the number of "customer's auto", "insureds", premiums paid, claims made or "suits" brought, the most we will pay for each "loss" at each location is the Garage keepers Coverage Limit of Insurance shown in the Schedule for that location minus the applicable deductible for "loss" caused by collision, theft or mischief or vandalism.
2. The maximum deductible stated in the Schedule for Garage keepers Coverage Comprehensive or Specified Causes of Loss Coverage is the most that will be deducted for all "loss" in any one event caused by theft or mischief or vandalism.
3. Sometimes to settle a claim or "suit", we may pay all or any part of the deductible. If this happens you must reimburse us for the deductible or that portion of the deductible that we paid.

**E. Additional Definitions**

As used in this endorsement:

1. "Customer's auto" means a customer's land motor vehicle or trailer or semi trailer. This definition also includes any customer's auto while left with you for service, repair, storage or safekeeping. Customers include your employees, and members of their households who pay for services performed.
2. "Loss" means direct and accidental loss or damage and includes any resulting loss of use.

3. "Garage operations" means the ownership, maintenance or use of locations for the purpose or a business of selling, servicing, repairing, parking or storing "customer's autos" and that portion of the roads or other accesses that adjoin these locations. "Garage operations" also includes all operations necessary or incidental to the performance of garage operations.
4. "Work you performed" includes:
  - a. Work that someone performed on your behalf; and
  - b. The providing of or failure to provide warnings or instructions.

All other definitions, terms and conditions of this policy remain unchanged.

This endorsement is a part of your policy and takes effect on the effective date of your policy, unless otherwise stated.

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Authorized Representative



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

**BODILY INJURY, PROPERTY DAMAGE, PERSONAL AND ADVERTISING INJURY LIABILITY  
DEDUCTIBLE ENDORSEMENT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

<b>Coverage</b>	<b>Amount and Basis of Deductible</b>
Bodily Injury Liability	\$25,000 per occurrence INCLUDING LOSS ADJUSTMENT EXPENSE
Property Damage Liability	\$25,000 per occurrence INCLUDING LOSS ADJUSTMENT EXPENSE
Personal Advertising Injury Liability (Personal Injury and Advertising Injury)	\$25,000 per occurrence INCLUDING LOSS ADJUSTMENT EXPENSE

**APPLICATION OF ENDORSEMENT**

Enter below any limitations on the application of this endorsement. If no limitation is entered, the deductibles apply to damages for all "bodily injury," property damage," "personal advertising injury," ("personal injury" and "advertising injury") however caused:

1. Our obligation under the Bodily Injury Liability, Property Damage Liability, Personal and Advertising Injury Liability (Personal Injury and Advertising Injury) Coverages to pay damages on your behalf applies only to the amount of damages in excess of any deductible amounts stated in the Schedule above as applicable to such coverages, and the Limits of Insurance applicable to Each Occurrence or offense for such coverages will be reduced by the amount of such deductible. Aggregate Limits for such coverages shall not be reduced by the application of such deductible amount.
2. The deductible amounts apply to damages and all legal and loss adjustment expenses.
3. The deductible amounts stated in the Schedule above apply, respectively:
  - a. Under the Bodily Injury Liability Coverage to all damages because of the "bodily injury" sustained by one person;
  - b. Under Property Damage Liability Coverage to all damages because of the "property damage" sustained by one person, any organization or association; or
  - c. Under Personal and Advertising Injury Liability (Personal Injury and Advertising Injury) Coverages to all damages sustained by one person as a result of one "occurrence" or offense.
4. The terms of this insurance, including those with respect to our right and duty to defend any "suits" seeking those damages and your duties in the event of an "occurrence," offense, claim or "suit", apply irrespective of the application of the deductible amount.
5. We may pay any part or all of the deductible amount to effect settlement of any claim or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as has been paid by us.

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

**EXCLUSION - DISCRIMINATION**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

1. The following Exclusion is added to SECTION I – COVERAGES, COVERAGE A. - BODILY INJURY AND PROPERTY DAMAGE LIABILITY, 2. – EXCLUSIONS and SECTION I – COVERAGES, COVERAGE B. – PERSONAL AND ADVERTISING INJURY LIABILITY, 2. – EXCLUSIONS:

This policy does not apply to:

**Discrimination**

Bodily injury, personal injury, or advertising injury liability that arises from discrimination based upon, but not limited to, race, creed, color, sex, age, disability, national origin, handicap, illness, religion or sexual preference.

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

**AMENDMENT - CROSS SUITS**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCT/COMPLETED OPERATIONS LIABILITY COVERAGE PART

This policy does not afford coverage to claims for damages arising out of bodily injury, personal and advertising injury, or property damage as defined, initiated, alleged or caused to be brought about by a Named Insured covered by this policy against any other Named Insured covered by this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **COMMON POLICY CONDITIONS AMENDMENT MINIMUM RETAINED PREMIUM**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

### **COMMON POLICY CONDITIONS**

Condition A – CANCELLATION, paragraph 5, is deleted and replaced by the following:

5. If this policy is cancelled, we will send the first Named Insured any premium refund due. If we cancel, the refund will be pro rata. If the first Named Insured cancels, earned premium will be computed according to the customary short rate table and procedure, subject to a Minimum Retained Premium of \$[REDACTED]. The cancellation will be effective even if we have not made or offered a refund.

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

## **GENERAL SERVICE OF SUIT ENDORSEMENT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

ALL COVERAGE PARTS IN THIS POLICY

Pursuant to any statute of any state or district of the United States of America which makes provision therefore, the insurer hereby designates the Commissioner, Superintendent or Director of Insurance or other officer specified for that purpose in the statute, and his or her successors in office, and duly authorized deputies in the state where this policy is issued, as the insurer's true and lawful attorney for service of legal process in action, suit or proceeding brought in the state where this policy is issued by or on behalf of an insured or beneficiary against the insurer arising out of the insurance issued under this policy.

The Company's registered forwarding address for purposes of receiving service from the Commissioner, Superintendent or Director of Insurance or other officer in each state shall be: Aspen Specialty Insurance Management, Inc., c/o General Counsel, 175 Capital Blvd., Rocky Hill, CT 06067; (860) 760-7758; Questions can be directed to: Compliance@aspenspecialty.com. In addition, please note state-specific instructions as follows:

In Arizona, service must be made on the Commissioner of Insurance, but a copy of any service of legal process should also be delivered or forwarded (for informational purposes only) to: Mr. John Rohwer, John Rohwer & Company, P.O. Box 2229, Phoenix, AZ 85002 or Gail Flock c/o CT Corporation System, 2394 East Camelback Road, Phoenix, AZ 85016.

In California, any service of legal process may also be delivered or forwarded to: Jere Keprios c/o CT Corporation, 818 West Seventh Street, Los Angeles, CA 90017.

In Colorado, any service of legal process may also be delivered or forwarded to: Christen Vinnola c/o The Corporation Company, 1675 Broadway, Suite 1200, Denver, CO 80202.

In Georgia, service must be made on the Commissioner of Insurance, but a copy of such service should also be delivered or forwarded (for informational purposes only) to: Dale W. Morris c/o CT Corporation System, 1201 Peachtree Street, NE, Atlanta, GA 30361.

In Hawaii, any service of legal process may also be delivered or forwarded to: Ronald V. Grant c/o CT Corporation Company, Inc. 900 Fort Street Mall, Suite 1800 Honolulu, HI 96813.

In Louisiana, any service of legal process may also be delivered or forwarded to: Lisa Uttech c/o CT Corporation Regional System, 5615 Corporate Blvd Suite 400B, Baton Rouge, LA 70808.

In Maine, service must be made on the Commissioner of Insurance, but a copy of such filing should also be delivered or forwarded (for informational purposes only) to: Peter B. Webster c/o CT Corporation System, 81 West Main Street, Yarmouth, ME 04096.

In Michigan, service of legal process may only be made on the Insurance Commissioner, but a copy of such filing should also be sent (for reference only) to: General Counsel, Aspen Insurance U.K. Limited c/o Aspen Specialty Insurance Management, Inc., 175 Capital Blvd., Rocky Hill, CT 06067.

In North Carolina, service of legal process may only be made on the Insurance Commissioner, but a copy of any service of legal process should also be delivered or forwarded (for reference only) to: Ron M. Strickland c/o CT Corporation System 150 Fayetteville Street Box 1011, Raleigh, NC 27601.

In Tennessee, any service of legal process may only be made on the Insurance Commissioner, but a copy of such filing should also be delivered or forwarded (for reference only) to: Mark Williams c/o CT Corporation System 800 S. Gay Street, Suite 2021, Knoxville, TN 37929.

In Texas, any service of legal process may only be made on the Insurance Commissioner, but a copy of such filing should also be delivered or forwarded (for reference only) to: Shirley Dillon c/o CT Corporation System, 350 North St. Paul Street, Dallas, TX 75201.

In Wyoming, any service of legal process should be made on the Insurance Commissioner, but a copy of such filing should also be delivered or forwarded (for reference only) to: Tammy Bellefeuille c/o CT Corporation System 1720 Carey Avenue, Cheyenne, WY 82001.

The foregoing designation of attorney for service of legal process upon the Company shall not constitute a waiver of the Company's rights to remove, remand, dismiss or transfer any suit or proceeding from any court, or to commence any suit or other proceeding in any court of competent jurisdiction.

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

**LIQUOR LIABILITY COVERAGE FORM CONDITIONS AMENDMENT  
MINIMUM RETAINED AUDIT PREMIUM**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

LIQUOR LIABILITY COVERAGE FORM

**SECTION IV, LIQUOR LIABILITY CONDITIONS**, Paragraph 5, **Premium Audit**, subparagraph b, is deleted and replaced by the following:

- b.** Premium shown in this Coverage Part as Advance Premium is a deposit premium only. At the close of each audit period, we will compute the earned premium for that period. Audit premiums are due and payable upon notice to the First Named Insured. Premium Audit adjustments will be made to determine additional premiums only. You agree that there will be no downward adjustment of the Minimum Retained Audit Premium resulting from the Premium Audit provision of this policy.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## WAR LIABILITY EXCLUSION

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. Exclusion **i.** under Paragraph 2., **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:
- 2. Exclusions**
- This insurance does not apply to:
- i. War**
- "Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:
- (1) War, including undeclared or civil war; or
  - (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.
- B. The following exclusion is added to Paragraph 2., **Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability**:
- 2. Exclusions**
- This insurance does not apply to:
- WAR**
- "Personal and advertising injury", however caused, arising, directly or indirectly, out of:
- a. War, including undeclared or civil war; or
  - b. 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
  - c. Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these.
- C. Exclusion **h.** under Paragraph 2., **Exclusions of Section I – Coverage C – Medical Payments** does not apply. Medical payments due to war are now subject to Exclusion **g.** of Paragraph 2., **Exclusions of Section I – Coverage C – Medical Payments** since "bodily injury" arising out of war is now excluded under Coverage A.



## RECORDING AND DISTRIBUTION OF MATERIAL OR INFORMATION IN VIOLATION OF LAW EXCLUSION

This endorsement modifies insurance provided under the following:

### COMMERCIAL GENERAL LIABILITY COVERAGE PART

A. Exclusion q. of Paragraph 2. Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### q. Recording And Distribution Of Material Or Information In Violation Of Law

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

B. Exclusion p. of Paragraph 2. Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability is replaced by the following:

#### 2. Exclusions

This insurance does not apply to:

##### p. Recording And Distribution Of Material Or Information In Violation Of Law

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
- (3) The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
- (4) Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EMPLOYEE BENEFITS LIABILITY COVERAGE**THIS ENDORSEMENT PROVIDES CLAIMS-MADE COVERAGE.  
PLEASE READ THE ENTIRE ENDORSEMENT CAREFULLY.

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

Coverage		Limit Of Insurance		Deductible		Premium
Employee Benefits Programs		\$1,000,000	each employee	\$25,000	each employee	\$ [REDACTED]
		\$1,000,000	aggregat�			
Retroactive Date:	10/06/2011					

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

**A. The following is added to Section I – Coverages:****COVERAGE – EMPLOYEE BENEFITS LIABILITY****1. Insuring Agreement**

- a.** We will pay those sums that the insured becomes legally obligated to pay as damages because of any act, error or omission, of the insured, or of any other person for whose acts the insured is legally liable, to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages to which this insurance does not apply. We may, at our discretion, investigate any report of an act, error or omission and settle any "claim" or "suit" that may result. But:
- (1) The amount we will pay for damages is limited as described in Paragraph E. (Section III – Limits Of Insurance); and
  - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

**b.** This insurance applies to damages only if:

- (1) The act, error or omission, is negligently committed in the "administration" of your "employee benefit program";
- (2) The act, error or omission, did not take place before the Retroactive Date, if any, shown in the Schedule nor after the end of the policy period; and
- (3) A "claim" for damages, because of an act, error or omission, is first made against any insured, in accordance with Paragraph c. below, during the policy period or an Extended Reporting Period we provide under Paragraph G. of this endorsement.

**c.** A "claim" seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When notice of such "claim" is received and recorded by any insured or by us, whichever comes first; or

- (2) When we make settlement in accordance with Paragraph 1.a, above.

A "claim" received and recorded by the insured within 60 days after the end of the policy period will be considered to have been received within the policy period, if no subsequent policy is available to cover the claim.

- d. All "claims" for damages made by an "employee" because of any act, error or omission, or a series of related acts, errors or omissions, including damages claimed by such "employee's" dependents and beneficiaries, will be deemed to have been made at the time the first of those "claims" is made against any insured.

## 2. Exclusions

This insurance does not apply to:

a. **Dishonest, Fraudulent, Criminal Or Malicious Act**

Damages arising out of any intentional, dishonest, fraudulent, criminal or malicious act, error or omission, committed by any insured, including the willful or reckless violation of any statute.

b. **Bodily Injury, Property Damage, Or Personal And Advertising Injury**

"Bodily injury", "property damage" or "personal and advertising injury".

c. **Failure To Perform A Contract**

Damages arising out of failure of performance of contract by any insurer.

d. **Insufficiency Of Funds**

Damages arising out of an insufficiency of funds to meet any obligations under any plan included in the "employee benefit program".

e. **Inadequacy Of Performance Of Investment/Advice Given With Respect To Participation**

Any "claim" based upon:

- (1) Failure of any investment to perform;
- (2) Errors in providing information on past performance of investment vehicles; or
- (3) Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the "employee benefit program".

f. **Workers' Compensation And Similar Laws**

Any "claim" arising out of your failure to comply with the mandatory provisions of any workers' compensation, unemployment compensation insurance, social security or disability benefits law or any similar law.

g. **ERISA**

Damages for which any insured is liable because of liability imposed on a fiduciary by the Employee Retirement Income Security Act of 1974, as now or hereafter amended, or by any similar federal, state or local laws.

h. **Available Benefits**

Any "claim" for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the insured, from the applicable funds accrued or other collectible insurance.

i. **Taxes, Fines Or Penalties**

Taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

j. **Employment-Related Practices**

Damages arising out of wrongful termination of employment, discrimination, or other employment-related practices.

B. For the purposes of the coverage provided by this endorsement:

1. All references to Supplementary Payments – Coverages A and B are replaced by Supplementary Payments – Coverages A, B and Employee Benefits Liability.

2. Paragraphs 1.b. and 2. of the Supplementary Payments provision do not apply.

C. For the purposes of the coverage provided by this endorsement, Paragraphs 2. and 4. of Section II – Who Is An Insured are replaced by the following:

2. Each of the following is also an insured:

- a. Each of your "employees" who is or was authorized to administer your "employee benefit program".
- b. Any persons, organizations or "employees" having proper temporary authorization to administer your "employee benefit program" if you die, but only until your legal representative is appointed.
- c. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Endorsement.

4. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if no other similar insurance applies to that organization. However:
  - a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier.
  - b. Coverage under this provision does not apply to any act, error or omission that was committed before you acquired or formed the organization.
- D. For the purposes of the coverage provided by this endorsement, Paragraph 3. of **Section II – Who Is An Insured** does not apply.
- E. For the purposes of the coverage provided by this endorsement, **Section III – Limits Of Insurance** is replaced by the following:

**1. Limits Of Insurance**

- a. The Limits of Insurance shown in the Schedule and the rules below fix the most we will pay regardless of the number of:
  - (1) Insureds;
  - (2) "Claims" made or "suits" brought;
  - (3) Persons or organizations making "claims" or bringing "suits";
  - (4) Acts, errors or omissions; or
  - (5) Benefits included in your "employee benefit program".
- b. The Aggregate Limit is the most we will pay for all damages because of acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".
- c. Subject to the Aggregate Limit, the Each Employee Limit is the most we will pay for all damages sustained by any one "employee", including damages sustained by such "employee's" dependents and beneficiaries, as a result of:
  - (1) An act, error or omission; or
  - (2) A series of related acts, errors or omissions negligently committed in the "administration" of your "employee benefit program".

However, the amount paid under this endorsement shall not exceed, and will be subject to, the limits and restrictions that apply to the payment of benefits in any plan included in the "employee benefit program".

The Limits of Insurance of this endorsement apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of the policy to which this endorsement is attached, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits Of Insurance.

**2. Deductible**

- a. Our obligation to pay damages on behalf of the insured applies only to the amount of damages in excess of the deductible amount stated in the Schedule as applicable to Each Employee. The limits of insurance shall not be reduced by the amount of this deductible.
- b. The deductible amount stated in the Schedule applies to all damages sustained by any one "employee", including such "employee's" dependents and beneficiaries, because of all acts, errors or omissions to which this insurance applies.
- c. The terms of this insurance, including those with respect to:
  - (1) Our right and duty to defend any "suits" seeking those damages; and
  - (2) Your duties, and the duties of any other involved insured, in the event of an act, error or omission, or "claim"
 apply irrespective of the application of the deductible amount.
- d. We may pay any part or all of the deductible amount to effect settlement of any "claim" or "suit" and, upon notification of the action taken, you shall promptly reimburse us for such part of the deductible amount as we have paid.

F. For the purposes of the coverage provided by this endorsement, Conditions 2. and 4. of Section IV—Conditions are replaced by the following:

**2. Duties In The Event Of An Act, Error Or Omission, Or "Claim" Or "Suit"**

a. You must see to it that we are notified as soon as practicable of an act, error or omission which may result in a "claim". To the extent possible, notice should include:

- (1) What the act, error or omission was and when it occurred; and
- (2) The names and addresses of anyone who may suffer damages as a result of the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of an act, error or omission to which this insurance may also apply.

d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation or incur any expense without our consent.

**4. Other Insurance**

If other valid and collectible insurance is available to the insured for a loss we cover under this endorsement, our obligations are limited as follows:

**a. Primary Insurance**

This insurance is primary except when b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in c. below.

**b. Excess Insurance**

(1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis that is effective prior to the beginning of the policy period shown in the Schedule of this insurance and that applies to an act, error or omission on other than a claims-made basis, if:

(a) No Retroactive Date is shown in the Schedule of this insurance; or

(b) The other insurance has a policy period which continues after the Retroactive Date shown in the Schedule of this insurance.

(2) When this insurance is excess, we will have no duty to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

(3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of the total amount that all such other insurance would pay for the loss in absence of this insurance; and the total of all deductible and self-insured amounts under all that other insurance.

(4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Schedule of this endorsement.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limits of insurance of all insurers.

- G.** For the purposes of the coverage provided by this endorsement, the following Extended Reporting Period provisions are added, or, if this endorsement is attached to a claims-made Coverage Part, replaces any similar Section in that Coverage Part:

**EXTENDED REPORTING PERIOD**

- 1.** You will have the right to purchase an Extended Reporting Period, as described below, if:

**a.** This endorsement is canceled or not renewed; or

**b.** We renew or replace this endorsement with insurance that:

**(1)** Has a Retroactive Date later than the date shown in the Schedule of this endorsement; or

**(2)** Does not apply to an act, error or omission on a claims-made basis.

- 2.** The Extended Reporting Period does not extend the policy period or change the scope of coverage provided. It applies only to "claims" for acts, errors or omissions that were first committed before the end of the policy period but not before the Retroactive Date, if any, shown in the Schedule. Once in effect, the Extended Reporting Period may not be canceled.

- 3.** An Extended Reporting Period of five years is available, but only by an endorsement and for an extra charge.

You must give us a written request for the endorsement within 60 days after the end of the policy period. The Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a.** The "employee benefit programs" insured;

**b.** Previous types and amounts of insurance;

**c.** Limits of insurance available under this endorsement for future payment of damages; and

**d.** Other related factors.

The additional premium will not exceed 100% of the annual premium for this endorsement.

The Extended Reporting Period endorsement applicable to this coverage shall set forth the terms, not inconsistent with this Section, applicable to the Extended Reporting Period, including a provision to the effect that the insurance afforded for "claims" first received during such period is excess over any other valid and collectible insurance available under policies in force after the Extended Reporting Period starts.

- 4.** If the Extended Reporting Period is in effect, we will provide an extended reporting period aggregate limit of insurance described below, but only for claims first received and recorded during the Extended Reporting Period.

The extended reporting period aggregate limit of insurance will be equal to the dollar amount shown in the Schedule of this endorsement under Limits of Insurance.

Paragraph **E.1.b.** of this endorsement will be amended accordingly. The Each Employee Limit shown in the Schedule will then continue to apply as set forth in Paragraph **E.1.c.**

- H.** For the purposes of the coverage provided by this endorsement, the following definitions are added to the **Definitions** Section:

- 1.** "Administration" means:

**a.** Providing information to "employees", including their dependents and beneficiaries, with respect to eligibility for or scope of "employee benefit programs";

**b.** Handling records in connection with the "employee benefit program"; or

**c.** Effecting, continuing or terminating any "employee's" participation in any benefit included in the "employee benefit program".

However, "administration" does not include handling payroll deductions.

2. "Cafeteria plans" means plans authorized by applicable law to allow employees to elect to pay for certain benefits with pre-tax dollars.
3. "Claim" means any demand, or "suit", made by an "employee" or an "employee's" dependents and beneficiaries, for damages as the result of an act, error or omission.
4. "Employee benefit program" means a program providing some or all of the following benefits to "employees", whether provided through a "cafeteria plan" or otherwise:
  - a. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to those "employees" who satisfy the plan's eligibility requirements;
  - b. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an "employee" may subscribe to such benefits and such benefits are made generally available to all "employees" who are eligible under the plan for such benefits;
  - c. Unemployment insurance, social security benefits, workers' compensation and disability benefits;
  - d. Vacation plans, including buy and sell programs; leave of absence programs, including military, maternity, family, and civil leave; tuition assistance plans; transportation and health club subsidies; and
  - e. Any other similar benefits designated in the Schedule or added thereto by endorsement.
- I. For the purposes of the coverage provided by this endorsement, Definitions 5, and 18, in the **Definitions** Section are replaced by the following:
  5. "Employee" means a person actively employed, formerly employed, on leave of absence or disabled, or retired. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
  18. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged. "Suit" includes:
    - a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
    - b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which the insured submits with our consent.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 20 11 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## ADDITIONAL INSURED – MANAGERS OR LESSORS OF PREMISES

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

1. Designation of Premises (Part Leased to You): As required by written contract  
signed by both parties prior to a loss
2. Name of Person or Organization (Additional Insured):

3. Additional Premium:

(If no entry appears above, the information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

WHO IS AN INSURED (Section II) is amended to include as an insured the person or organization shown in the Schedule but only with respect to liability arising out of the ownership, maintenance or use of that part of the premises leased to you and shown in the Schedule and subject to the following additional exclusions:

This insurance does not apply to:

1. Any "occurrence" which takes place after you cease to be a tenant in that premises.
2. Structural alterations, new construction or demolition operations performed by or on behalf of the person or organization shown in the Schedule.



POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY

CG 20 18 11 85

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

**ADDITIONAL INSURED –  
MORTGAGEE, ASSIGNEE, OR RECEIVER**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**SCHEDULE**

**Name of Person or Organization:** As required by written contract signed by  
both parties prior to a loss

**Designation of Premises:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

1. WHO IS AN INSURED (Section II) is amended to include as an insured the person(s) or organization(s) shown in the Schedule but only with respect to their liability as mortgagee, assignee, or receiver and arising out of the ownership, maintenance, or use of the premises by you and shown in the Schedule.
2. This insurance does not apply to structural alterations, new construction and demolition operations performed by or for that person or organization.

**COMMERCIAL GENERAL LIABILITY**  
**CG 20 28 07 04**

## ADDITIONAL INSURED – LESSOR OF LEASED EQUIPMENT

## COMMERCIAL GENERAL LIABILITY COVERAGE PART

<b>Name Of Additional Insured Person(s) Or Organization(s)</b>  As required by written contract signed by both parties prior to a loss
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Section II – Who Is An Insured** is amended to include as an additional insured the person(s) or organization(s) shown in the Schedule, but only with respect to liability for "bodily injury", "property damage" or "personal and advertising injury" caused, in whole or in part, by your maintenance, operation or use of equipment leased to you by such person(s) or organization(s).

B. With respect to the insurance afforded to these additional insureds, this insurance does not apply to any "occurrence" which takes place after the equipment lease expires.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 21 16 07 98

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

## **EXCLUSION – DESIGNATED PROFESSIONAL SERVICES**

**THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:**

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

Description Of Professional Services:
1. ALL PROFESSIONAL SERVICES
2.
3.

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any professional services shown in the Schedule, the following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" due to the rendering of or failure to render any professional service.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 21 35 10 01

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – COVERAGE C – MEDICAL PAYMENTS

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Description And Location Of Premises Or Classification:

ALL LOCATIONS

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to any premises or classification shown in the Schedule:

1. Section I – Coverage C – Medical Payments does not apply and none of the references to it in the Coverage Part apply; and

2. The following is added to Section I – Supplementary Payments:

- h. Expenses incurred by the insured for first aid administered to others at the time of an accident for "bodily injury" to which this insurance applies.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 21 44 07 98

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **LIMITATION OF COVERAGE TO DESIGNATED PREMISES OR PROJECT**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### **SCHEDULE**

**Premises:** 1) Lavo NY - 39 EAST 58TH STREET, NEW YORK, NY 10022

2) TAO Las Vegas - 3355 LAS VEGAS BLVD SOUTH, LAS VEGAS, NV 89109  
(INSIDE THE VENETIAN RESORT HOTEL)

3) Lavo Las Vegas - 3325 LAS VEGAS BLVD SOUTH, LAS VEGAS, NV 89109  
(LOCATED AT THE PALAZZO RESORT HOTEL)

4) Marquee Las Vegas - 3708 LAS VEGAS BLVD SOUTH, LAS VEGAS, NV 89109  
(INSIDE THE COSMOPOLITAN OF LAS VEGAS)

**Project:**

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

This insurance applies only to "bodily injury", "property damage", "personal and advertising injury" and medical expenses arising out of:

1. The ownership, maintenance or use of the premises shown in the Schedule and operations necessary or incidental to those premises; or
2. The project shown in the Schedule.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EMPLOYMENT-RELATED PRACTICES EXCLUSION

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

**A. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability:**

This insurance does not apply to:

"Bodily injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "bodily injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

**B. The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:**

This insurance does not apply to:

"Personal and advertising injury" to:

- (1) A person arising out of any:
  - (a) Refusal to employ that person;
  - (b) Termination of that person's employment; or
  - (c) Employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
- (2) The spouse, child, parent, brother or sister of that person as a consequence of "personal and advertising injury" to that person at whom any of the employment-related practices described in Paragraphs (a), (b), or (c) above is directed.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 21 54 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION – DESIGNATED OPERATIONS COVERED BY A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

**Description and Location of Operation(s):**

ALL PROJECTS AND LOCATIONS FOR WHICH A CONSOLIDATED (WRAP-UP) INSURANCE PROGRAM HAS BEEN PROVIDED

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

The following exclusion is added to paragraph 2., Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY (Section I – Coverages):

This insurance does not apply to "bodily injury" or "property damage" arising out of either your ongoing operations or operations included within the "products-completed operations hazard" at the location described in the Schedule of this endorsement, as a consolidated (wrap-up) insurance program has been provided by the prime contractor/project manager or owner of the construction project in which you are involved.

This exclusion applies whether or not the consolidated (wrap-up) insurance program:

- (1) Provides coverage identical to that provided by this Coverage Part;
- (2) Has limits adequate to cover all claims; or
- (3) Remains in effect.

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

**TOTAL POLLUTION EXCLUSION WITH A BUILDING HEATING, COOLING AND DEHUMIDIFYING  
EQUIPMENT EXCEPTION AND A HOSTILE FIRE EXCEPTION**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

Exclusion **f.** under Paragraph 2. **Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability** is replaced by the following:

This insurance does not apply to:

**f. Pollution**

- (1) "Bodily injury" or "property damage" which would not have occurred in whole or part but for the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

This exclusion does not apply to:

- (a) "Bodily injury" if sustained within a building which is or was at any time owned or occupied by, or rented or loaned to, any insured and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests; or
- (b) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire" unless that "hostile fire" occurred or originated:
- (i) At any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste; or
- (ii) At any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations to test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the effects of, "pollutants".

- (2) Any loss, cost or expense arising out of any:

- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (b) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".



THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## FUNGI OR BACTERIA EXCLUSION

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

- A. The following exclusion is added to Paragraph 2., Exclusions of **Section I – Coverage A – Bodily Injury And Property Damage Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Bodily injury" or "property damage" which would not have occurred, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of, any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury or damage.
- b. Any loss, cost or expenses arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

This exclusion does not apply to any "fungi" or bacteria that are, are on, or are contained in, a good or product intended for consumption.

- B. The following exclusion is added to Paragraph 2., Exclusions of **Section I – Coverage B – Personal And Advertising Injury Liability**:

**2. Exclusions**

This insurance does not apply to:

**Fungi or Bacteria**

- a. "Personal and advertising injury" which would not have taken place, in whole or in part, but for the actual, alleged or threatened inhalation of, ingestion of, contact with, exposure to, existence of, or presence of any "fungi" or bacteria on or within a building or structure, including its contents, regardless of whether any other cause, event, material or product contributed concurrently or in any sequence to such injury.
- b. Any loss, cost or expense arising out of the abating, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, remediating or disposing of, or in any way responding to, or assessing the effects of, "fungi" or bacteria, by any insured or by any other person or entity.

- C. The following definition is added to the **Definitions** Section:

"Fungi" means any type or form of fungus, including mold or mildew and any mycotoxins, spores, scents or byproducts produced or released by fungi.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## EXCLUSION OF CERTIFIED ACTS OF TERRORISM AND OTHER ACTS OF TERRORISM

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**A. The following exclusion is added:**

This insurance does not apply to:

**TERRORISM**

"Any injury or damage" arising, directly or indirectly, out of a "certified act of terrorism" or an "other act of terrorism". However, with respect to an "other act of terrorism", this exclusion applies only when one or more of the following are attributed to such act:

1. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, we will include all insured damage sustained by property of all persons and entities affected by the terrorism and business interruption losses sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
2. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - a. Physical injury that involves a substantial risk of death; or
  - b. Protracted and obvious physical disfigurement; or
  - c. Protracted loss of or impairment of the function of a bodily member or organ; or
3. The terrorism involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or

4. The terrorism is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
5. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

With respect to this exclusion, Paragraphs 1. and 2. describe the thresholds used to measure the magnitude of an incident of an "other act of terrorism" and the circumstances in which the threshold will apply for the purpose of determining whether this exclusion will apply to that incident.

**B. The following definitions are added:**

1. For the purposes of this endorsement, "any injury or damage" means any injury or damage covered under any Coverage Part to which this endorsement is applicable, and includes but is not limited to "bodily injury", "property damage", "personal and advertising injury", "injury" or "environmental damage" as may be defined in any applicable Coverage Part.
2. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for a "certified act of terrorism":
  - a. The act resulted in aggregate losses in excess of \$5 million; and

- b. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
  - c. In the event of any incident of a "certified act of terrorism" or an "other act of terrorism" that is not subject to this exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this Coverage Part.
- 3. "Other act of terrorism" means a violent act or an act that is dangerous to human life, property or infrastructure that is committed by an individual or individuals and that appears to be part of an effort to coerce a civilian population or to influence the policy or affect the conduct of any government by coercion, and the act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act of 2002. Multiple incidents of an "other act of terrorism" which occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership shall be considered to be one incident.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## **EXCLUSION – ENGINEERS, ARCHITECTS OR SURVEYORS PROFESSIONAL LIABILITY**

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

The following exclusion is added to Paragraph 2., Exclusions of Section I – Coverage A – Bodily Injury And Property Damage Liability and Paragraph 2., Exclusions of Section I – Coverage B – Personal And Advertising Injury Liability:

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" arising out of the rendering of or failure to render any professional services by you or any engineer, architect or surveyor who is either employed by you or performing work on your behalf in such capacity.

Professional services include:

1. The preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; and
2. Supervisory, inspection, architectural or engineering activities.

POLICY NUMBER: CRA8XYD11

COMMERCIAL GENERAL LIABILITY  
CG 24 07 01 96

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## PRODUCTS/COMPLETED OPERATIONS HAZARD REDEFINED

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART

### SCHEDULE

Description of Premises and Operations:

SEE FORM# CG2144

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

With respect to "bodily injury" or "property damage" arising out of "your products" manufactured, sold, handled or distributed:

1. On, from or in connection with the use of any premises described in the Schedule, or
2. In connection with the conduct of any operation described in the Schedule, when conducted by you or on your behalf,

Paragraph **a.** of the definition of "Products-completed operations hazard" in the DEFINITIONS Section is replaced by the following:

"Products-completed operations hazard":

- a. Includes all "bodily injury" and "property damage" that arises out of "your products" if the "bodily injury" or "property damage" occurs after you have relinquished possession of those products.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## DESIGNATED LOCATION(S) GENERAL AGGREGATE LIMIT

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

### SCHEDULE

Designated Location(s):  
SEE FORM# CG2144

(If no entry appears above, information required to complete this endorsement will be shown in the Declarations as applicable to this endorsement.)

- A.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which can be attributed only to operations at a single designated "location" shown in the Schedule above:
1. A separate Designated Location General Aggregate Limit applies to each designated "location", and that limit is equal to the amount of the General Aggregate Limit shown in the Declarations.
  2. The Designated Location General Aggregate Limit is the most we will pay for the sum of all damages under **COVERAGE A**, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard", and for medical expenses under **COVERAGE C** regardless of the number of:
    - a. Insureds;
    - b. Claims made or "suits" brought; or
    - c. Persons or organizations making claims or bringing "suits".
  3. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the Designated Location General Aggregate Limit for that designated "location". Such payments shall not reduce the General Aggregate Limit shown in the Declarations nor shall they reduce any other Designated Location General Aggregate Limit for any other designated "location" shown in the Schedule above.
  4. The limits shown in the Declarations for Each Occurrence, Fire Damage and Medical Expense continue to apply. However, instead of being subject to the General Aggregate Limit shown in the Declarations, such limits will be subject to the applicable Designated Location General Aggregate Limit.

- B.** For all sums which the insured becomes legally obligated to pay as damages caused by "occurrences" under **COVERAGE A (SECTION I)**, and for all medical expenses caused by accidents under **COVERAGE C (SECTION I)**, which cannot be attributed only to operations at a single designated "location" shown in the Schedule above:
1. Any payments made under **COVERAGE A** for damages or under **COVERAGE C** for medical expenses shall reduce the amount available under the General Aggregate Limit or the Products-Completed Operations Aggregate Limit, whichever is applicable; and
  2. Such payments shall not reduce any Designated Location General Aggregate Limit.
- C.** When coverage for liability arising out of the "products-completed operations hazard" is provided, any payments for damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard" will reduce the Products-Completed Operations Aggregate Limit, and not reduce the General Aggregate Limit nor the Designated Location General Aggregate Limit.
- D.** For the purposes of this endorsement, the **Definitions** Section is amended by the addition of the following definition:
- "Location" means premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, waterway or right-of-way of a railroad.
- E.** The provisions of Limits Of Insurance (**SECTION III**) not otherwise modified by this endorsement shall continue to apply as stipulated.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## NUCLEAR ENERGY LIABILITY EXCLUSION ENDORSEMENT

(Broad Form)

THIS ENDORSEMENT MODIFIES INSURANCE PROVIDED UNDER THE FOLLOWING:

COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
OWNERS AND CONTRACTORS PROTECTIVE LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART  
RAILROAD PROTECTIVE LIABILITY COVERAGE PART  
UNDERGROUND STORAGE TANK POLICY

**1. The insurance does not apply:**

**A. Under any Liability Coverage, to "bodily injury" or "property damage":**

- (1)** With respect to which an "insured" under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters, Nuclear Insurance Association of Canada or any of their successors, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
- (2)** Resulting from the "hazardous properties" of "nuclear material" and with respect to which **(a)** any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or **(b)** the "insured" is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

**B. Under any Medical Payments coverage, to expenses incurred with respect to "bodily injury" resulting from the "hazardous properties" of "nuclear material" and arising out of the operation of a "nuclear facility" by any person or organization.**

**C. Under any Liability Coverage, to "bodily injury" or "property damage" resulting from "hazardous properties" of "nuclear material", if:**

- (1)** The "nuclear material" **(a)** is at any "nuclear facility" owned by, or operated by or on behalf of, an "insured" or **(b)** has been discharged or dispersed therefrom;
- (2)** The "nuclear material" is contained in "spent fuel" or "waste" at any time possessed, handled, used, processed, stored, transported or disposed of, by or on behalf of an "insured"; or
- (3)** The "bodily injury" or "property damage" arises out of the furnishing by an "insured" of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any "nuclear facility", but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion **(3)** applies only to "property damage" to such "nuclear facility" and any property thereat.



2. As used in this endorsement:

"Hazardous properties" includes radioactive, toxic or explosive properties.

"Nuclear material" means "source material", "Special nuclear material" or "by-product material".

"Source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof.

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a "nuclear reactor".

"Waste" means any waste material **(a)** containing "by-product material" other than the tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its "source material" content, and **(b)** resulting from the operation by any person or organization of any "nuclear facility" included under the first two paragraphs of the definition of "nuclear facility".

"Nuclear facility" means:

- (a)** Any "nuclear reactor";
- (b)** Any equipment or device designed or used for **(1)** separating the isotopes of uranium or plutonium, **(2)** processing or utilizing "spent fuel", or **(3)** handling, processing or packaging "waste";

- (c)** Any equipment or device used for the processing, fabricating or alloying of "special nuclear material" if at any time the total amount of such material in the custody of the "insured" at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235;

- (d)** Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of "waste";

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations.

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material.

"Property damage" includes all forms of radioactive contamination of property.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

Policy Change  
Number 001

<b>POLICY NUMBER:</b>  CRA8XYD11	<b>POLICY CHANGES EFFECTIVE:</b>  10/06/2011	<b>COMPANY:</b>  Aspen Specialty Insurance Company
<b>NAMED INSURED:</b> THE RESTAURANT GROUP ETAL		<b>AUTHORIZED REPRESENTATIVE</b>
<b>COVERAGE PARTS AFFECTED:</b> COMMERCIAL GENERAL LIABILITY COVERAGE PART		
<b>CHANGES:</b> Stop Loss Aggregate Endorsement - \$250,000 for sales up to \$175M/\$400k for sales excess of \$175M		

TBD

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## POLICY CHANGES

Policy Change  
Number 002

<b>POLICY NUMBER:</b>  CRA8XYD11	<b>POLICY CHANGES EFFECTIVE:</b>  10/06/2011	<b>COMPANY:</b>  Aspen Specialty Insurance Company
<b>NAMED INSURED:</b> THE RESTAURANT GROUP ETAL		<b>AUTHORIZED REPRESENTATIVE</b>
<b>COVERAGE PARTS AFFECTED:</b> COMMERCIAL GENERAL LIABILITY COVERAGE PART		

**CHANGES:**

90 Day Notice of cancellation (except for non-payment of premium)

TBD

## **POLICYHOLDER'S GUIDE TO REPORTING A CASUALTY CLAIM**

**A.** As soon as you are aware of an event that will give rise to a claim being made against you (3rd Party Liability Claims), please be sure to quickly report the matter to both your agent/broker and Aspen Specialty Insurance Management, Inc. Be sure to include your policy number and the name of the insured as it is stated on the policy.

**B. New claims can be reported to ASPEN SPECIALTY INSURANCE COMPANY as follows:**

- 1. By Mail:** ASPEN SPECIALTY INSURANCE COMPANY  
c/o Aspen Specialty Insurance Management, Inc.  
Claims Department  
600 Atlantic Avenue, Suite 2100  
Boston, MA 02210  
Main Telephone No: 617-532-7300
- 2. By Fax:** 617-532-7342
- 3. By Dedicated Email:** 3rd Party Liability Claims: [casualty.claims@aspenspecialty.com](mailto:casualty.claims@aspenspecialty.com)  
Claim Status Requests: [casualty.status@aspenspecialty.com](mailto:casualty.status@aspenspecialty.com)

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting

from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Para-

graph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":
  - (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:
    - (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;
    - (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or
    - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";
  - (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;
  - (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:
    - (i) Any insured; or
    - (ii) Any person or organization for whom you may be legally responsible; or
  - (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of

such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunt activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act



(TCPA), including any amendment of or addition to such law; or

- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at

the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (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.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

**1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:**

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

**2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:**

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense

of, that indemnitee, has also been assumed by the insured in the same "insured contract";

**d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;**

**e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and**

**f. The indemnitee:**

**(1) Agrees in writing to:**

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

**(2) Provides us with written authorization to:**

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED**

**1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the con-

duct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you

are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage"

included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage Cbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

##### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

##### c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

###### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

###### b. Excess Insurance

- (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other

basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.
- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the

purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you



and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means the handling of property:**

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
- b. While it is in or on an aircraft, watercraft or "auto"; or
- c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;

but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:

(1) Power cranes, shovels, loaders, diggers or drills; or

(2) Road construction or resurfacing equipment such as graders, scrapers or rollers;

- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:

(1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or

(2) Cherry pickers and similar devices used to raise or lower workers;

- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

**(1) Equipment designed primarily for:**

- (a) Snow removal;
- (b) Road maintenance, but not construction or resurfacing; or
- (c) Street cleaning;

(2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.**

**14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:**

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**

**16. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:

(1) Products that are still in your physical possession; or

(2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:

(a) When all of the work called for in your contract has been completed.

(b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.

(c) When that part of the work done at a job site has been put to its intended use by any per-



son or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which

the insured submits with our consent.

**19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.**

**21. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

**c. Does not include vending machines or other property rented to or located for the use of others but not sold.**

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting

from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Para-

graph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to

the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of

such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### g. Aircraft, Auto Or Watercraft

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) the operation of any of the machinery or equipment listed in Paragraph f.(2) or f.(3) of the definition of "mobile equipment".

#### h. Mobile Equipment

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunt activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or
- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMs, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act

(TCPA), including any amendment of or addition to such law; or

- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at

the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (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.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.



**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

**1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:**

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

**2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:**

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense

of, that indemnitee, has also been assumed by the insured in the same "insured contract";

**d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;**

**e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and**

**f. The indemnitee:**

**(1) Agrees in writing to:**

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

**(2) Provides us with written authorization to:**

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED**

**1. If you are designated in the Declarations as:**

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the con-



duct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by

you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you

are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage"

included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage Cbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

##### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";

- (2) Authorize us to obtain records and other information;

- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and

- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

###### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

###### b. Excess Insurance

- (1) This insurance is excess over:

- (a) Any of the other insurance, whether primary, excess, contingent or on any other

basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.
- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.
- c. Method Of Sharing**
- If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.
- If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

## 5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

## 6. Representations

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

## 7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

## 8. Transfer Of Rights Of Recovery Against Others To Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

## 9. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

## SECTION V – DEFINITIONS

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the

purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;

if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.

9. "Insured contract" means:

- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
- b. A sidetrack agreement;
- c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
- d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
- e. An elevator maintenance agreement;
- f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.

Paragraph f. does not include that part of any contract or agreement:

- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you

and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means the handling of property:**

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
  - b. Vehicles maintained for use solely on or next to premises you own or rent;
  - c. Vehicles that travel on crawler treads;
  - d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
    - (1) Power cranes, shovels, loaders, diggers or drills; or
    - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
  - e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
    - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
    - (2) Cherry pickers and similar devices used to raise or lower workers;
      - f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.
- However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":
- (1) Equipment designed primarily for:
    - (a) Snow removal;
    - (b) Road maintenance, but not construction or resurfacing; or
    - (c) Street cleaning;
  - (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.**

**14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:**

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**

**16. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any per-

son or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which

the insured submits with our consent.

**19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.**

**21. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

- (2) The providing of or failure to provide warnings or instructions.

**c. Does not include vending machines or other property rented to or located for the use of others but not sold.**

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and

- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and

- (2) The providing of or failure to provide warnings or instructions.

## COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

Other words and phrases that appear in quotation marks have special meaning. Refer to Section V – Definitions.

### SECTION I – COVERAGES

#### COVERAGE A BODILY INJURY AND PROPERTY DAMAGE LIABILITY

##### 1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" or "property damage" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "bodily injury" or "property damage" to which this insurance does not apply. We may, at our discretion, investigate any "occurrence" and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "bodily injury" and "property damage" only if:
- (1) The "bodily injury" or "property damage" is caused by an "occurrence" that takes place in the "coverage territory";

- (2) The "bodily injury" or "property damage" occurs during the policy period; and

- (3) Prior to the policy period, no insured listed under Paragraph 1. of Section II – Who Is An Insured and no "employee" authorized by you to give or receive notice of an "occurrence" or claim, knew that the "bodily injury" or "property damage" had occurred, in whole or in part. If such a listed insured or authorized "employee" knew, prior to the policy period, that the "bodily injury" or "property damage" occurred, then any continuation, change or resumption of such "bodily injury" or "property damage" during or after the policy period will be deemed to have been known prior to the policy period.

- c. "Bodily injury" or "property damage" which occurs during the policy period and was not, prior to the policy period, known to have occurred by any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim, includes any continuation, change or resumption of that "bodily injury" or "property damage" after the end of the policy period.

- d. "Bodily injury" or "property damage" will be deemed to have been known to have occurred at the earliest time when any insured listed under Paragraph 1. of Section II – Who Is An Insured or any "employee" authorized by you to give or receive notice of an "occurrence" or claim:

- (1) Reports all, or any part, of the "bodily injury" or "property damage" to us or any other insurer;
- (2) Receives a written or verbal demand or claim for damages because of the "bodily injury" or "property damage"; or
- (3) Becomes aware by any other means that "bodily injury" or "property damage" has occurred or has begun to occur.

- e. Damages because of "bodily injury" include damages claimed by any person or organization for care, loss of services or death resulting at any time from the "bodily injury".

##### 2. Exclusions

This insurance does not apply to:

###### a. Expected Or Intended Injury

"Bodily injury" or "property damage" expected or intended from the standpoint of the insured. This exclusion does not apply to "bodily injury" resulting



from the use of reasonable force to protect persons or property.

**b. Contractual Liability**

"Bodily injury" or "property damage" for which the insured is obligated to pay damages by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for damages:

- (1) That the insured would have in the absence of the contract or agreement; or
- (2) Assumed in a contract or agreement that is an "insured contract", provided the "bodily injury" or "property damage" occurs subsequent to the execution of the contract or agreement. Solely for the purposes of liability assumed in an "insured contract", reasonable attorney fees and necessary litigation expenses incurred by or for a party other than an insured are deemed to be damages because of "bodily injury" or "property damage", provided:
  - (a) Liability to such party for, or for the cost of, that party's defense has also been assumed in the same "insured contract"; and
- (b) Such attorney fees and litigation expenses are for defense of that party against a civil or alternative dispute resolution proceeding in which damages to which this insurance applies are alleged.

**c. Liquor Liability**

"Bodily injury" or "property damage" for which any insured may be held liable by reason of:

- (1) Causing or contributing to the intoxication of any person;
- (2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
- (3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies only if you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

**d. Workers' Compensation And Similar Laws**

Any obligation of the insured under a workers' compensation, disability benefits or unemployment compensation law or any similar law.

**e. Employer's Liability**

"Bodily injury" to:

- (1) An "employee" of the insured arising out of and in the course of:
  - (a) Employment by the insured; or
  - (b) Performing duties related to the conduct of the insured's business; or
- (2) The spouse, child, parent, brother or sister of that "employee" as a consequence of Para-

graph (1) above.

This exclusion applies whether the insured may be liable as an employer or in any other capacity and to any obligation to share damages with or repay someone else who must pay damages because of the injury.

This exclusion does not apply to liability assumed by the insured under an "insured contract".

**f. Pollution**

- (1) "Bodily injury" or "property damage" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants":

- (a) At or from any premises, site or location which is or was at any time owned or occupied by, or rented or loaned to, any insured. However, this subparagraph does not apply to:

- (i) "Bodily injury" if sustained within a building and caused by smoke, fumes, vapor or soot produced by or originating from equipment that is used to heat, cool or dehumidify the building, or equipment that is used to heat water for personal use, by the building's occupants or their guests;

- (ii) "Bodily injury" or "property damage" for which you may be held liable, if you are a contractor and the owner or lessee of such premises, site or location has been added to your policy as an additional insured with respect to your ongoing operations performed for that additional insured at that premises, site or location and such premises, site or location is not and never was owned or occupied by, or rented or loaned to, any insured, other than that additional insured; or

- (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire";

- (b) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling, storage, disposal, processing or treatment of waste;

- (c) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for:

- (i) Any insured; or

- (ii) Any person or organization for whom you may be legally responsible; or

- (d) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the "pollutants" are brought on or to



the premises, site or location in connection with such operations by such insured, contractor or subcontractor. However, this subparagraph does not apply to:

- (i) "Bodily injury" or "property damage" arising out of the escape of fuels, lubricants or other operating fluids which are needed to perform the normal electrical, hydraulic or mechanical functions necessary for the operation of "mobile equipment" or its parts, if such fuels, lubricants or other operating fluids escape from a vehicle part designed to hold, store or receive them. This exception does not apply if the "bodily injury" or "property damage" arises out of the intentional discharge, dispersal or release of the fuels, lubricants or other operating fluids, or if such fuels, lubricants or other operating fluids are brought on or to the premises, site or location with the intent that they be discharged, dispersed or released as part of the operations being performed by such insured, contractor or subcontractor;
  - (ii) "Bodily injury" or "property damage" sustained within a building and caused by the release of gases, fumes or vapors from materials brought into that building in connection with operations being performed by you or on your behalf by a contractor or subcontractor; or
  - (iii) "Bodily injury" or "property damage" arising out of heat, smoke or fumes from a "hostile fire".
- (e) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants".
- (2) Any loss, cost or expense arising out of any:
- (a) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
  - (b) Claim or "suit" by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

However, this paragraph does not apply to liability for damages because of "property damage" that the insured would have in the absence of

such request, demand, order or statutory or regulatory requirement, or such claim or "suit" by or on behalf of a governmental authority.

#### **g. Aircraft, Auto Or Watercraft**

"Bodily injury" or "property damage" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading or unloading".

This exclusion applies even if the claims against any insured allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that insured, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto" or watercraft that is owned or operated by or rented or loaned to any insured.

This exclusion does not apply to:

- (1) A watercraft while ashore on premises you own or rent;
- (2) A watercraft you do not own that is:
  - (a) Less than 26 feet long; and
  - (b) Not being used to carry persons or property for a charge;
- (3) Parking an "auto" on, or on the ways next to, premises you own or rent, provided the "auto" is not owned by or rented or loaned to you or the insured;
- (4) Liability assumed under any "insured contract" for the ownership, maintenance or use of aircraft or watercraft; or
- (5) "Bodily injury" or "property damage" arising out of:
  - (a) The operation of machinery or equipment that is attached to, or part of, a land vehicle that would qualify under the definition of "mobile equipment" if it were not subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged; or
  - (b) the operation of any of the machinery or equipment listed in Paragraph **f.(2)** or **f.(3)** of the definition of "mobile equipment".

#### **h. Mobile Equipment**

"Bodily injury" or "property damage" arising out of:

- (1) The transportation of "mobile equipment" by an "auto" owned or operated by or rented or loaned to any insured; or
- (2) The use of "mobile equipment" in, or while in practice for, or while being prepared for, any prearranged racing, speed, demolition, or stunt-ing activity.

**i. War**

"Bodily injury" or "property damage", however caused, arising, directly or indirectly, out of:

- (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.

**j. Damage To Property**

"Property damage" to:

- (1) Property you own, rent, or occupy, including any costs or expenses incurred by you, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including prevention of injury to a person or damage to another's property;
- (2) Premises you sell, give away or abandon, if the "property damage" arises out of any part of those premises;
- (3) Property loaned to you;
- (4) Personal property in the care, custody or control of the insured;
- (5) That particular part of real property on which you or any contractors or subcontractors working directly or indirectly on your behalf are performing operations, if the "property damage" arises out of those operations; or
- (6) That particular part of any property that must be restored, repaired or replaced because "your work" was incorrectly performed on it.

Paragraphs (1), (3) and (4) of this exclusion do not apply to "property damage" (other than damage by fire) to premises, including the contents of such premises, rented to you for a period of 7 or fewer consecutive days. A separate limit of insurance applies to Damage To Premises Rented To You as described in Section III – Limits Of Insurance.

Paragraph (2) of this exclusion does not apply if the premises are "your work" and were never occupied, rented or held for rental by you.

Paragraphs (3), (4), (5) and (6) of this exclusion do not apply to liability assumed under a sidetrack agreement.

Paragraph (6) of this exclusion does not apply to "property damage" included in the "products-completed operations hazard".

**k. Damage To Your Product**

"Property damage" to "your product" arising out of it or any part of it.

**l. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

This exclusion does not apply if the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

**m. Damage To Impaired Property Or Property Not Physically Injured**

"Property damage" to "impaired property" or property that has not been physically injured, arising out of:

- (1) A defect, deficiency, inadequacy or dangerous condition in "your product" or "your work"; or

- (2) A delay or failure by you or anyone acting on your behalf to perform a contract or agreement in accordance with its terms.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to "your product" or "your work" after it has been put to its intended use.

**n. Recall Of Products, Work Or Impaired Property**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

- (1) "Your product";
- (2) "Your work"; or
- (3) "Impaired property";

if such product, work, or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**o. Personal And Advertising Injury**

"Bodily injury" arising out of "personal and advertising injury".

**p. Electronic Data**

Damages arising out of the loss of, loss of use of, damage to, corruption of, inability to access, or inability to manipulate electronic data.

As used in this exclusion, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**q. Distribution Of Material In Violation Of Statutes**

"Bodily injury" or "property damage" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act

(TCPA), including any amendment of or addition to such law; or

- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

Exclusions c. through n. do not apply to damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner. A separate limit of insurance applies to this coverage as described in Section III – Limits Of Insurance.

## **COVERAGE B PERSONAL AND ADVERTISING INJURY LIABILITY**

### **1. Insuring Agreement**

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "personal and advertising injury" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages for "personal and advertising injury" to which this insurance does not apply. We may, at our discretion, investigate any offense and settle any claim or "suit" that may result. But:

- (1) The amount we will pay for damages is limited as described in Section III – Limits Of Insurance; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments or settlements under Coverages A or B or medical expenses under Coverage C.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments – Coverages A and B.

- b. This insurance applies to "personal and advertising injury" caused by an offense arising out of your business but only if the offense was committed in the "coverage territory" during the policy period.

### **2. Exclusions**

This insurance does not apply to:

#### **a. Knowing Violation Of Rights Of Another**

"Personal and advertising injury" caused by or at the direction of the insured with the knowledge that the act would violate the rights of another and would inflict "personal and advertising injury".

#### **b. Material Published With Knowledge Of Falsity**

"Personal and advertising injury" arising out of oral or written publication of material, if done by or at

the direction of the insured with knowledge of its falsity.

#### **c. Material Published Prior To Policy Period**

"Personal and advertising injury" arising out of oral or written publication of material whose first publication took place before the beginning of the policy period.

#### **d. Criminal Acts**

"Personal and advertising injury" arising out of a criminal act committed by or at the direction of the insured.

#### **e. Contractual Liability**

"Personal and advertising injury" for which the insured has assumed liability in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement.

#### **f. Breach Of Contract**

"Personal and advertising injury" arising out of a breach of contract, except an implied contract to use another's advertising idea in your "advertisement".

#### **g. Quality Or Performance Of Goods – Failure To Conform To Statements**

"Personal and advertising injury" arising out of the failure of goods, products or services to conform with any statement of quality or performance made in your "advertisement".

#### **h. Wrong Description Of Prices**

"Personal and advertising injury" arising out of the wrong description of the price of goods, products or services stated in your "advertisement".

#### **i. Infringement Of Copyright, Patent, Trademark Or Trade Secret**

"Personal and advertising injury" arising out of the infringement of copyright, patent, trademark, trade secret or other intellectual property rights. Under this exclusion, such other intellectual property rights do not include the use of another's advertising idea in your "advertisement".

However, this exclusion does not apply to infringement, in your "advertisement", of copyright, trade dress or slogan.

#### **j. Insureds In Media And Internet Type Businesses**

"Personal and advertising injury" committed by an insured whose business is:

- (1) Advertising, broadcasting, publishing or telecasting;
- (2) Designing or determining content of web-sites for others; or
- (3) An Internet search, access, content or service provider.

However, this exclusion does not apply to Paragraphs 14.a., b. and c. of "personal and advertising injury" under the Definitions Section.

For the purposes of this exclusion, the placing of frames, borders or links, or advertising, for you or others anywhere on the Internet, is not by itself, considered the business of advertising, broadcasting, publishing or telecasting.

**k. Electronic Chatrooms Or Bulletin Boards**

"Personal and advertising injury" arising out of an electronic chatroom or bulletin board the insured hosts, owns, or over which the insured exercises control.

**l. Unauthorized Use Of Another's Name Or Product**

"Personal and advertising injury" arising out of the unauthorized use of another's name or product in your e-mail address, domain name or metatag, or any other similar tactics to mislead another's potential customers.

**m. Pollution**

"Personal and advertising injury" arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.

**n. Pollution-Related**

Any loss, cost or expense arising out of any:

- (1) Request, demand, order or statutory or regulatory requirement that any insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of, "pollutants"; or
- (2) Claim or suit by or on behalf of a governmental authority for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to, or assessing the effects of, "pollutants".

**o. War**

"Personal and advertising injury", however caused, arising, directly or indirectly, out of:

- (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.

**p. Distribution Of Material In Violation Of Statutes**

"Personal and advertising injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- (1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or
- (2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
- (3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.

**COVERAGE C MEDICAL PAYMENTS**

**1. Insuring Agreement**

- a. We will pay medical expenses as described below for "bodily injury" caused by an accident:

- (1) On premises you own or rent;
- (2) On ways next to premises you own or rent; or
- (3) Because of your operations;

provided that:

- (a) The accident takes place in the "coverage territory" and during the policy period;
- (b) The expenses are incurred and reported to us within one year of the date of the accident; and
- (c) The injured person submits to examination, at our expense, by physicians of our choice as often as we reasonably require.

- b. We will make these payments regardless of fault. These payments will not exceed the applicable limit of insurance. We will pay reasonable expenses for:

- (1) First aid administered at the time of an accident;
- (2) Necessary medical, surgical, x-ray and dental services, including prosthetic devices; and
- (3) Necessary ambulance, hospital, professional nursing and funeral services.

**2. Exclusions**

We will not pay expenses for "bodily injury":

**a. Any Insured**

To any insured, except "volunteer workers".

**b. Hired Person**

To a person hired to do work for or on behalf of any insured or a tenant of any insured.

**c. Injury On Normally Occupied Premises**

To a person injured on that part of premises you own or rent that the person normally occupies.

**d. Workers Compensation And Similar Laws**

To a person, whether or not an "employee" of any insured, if benefits for the "bodily injury" are payable or must be provided under a workers' compensation or disability benefits law or a similar law.

**e. Athletics Activities**

To a person injured while practicing, instructing or participating in any physical exercises or games, sports, or athletic contests.

**f. Products-Completed Operations Hazard**

Included within the "products-completed operations hazard".

**g. Coverage A Exclusions**

Excluded under Coverage A.

**SUPPLEMENTARY PAYMENTS – COVERAGES A AND B**

1. We will pay, with respect to any claim we investigate or settle, or any "suit" against an insured we defend:

- a. All expenses we incur.
- b. Up to \$250 for cost of bail bonds required because of accidents or traffic law violations arising out of the use of any vehicle to which the Bodily Injury Liability Coverage applies. We do not have to furnish these bonds.
- c. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- d. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$250 a day because of time off from work.
- e. All court costs taxed against the insured in the "suit". However, these payments do not include attorneys' fees or attorneys' expenses taxed against the insured.
- f. Prejudgment interest awarded against the insured on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance, we will not pay any prejudgment interest based on that period of time after the offer.
- g. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

These payments will not reduce the limits of insurance.

2. If we defend an insured against a "suit" and an indemnitee of the insured is also named as a party to the "suit", we will defend that indemnitee if all of the following conditions are met:

- a. The "suit" against the indemnitee seeks damages for which the insured has assumed the liability of the indemnitee in a contract or agreement that is an "insured contract";
- b. This insurance applies to such liability assumed by the insured;
- c. The obligation to defend, or the cost of the defense

of, that indemnitee, has also been assumed by the insured in the same "insured contract";

- d. The allegations in the "suit" and the information we know about the "occurrence" are such that no conflict appears to exist between the interests of the insured and the interests of the indemnitee;
- e. The indemnitee and the insured ask us to conduct and control the defense of that indemnitee against such "suit" and agree that we can assign the same counsel to defend the insured and the indemnitee; and
- f. The indemnitee:

(1) Agrees in writing to:

- (a) Cooperate with us in the investigation, settlement or defense of the "suit";
- (b) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "suit";
- (c) Notify any other insurer whose coverage is available to the indemnitee; and
- (d) Cooperate with us with respect to coordinating other applicable insurance available to the indemnitee; and

(2) Provides us with written authorization to:

- (a) Obtain records and other information related to the "suit"; and
- (b) Conduct and control the defense of the indemnitee in such "suit".

So long as the above conditions are met, attorneys' fees incurred by us in the defense of that indemnitee, necessary litigation expenses incurred by us and necessary litigation expenses incurred by the indemnitee at our request will be paid as Supplementary Payments. Notwithstanding the provisions of Paragraph 2.b.(2) of Section I – Coverage A – Bodily Injury And Property Damage Liability, such payments will not be deemed to be damages for "bodily injury" and "property damage" and will not reduce the limits of insurance.

Our obligation to defend an insured's indemnitee and to pay for attorneys' fees and necessary litigation expenses as Supplementary Payments ends when we have used up the applicable limit of insurance in the payment of judgments or settlements or the conditions set forth above, or the terms of the agreement described in Paragraph f. above, are no longer met.

**SECTION II – WHO IS AN INSURED**

1. If you are designated in the Declarations as:

- a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
- b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the con-

duct of your business.

- c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
  - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
  - e. A trust, you are an insured. Your trustees are also insureds, but only with respect to their duties as trustees.
2. Each of the following is also an insured:
- a. Your "volunteer workers" only while performing duties related to the conduct of your business, or your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you or while performing duties related to the conduct of your business. However, none of these "employees" or "volunteer workers" are insureds for:
    - (1) "Bodily injury" or "personal and advertising injury":
      - (a) To you, to your partners or members (if you are a partnership or joint venture), to your members (if you are a limited liability company), to a co-"employee" while in the course of his or her employment or performing duties related to the conduct of your business, or to your other "volunteer workers" while performing duties related to the conduct of your business;
      - (b) To the spouse, child, parent, brother or sister of that co-"employee" or "volunteer worker" as a consequence of Paragraph (1)(a) above;
      - (c) For which there is any obligation to share damages with or repay someone else who must pay damages because of the injury described in Paragraphs (1)(a) or (b) above; or
      - (d) Arising out of his or her providing or failing to provide professional health care services.
    - (2) "Property damage" to property:
      - (a) Owned, occupied or used by,
      - (b) Rented to, in the care, custody or control of, or over which physical control is being exercised for any purpose by
- you, any of your "employees", "volunteer workers", any partner or member (if you are a partnership or joint venture), or any member (if you

are a limited liability company).

- b. Any person (other than your "employee" or "volunteer worker"), or any organization while acting as your real estate manager.
  - c. Any person or organization having proper temporary custody of your property if you die, but only:
    - (1) With respect to liability arising out of the maintenance or use of that property; and
    - (2) Until your legal representative has been appointed.
  - d. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.
3. Any organization you newly acquire or form, other than a partnership, joint venture or limited liability company, and over which you maintain ownership or majority interest, will qualify as a Named Insured if there is no other similar insurance available to that organization. However:
- a. Coverage under this provision is afforded only until the 90th day after you acquire or form the organization or the end of the policy period, whichever is earlier;
  - b. Coverage A does not apply to "bodily injury" or "property damage" that occurred before you acquired or formed the organization; and
  - c. Coverage B does not apply to "personal and advertising injury" arising out of an offense committed before you acquired or formed the organization.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

### SECTION III – LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
- a. Insureds;
  - b. Claims made or "suits" brought; or
  - c. Persons or organizations making claims or bringing "suits".
2. The General Aggregate Limit is the most we will pay for the sum of:
- a. Medical expenses under Coverage C;
  - b. Damages under Coverage A, except damages because of "bodily injury" or "property damage" included in the "products-completed operations hazard"; and
  - c. Damages under Coverage B.
3. The Products-Completed Operations Aggregate Limit is the most we will pay under Coverage A for damages because of "bodily injury" and "property damage"

included in the "products-completed operations hazard".

4. Subject to Paragraph 2. above, the Personal and Advertising Injury Limit is the most we will pay under Coverage B for the sum of all damages because of all "personal and advertising injury" sustained by any one person or organization.
5. Subject to Paragraph 2. or 3. above, whichever applies, the Each Occurrence Limit is the most we will pay for the sum of:
  - a. Damages under Coverage A; and
  - b. Medical expenses under Coverage Cbecause of all "bodily injury" and "property damage" arising out of any one "occurrence".
6. Subject to Paragraph 5. above, the Damage To Premises Rented To You Limit is the most we will pay under Coverage A for damages because of "property damage" to any one premises, while rented to you, or in the case of damage by fire, while rented to you or temporarily occupied by you with permission of the owner.
7. Subject to Paragraph 5. above, the Medical Expense Limit is the most we will pay under Coverage C for all medical expenses because of "bodily injury" sustained by any one person.

The Limits of Insurance of this Coverage Part apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

#### SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS

##### 1. Bankruptcy

Bankruptcy or insolvency of the insured or of the insured's estate will not relieve us of our obligations under this Coverage Part.

##### 2. Duties In The Event Of Occurrence, Offense, Claim Or Suit

- a. You must see to it that we are notified as soon as practicable of an "occurrence" or an offense which may result in a claim. To the extent possible, notice should include:
  - (1) How, when and where the "occurrence" or offense took place;
  - (2) The names and addresses of any injured persons and witnesses; and
  - (3) The nature and location of any injury or damage arising out of the "occurrence" or offense.
- b. If a claim is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the claim or "suit" and the date received; and

- (2) Notify us as soon as practicable.

You must see to it that we receive written notice of the claim or "suit" as soon as practicable.

##### c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the claim or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury or damage to which this insurance may also apply.

- d. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

##### 3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

- a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or
- b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant's legal representative.

##### 4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under Coverages A or B of this Coverage Part, our obligations are limited as follows:

###### a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, our obligations are not affected unless any of the other insurance is also primary. Then, we will share with all that other insurance by the method described in Paragraph c. below.

###### b. Excess Insurance

- (1) This insurance is excess over:
  - (a) Any of the other insurance, whether primary, excess, contingent or on any other



basis:

- (i) That is Fire, Extended Coverage, Builder's Risk, Installation Risk or similar coverage for "your work";
  - (ii) That is Fire insurance for premises rented to you or temporarily occupied by you with permission of the owner;
  - (iii) That is insurance purchased by you to cover your liability as a tenant for "property damage" to premises rented to you or temporarily occupied by you with permission of the owner; or
  - (iv) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Exclusion g. of Section I – Coverage A – Bodily Injury And Property Damage Liability.
- (b) Any other primary insurance available to you covering liability for damages arising out of the premises or operations, or the products and completed operations, for which you have been added as an additional insured by attachment of an endorsement.
- (2) When this insurance is excess, we will have no duty under Coverages A or B to defend the insured against any "suit" if any other insurer has a duty to defend the insured against that "suit". If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.
- (3) When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:
- (a) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
  - (b) The total of all deductible and self-insured amounts under all that other insurance.
- (4) We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

**c. Method Of Sharing**

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

**5. Premium Audit**

- a. We will compute all premiums for this Coverage Part in accordance with our rules and rates.
- b. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period and send notice to the first Named Insured. The due date for audit and retrospective premiums is the date shown as the due date on the bill. If the sum of the advance and audit premiums paid for the policy period is greater than the earned premium, we will return the excess to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.

**6. Representations**

By accepting this policy, you agree:

- a. The statements in the Declarations are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

**7. Separation Of Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom claim is made or "suit" is brought.

**8. Transfer Of Rights Of Recovery Against Others To Us**

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

**9. When We Do Not Renew**

If we decide not to renew this Coverage Part, we will mail or deliver to the first Named Insured shown in the Declarations written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

**SECTION V – DEFINITIONS**

- 1. "Advertisement" means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the



purposes of this definition:

- a. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
  - b. Regarding web-sites, only that part of a web-site that is about your goods, products or services for the purposes of attracting customers or supporters is considered an advertisement.
2. "Auto" means:
- a. A land motor vehicle, trailer or semitrailer designed for travel on public roads, including any attached machinery or equipment; or
  - b. Any other land vehicle that is subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.
- However, "auto" does not include "mobile equipment".
3. "Bodily injury" means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
4. "Coverage territory" means:
- a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
  - b. International waters or airspace, but only if the injury or damage occurs in the course of travel or transportation between any places included in Paragraph a. above; or
  - c. All other parts of the world if the injury or damage arises out of:
    - (1) Goods or products made or sold by you in the territory described in Paragraph a. above;
    - (2) The activities of a person whose home is in the territory described in Paragraph a. above, but is away for a short time on your business; or
    - (3) "Personal and advertising injury" offenses that take place through the Internet or similar electronic means of communication
- provided the insured's responsibility to pay damages is determined in a "suit" on the merits, in the territory described in Paragraph a. above or in a settlement we agree to.
5. "Employee" includes a "leased worker". "Employee" does not include a "temporary worker".
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Hostile fire" means one which becomes uncontrollable or breaks out from where it was intended to be.
8. "Impaired property" means tangible property, other than "your product" or "your work", that cannot be used or is less useful because:
- a. It incorporates "your product" or "your work" that is known or thought to be defective, deficient, inadequate or dangerous; or

- b. You have failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by the repair, replacement, adjustment or removal of "your product" or "your work" or your fulfilling the terms of the contract or agreement.
9. "Insured contract" means:
- a. A contract for a lease of premises. However, that portion of the contract for a lease of premises that indemnifies any person or organization for damage by fire to premises while rented to you or temporarily occupied by you with permission of the owner is not an "insured contract";
  - b. A sidetrack agreement;
  - c. Any easement or license agreement, except in connection with construction or demolition operations on or within 50 feet of a railroad;
  - d. An obligation, as required by ordinance, to indemnify a municipality, except in connection with work for a municipality;
  - e. An elevator maintenance agreement;
  - f. That part of any other contract or agreement pertaining to your business (including an indemnification of a municipality in connection with work performed for a municipality) under which you assume the tort liability of another party to pay for "bodily injury" or "property damage" to a third person or organization. Tort liability means a liability that would be imposed by law in the absence of any contract or agreement.
- Paragraph f. does not include that part of any contract or agreement:
- (1) That indemnifies a railroad for "bodily injury" or "property damage" arising out of construction or demolition operations, within 50 feet of any railroad property and affecting any railroad bridge or trestle, tracks, road-beds, tunnel, underpass or crossing;
  - (2) That indemnifies an architect, engineer or surveyor for injury or damage arising out of:
    - (a) Preparing, approving, or failing to prepare or approve, maps, shop drawings, opinions, reports, surveys, field orders, change orders or drawings and specifications; or
    - (b) Giving directions or instructions, or failing to give them, if that is the primary cause of the injury or damage; or
  - (3) Under which the insured, if an architect, engineer or surveyor, assumes liability for an injury or damage arising out of the insured's rendering or failure to render professional services, including those listed in (2) above and supervisory, inspection, architectural or engineering activities.
10. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you

and the labor leasing firm, to perform duties related to the conduct of your business. "Leased worker" does not include a "temporary worker".

**11. "Loading or unloading" means the handling of property:**

- a. After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "auto";
  - b. While it is in or on an aircraft, watercraft or "auto"; or
  - c. While it is being moved from an aircraft, watercraft or "auto" to the place where it is finally delivered;
- but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "auto".

**12. "Mobile equipment" means any of the following types of land vehicles, including any attached machinery or equipment:**

- a. Bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
- b. Vehicles maintained for use solely on or next to premises you own or rent;
- c. Vehicles that travel on crawler treads;
- d. Vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - (1) Power cranes, shovels, loaders, diggers or drills; or
  - (2) Road construction or resurfacing equipment such as graders, scrapers or rollers;
- e. Vehicles not described in Paragraph a., b., c. or d. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - (1) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - (2) Cherry pickers and similar devices used to raise or lower workers;
- f. Vehicles not described in Paragraph a., b., c. or d. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not "mobile equipment" but will be considered "autos":

- (1) Equipment designed primarily for:
  - (a) Snow removal;
  - (b) Road maintenance, but not construction or resurfacing; or
  - (c) Street cleaning;
- (2) Cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and

- (3) Air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

However, "mobile equipment" does not include any land vehicles that are subject to a compulsory or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged. Land vehicles subject to a compulsory or financial responsibility law or other motor vehicle insurance law are considered "autos".

**13. "Occurrence" means an accident, including continuous or repeated exposure to substantially the same general harmful conditions.**

**14. "Personal and advertising injury" means injury, including consequential "bodily injury", arising out of one or more of the following offenses:**

- a. False arrest, detention or imprisonment;
- b. Malicious prosecution;
- c. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
- d. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
- e. Oral or written publication, in any manner, of material that violates a person's right of privacy;
- f. The use of another's advertising idea in your "advertisement"; or
- g. Infringing upon another's copyright, trade dress or slogan in your "advertisement".

**15. "Pollutants" mean any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.**

**16. "Products-completed operations hazard":**

- a. Includes all "bodily injury" and "property damage" occurring away from premises you own or rent and arising out of "your product" or "your work" except:
  - (1) Products that are still in your physical possession; or
  - (2) Work that has not yet been completed or abandoned. However, "your work" will be deemed completed at the earliest of the following times:
    - (a) When all of the work called for in your contract has been completed.
    - (b) When all of the work to be done at the job site has been completed if your contract calls for work at more than one job site.
    - (c) When that part of the work done at a job site has been put to its intended use by any per-

son or organization other than another contractor or subcontractor working on the same project.

Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, will be treated as completed.

- b. Does not include "bodily injury" or "property damage" arising out of:

- (1) The transportation of property, unless the injury or damage arises out of a condition in or on a vehicle not owned or operated by you, and that condition was created by the "loading or unloading" of that vehicle by any insured;
- (2) The existence of tools, uninstalled equipment or abandoned or unused materials; or
- (3) Products or operations for which the classification, listed in the Declarations or in a policy schedule, states that products-completed operations are subject to the General Aggregate Limit.

**17. "Property damage" means:**

- a. Physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
- b. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

For the purposes of this insurance, electronic data is not tangible property.

As used in this definition, electronic data means information, facts or programs stored as or on, created or used on, or transmitted to or from computer software, including systems and applications software, hard or floppy disks, CD-ROMS, tapes, drives, cells, data processing devices or any other media which are used with electronically controlled equipment.

**18. "Suit" means a civil proceeding in which damages because of "bodily injury", "property damage" or "personal and advertising injury" to which this insurance applies are alleged. "Suit" includes:**

- a. An arbitration proceeding in which such damages are claimed and to which the insured must submit or does submit with our consent; or
- b. Any other alternative dispute resolution proceeding in which such damages are claimed and to which

the insured submits with our consent.

**19. "Temporary worker" means a person who is furnished to you to substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.**

**20. "Volunteer worker" means a person who is not your "employee", and who donates his or her work and acts at the direction of and within the scope of duties determined by you, and is not paid a fee, salary or other compensation by you or anyone else for their work performed for you.**

**21. "Your product":**

**a. Means:**

- (1) Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
  - (a) You;
  - (b) Others trading under your name; or
  - (c) A person or organization whose business or assets you have acquired; and
- (2) Containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
- (2) The providing of or failure to provide warnings or instructions.

**c. Does not include vending machines or other property rented to or located for the use of others but not sold.**

**22. "Your work":**

**a. Means:**

- (1) Work or operations performed by you or on your behalf; and
- (2) Materials, parts or equipment furnished in connection with such work or operations.

**b. Includes:**

- (1) Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work", and
- (2) The providing of or failure to provide warnings or instructions.

# EXHIBIT G

### **CERTIFIED POLICY**

This certification is affixed to a policy which is a true and accurate copy of the document in the company's business records as of the date shown below.

**No additional insurance is afforded by this copy.**

St. Paul Fire and Marine Insurance Company

**Name of Insuring Company(ies)**

QK 06503290

03/01/11 to 03/01/13

04/24/18

**Policy Number(s)**

**Policy Period(s)**

**Date**



Kenneth Kupec, Second Vice President  
BI Document Management

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T000001



## DECLARATIONS

St. Paul Fire and Marine Insurance Company

2 JERICO PLAZA  
JERICO NY 11753

Item 1. Named Insured: PREMIER HOTEL INSURANCE GROUP (P2)  
"A RISK PURCHASING GROUP"  
Address: 10900 NE 4TH STREET  
SUITE 1100  
BELLEVUE WA 98004

Item 2. Policy Period: From: 03/01/2011 To: 03/01/2013  
At 12:01 A.M. Standard Time at the address of the Named Insured shown above

Item 3. Limits Of Insurance

The Limits Of Insurance, subject to all the terms of this policy, are:

- A. \$25,000,000 Each occurrence
- B. \$100,000,000 General aggregate (in accordance with Section III, Limits Of Insurance)
- C. \$25,000,000 Products-Completed Operations aggregate (in accordance with Section III, Limits Of Insurance)

Item 4. Self Insured Retention \$0

Item 5. Premium: \$TBD  
Surcharge/Surtax:

Rate, if applicable:

Minimum premium,  
if applicable: \$

Item 6. Agent: NATIONAL SPECIALTY UNDERWRITERS  
10900 NE 4TH STREET  
SUITE 1100  
BELLEVUE WA 98004

Agency Number: 4601026

Item 7. Endorsements attached: See attached schedule.

Item 8. Policy Number: QK06503290  
This Replaces Policy Number: QK06502174

*Brian MacLean*  
President

*Wendy C. Skj*  
Secretary

SU089 Ed. 3-03

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T000002



# **POLICY FORM LIST**



Here's a list of all forms included in your policy, on the date shown below. These forms are listed in the same order as they appear in your policy.

Title	Form Number	Edition Date
Disclosure Notice Terrorism Risk Insurance Act Of 2002	D0100	03-09
Declarations (St. Paul Fire and Marine Insurance Company)	SU089	03-03
Policy Form List	40705	05-84
What To Do If You Have A Loss - Specialty Commercial Umbrella Liability Policy	SU106	05-03
Specialty Commercial Umbrella Liability Policy	SU001	10-02
Amendment of Cancellation Notice	SU007	10-02
Claims-Made Coverage And Extended Reporting Period Endorsement	SU015	06-08
Anti-Stacking Endorsement	SUP028	02-10
Pollution Exclusion Exception For Certain Equipment Including Pollutants From Swimming Pools And Garages	SUP029	02-10
Employee Benefit Liability Endorsement	SU035	06-08
Lead Exclusion	SU050	10-02
Mold or Other Fungi or Bacteria Exclusion	SU061	10-02
Pesticide, Herbicide or Fertilizer Applications Endorsement	SU070	10-02
Waiver of Rights of Recovery Endorsement	SU085	10-02
Scheduled Retained Limits	SU091	03-03
Scheduled Underlying Insurance	SU109	08-08
Scheduled Underlying Insurance - Continued	SU110	03-03
Silica Exclusion	SU157	08-04
Washington Amendatory Endorsement	SU162	09-04
Unsolicited Communication Exclusion Endorsement	SU163	10-04
Application Of Limits Of Insurance	SU221	04-11
Auto Liability Limits of Ins. End't. - Exception for Damages Not Subj to Underlying Aggregate Limit Applies Only to Auto	SU244	10-06
Auto Liability Limitation	SU257	03-07
Garagekeepers Legal Liability	SU260	04-07
Pollution Exclusion Except Building Heating Or Air Conditioning Equipment Or Water Heating Equipment	SU267	03-07
Knowledge Of Occurrence Or Claim	SU280	12-07
Crisis Management Service Expense Endorsement	SU300	12-09
Failure To Notify Insurer Of Occurrence	SUM189	04-08

<b>Name of Insured</b>	<b>Policy Number</b> QK06503290	<b>Effective Date</b> 03/01/11
PREMIER HOTEL INSURANCE GROUP (P2)	<b>Processing Date</b> 05/03/11 13:52 001	

40705 Ed. 5-84 Form List  
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T000004



**DISCLOSURE NOTICE**  
**TERRORISM RISK INSURANCE ACT OF 2002**

On December 26, 2007, the President of the United States signed into law amendments to the Terrorism Risk Insurance Act of 2002 (the "Act"), which, among other things, extend the Act and expand its scope. The Act establishes a program under which the Federal Government may partially reimburse "Insured Losses" (as defined in the Act) caused by "acts of terrorism". An "act of terrorism" is defined in Section 102(l) of the Act to mean any act that is certified by the Secretary of the Treasury - in concurrence with the Secretary of State and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States Mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

The federal government's share of compensation for Insured Losses is 85% of the amount of Insured Losses in excess of each Insurer's statutorily established deductible, subject to the "Program Trigger", (as defined in the Act). In no event, however, will the federal government or any Insurer be required to pay any portion of the amount of aggregate Insured Losses occurring in any one year that exceeds \$100,000,000,000, provided that such Insurer has met its deductible. If aggregate Insured Losses exceed \$100,000,000,000 in any one year, your coverage may therefore be reduced.

The premium charge shown below is for coverage under this policy for Insured losses covered by the Act. This terrorism premium does not include any charges for the portion of insured losses covered by the federal government under the Act.

If \$0 is shown below for the certified acts of terrorism premium charge, this policy provides such terrorism coverage for no premium charge.

The certified acts of terrorism premium charge shown below applies to all coverage under this policy for Insured Losses covered by the Act that you purchased for a premium charge. For any insuring agreement or coverage part for which you did not purchase such terrorism coverage, this policy may include one or more terrorism exclusions that apply to certified acts of terrorism. Under the federal Terrorism Risk Insurance Program Reauthorization Act of 2007, the applicable definition of certified acts of terrorism no longer requires that the act of terrorism be committed on behalf of a foreign person or foreign interest. Therefore, each such exclusion is not limited to an act of terrorism committed on behalf of a foreign person or interest.

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**Name of Insured:** PREMIER HOTEL INSURANCE GROUP (P2)

**Policy Number:** QK06503290

**Effective Date:** 03/01/11

**Certified Acts Of Terrorism Premium Charge:** INCLUDED

**Processing Date:** 05/03/11 13:52 001

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### What To Do If You Have A Loss - Specialty Commercial Umbrella Liability Policy

When an Occurrence happens or is committed that will likely result in damages that are covered by this policy, you or any Insured covered under this policy are required to report the claim to:

The Travelers Companies, Inc.  
Attn: Travelers Excess Casualty Claim Division  
Mail Code 9275-NB08E  
385 Washington Street  
St. Paul, MN 55102-1396

All other terms of your policy remain the same.

## Specialty Commercial Umbrella Liability Policy

This is a Commercial Umbrella Liability Policy Form. It specifies the coverage provided, restrictions or exclusions to that coverage, and the rights and duties under this contract.

Throughout this policy the words "you" and "your" refer to the **Named Insured**. The word "**Named Insured**" and all other words or phrases that appear in bold, other than bold used for titles, have or include special meaning as described in this form. The words "we", "us" and "our" refer to the Company indicated in the Declarations as providing this insurance.

In consideration of the payment of the premium and in reliance upon the statements in the Declarations we agree with you as follows:

### Insuring Agreements

#### I. Coverage

##### A. We will pay on behalf of:

1. the **Insured** all sums in excess of the **Retained Limit** that the **Insured** becomes legally obligated to pay as damages by reason of liability imposed by law; or
2. the **Named Insured** all sums in excess of the **Retained Limit** that the **Named Insured** becomes legally obligated to pay as damages assumed by the **Named Insured** under an **Insured Contract**;

because of:

1. **Bodily Injury** or **Property Damage** that occurs during the **Policy Period** and is caused by an **Occurrence**; or
2. **Personal Injury** or **Advertising Injury** that is caused by an **Occurrence** committed during the **Policy Period**;

if such **Occurrence** takes place anywhere in the world, except for any country or jurisdiction which is subject to any trade sanction, embargo or similar regulation imposed by the United States of America that prohibits the transaction of business with or within such country or jurisdiction.

If we are prevented by law or statute from paying such sums on behalf of any **Insured**, then we will, where permitted by law or statute, indemnify that **Insured** for such sums in excess of the **Retained Limit**. In any event, the amount we will pay for damages is limited as described in Section III, Limits of Insurance.

There is no coverage under this policy for **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising Injury** unless a **Retained Limit** applies.

##### B. Retained Limit means the greater of the following:

1. the total of the applicable limits of all **Scheduled Underlying Insurance**, and the applicable limits of any **Other Insurance**, for **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising Injury** covered by such **Scheduled Underlying Insurance** or **Other Insurance**;
2. the total of the applicable limits of all **Scheduled Retained Limits** for **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising Injury** covered by such **Scheduled Retained Limits**; or
3. if applicable, the amount stated in the Declarations as a **Self Insured Retention** because of any **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising Injury** not covered by either any **Scheduled Underlying Insurance** or any **Scheduled Retained Limit**, and caused by any one **Occurrence**.

- C. If coverage for the Bodily Injury, Property Damage, Personal Injury or Advertising Injury does not exist under any:

1. Scheduled Underlying Insurance; or
2. Scheduled Retained Limit;

because of a specific exclusion or other specific coverage limitation, then paragraph I. Coverage B.3 above does not apply, unless such coverage is specifically provided by endorsement to this policy.

- D. This insurance applies to Bodily Injury and Property Damage only if no Named Insured knew, prior to the Policy Period, that the Bodily Injury or Property Damage had occurred, in whole or in part. If a Named Insured knew, prior to the Policy Period, that the Bodily Injury or Property Damage had occurred, then any continuation, change or resumption of such Bodily Injury or Property Damage during or after the Policy Period will be considered to have been known by a Named Insured prior to the Policy Period if such continuation, change or resumption would otherwise be covered by this policy because of a continuous, multiple or other coverage trigger required under the law that applies.

Bodily Injury or Property Damage which occurs during the Policy Period and was not, prior to the Policy Period, known to have occurred by any Named Insured includes any continuation, change or resumption of that Bodily Injury or Property Damage after the end of the Policy Period if that would be the result because of a continuous, multiple or other coverage trigger required under the law that applies.

Bodily Injury or Property Damage will be considered to have been known to have occurred at the earliest time when any Named Insured:

1. reports all, or any part, of the Bodily Injury or Property Damage to us or any other insurer;
2. receives a written or verbal demand or Claim for damages because of the Bodily Injury or Property Damage; or
3. becomes aware by any means that the Bodily Injury or Property Damage has occurred or has begun to occur.

- E. Solely for the purpose of liability assumed by the Named Insured under an Insured Contract, reasonable attorney's fees and necessary litigation expenses incurred by or for a party other than an Insured are deemed to be damages because of Bodily Injury, Property Damage, Personal Injury or Advertising Injury, provided:

1. liability to such party for such attorney's fees and necessary litigation expense has also been assumed by the Named Insured in the same Insured Contract; and
2. such attorney's fees and litigation expenses are for defense of such party against a Suit seeking damages covered by this policy.

- F. If any Scheduled Underlying Insurance has a limit of insurance greater than the amount shown in the Schedule of Underlying Insurance, this policy will apply in excess of that greater amount. If any Scheduled Underlying Insurance has a limit of insurance, prior to any reduction or exhaustion by payment of one or more Claims or Suits seeking damages that would be covered under this policy, that is less than the amount shown in the Schedule of Underlying Insurance, this policy will apply in excess of the amount shown in that schedule.

If any Scheduled Retained Limit has a limit of insurance greater than the amount shown in the Schedule of Retained Limits, this policy will apply in excess of that greater amount. If any Scheduled Retained Limit has a limit of insurance, prior to any reduction or exhaustion by payment of one or more Claims or Suits seeking damages that would be covered under this policy, that is less than the amount shown in the Schedule of Retained Limits, this policy will apply in excess of the amount shown in that schedule.

G. If the total of the applicable limits of any Scheduled Underlying Insurance or any Scheduled Retained Limit are reduced or exhausted by payment of one or more Claims or Suits seeking damages that would be covered by this policy, we will:

1. in the event of reduction of the limits of the Scheduled Underlying Insurance or the Scheduled Retained Limit, pay in excess of such reduced limits; or
2. in the event of exhaustion of the limits of the Scheduled Underlying Insurance or the Scheduled Retained Limit, continue in force as underlying insurance upon such exhaustion;

and subject to any specific exclusions or other specific coverage limitations of that Scheduled Underlying Insurance or Scheduled Retained Limit.

H. The applicable limits of any Scheduled Underlying Insurance or Scheduled Retained Limit shall not, for the purpose of determining when this policy applies, be reduced or exhausted by any payment with respect to Claims or Suits seeking damages which are not covered by this policy.

## II. Defense

A. We shall have the right and duty to assume control of the defense of any Claim or Suit seeking damages covered by this policy, and we shall have the right to investigate and settle such Claim or Suit, when the Retained Limit has been exhausted by payment of judgments or settlements that would be covered by this policy. These rights and duties apply even if the Claim or Suit is groundless, false or fraudulent.

B. Prior to the exhaustion of the Retained Limit we shall have the right, but not the duty, to participate in the investigation, settlement or defense of any Claim or Suit seeking damages that would be covered by this policy. This right includes the opportunity to participate in the defense of any Claim or Suit that may result in damages covered by this policy. If we exercise this right, we will do so at our own expense.

C. We have no duty to defend, investigate or settle any Claim or Suit seeking damages not covered by this policy.

D. We will not defend any Claim or Suit after the applicable limits of insurance under this policy have been exhausted by payment of judgments or settlements.

E. All expenses we incur in the defense of any Claim or Suit are in addition to the limits of insurance under this policy.

F. When we assume the defense of any Claim or Suit we will pay the following, to the extent that they are not included in the Scheduled Underlying Insurance, Scheduled Retained Limits or in any Other Insurance:

1. premiums on bonds to release attachments for amounts not exceeding our limits of insurance, but we are not obligated to apply for or furnish any such bond;
2. premiums on appeal bonds required by law to appeal any Claim or Suit we defend, but we are not obligated to apply for or furnish any such bond;
3. all costs taxed against the Insured for Bodily Injury, Property Damage, Personal Injury or Advertising Injury, covered by this policy, in any Suit we defend;
4. pre-judgment interest awarded against the Insured on that part of the judgment we pay. But if we make an offer to pay the applicable limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer;
5. all interest that accrues after entry of judgment and before we have paid, offered to pay or deposited in court the part of the judgment that is within the applicable limit of insurance under this policy; and

6. the Insured's reasonable expenses incurred at our request.

- G. When we have the duty to defend, but are prevented by law or otherwise from performing that duty, the Insured shall make or arrange for any necessary investigation or defense. We will reimburse the Insured for the reasonable and necessary expenses incurred to provide that investigation or defense, subject to the terms and conditions of this policy.

### III. Limits Of Insurance

- A. The limits of insurance stated in Item 3 of the Declarations and the rules below establish the most we will pay regardless of the number of:

1. Insureds;
2. Claims made or Suits brought;
3. person or organizations making Claims or bringing Suits; or
4. coverages provided under this policy.

- B. The General Aggregate Limit is the most we will pay for all damages covered under Insuring Agreement I. Coverage except for:

1. damages included in the Products - Completed Operations Hazard; and
2. coverages included in the Scheduled Underlying Insurance or Scheduled Retained Limits to which no underlying aggregate applies.

If any Scheduled Underlying Insurance or any Scheduled Retained Limit contains aggregate limits, other than an aggregate applying to the Products-Completed Operations Hazard, the General Aggregate stated in the Declarations will apply in the same manner as the aggregate limits of each Scheduled Underlying Insurance or each Scheduled Retained Limit.

- C. The Products - Completed Operations Aggregate Limit is the most we will pay for all damages included in the Products - Completed Operations Hazard.
- D. Subject to B. and C. above, the Each Occurrence Limit is the most we will pay for all damages covered under Insuring Agreement I. Coverage because of all Bodily Injury, Property Damage, Personal Injury and Advertising Injury caused by any one Occurrence.
- E. The limits of insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than twelve months, starting with the beginning of the Policy Period shown in the Declarations. If, however, the Policy Period is extended after issuance for an additional period of less than 12 months, the additional period will be considered part of the last preceding period for purposes of determining the limits of insurance that apply.

### IV. Definitions

- A. **Advertisement** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For purposes of this definition:
1. notices that are published include material placed on the Internet or similar electronic means of communication;
  2. only that part of your website that is about your goods, products or services for the purpose of attracting customers or supporters is considered an Advertisement; and

3. the placing of advertising, borders or frames for you or others, or links for or to others, on or in your website is not considered an Advertisement.
- B. **Advertising Idea** means a manner or style of Advertisement that others use and intend to attract attention in their Advertisement. However, information used to identify or record customers or supporters, such as a list of customers or supporters, shall not be considered to be an Advertising Idea.
- C. **Advertising Injury** means injury, other than Bodily Injury or Personal Injury, arising out of your business and caused by one or more of the following offenses:
1. oral, written or electronic publication of material in your Advertisement that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  2. oral, written or electronic publication of material in your Advertisement that violates a person's right of privacy;
  3. unauthorized use in your Advertisement of another's Advertising Idea; or
  4. infringement in your Advertisement of another's copyright, trade dress, or Slogan.
- D. **Auto** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment. But Auto does not include Mobile Equipment.
- E. **Bodily Injury** means any physical harm, sickness or disease to the physical health of other persons, including death or any of the following resulting at any time from such physical harm, sickness or disease:
1. mental injury;
  2. mental anguish;
  3. emotional distress;
  4. shock; or
  5. humiliation.
- F. **Claim** means a demand that seeks damages.
- G. **Employee** includes any person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm, to perform duties related to the conduct of your business. However, Employee does not include any person who is furnished to you to substitute for a permanent Employee on leave or to meet seasonal or short-term workload conditions.
- H. **Hostile Fire** means a fire which becomes uncontrollable or breaks out from where it was intended to be.
- I. **Impaired Property** means Tangible Property, other than Your Product or Your Work, that cannot be used or is less useful because:
1. it incorporates Your Product or Your Work that is known or thought to be defective, deficient, inadequate or dangerous; or
  2. you have, or anyone acting on your behalf has, failed to fulfill the terms of a contract or agreement;
- if such property can be restored to use by:
1. the repair, replacement, adjustment or removal of Your Product or Your Work; or
  2. you, or anyone acting on your behalf, fulfilling the terms of the contract or agreement.
- As used in this definition, Tangible Property does not include data.

J. Insured means each of the following, to the extent set forth:

1. the Named Insured;
2. any person or organization, other than the Named Insured, included as an additional insured in any Scheduled Underlying Insurance but then for no broader coverage than is provided to such person or organization under such Scheduled Underlying Insurance;
3. any of your Employees, other than:
  - a. your managers if you are a limited liability company; or
  - b. your executive officers if you are an organization other than a partnership, joint venture or limited liability company;

but only for acts within the scope of their employment by you while performing duties related to the conduct of your business.

However, no person or organization is an Insured under this paragraph IV.J.3. for the ownership, maintenance, operation, use, Loading or Unloading, or entrustment to others, of any Autos, aircraft or watercraft unless such coverage is included under the Scheduled Underlying Insurance and then for no broader coverage than is provided under such Scheduled Underlying Insurance.

4. any person, other than any of your Employees, or organization while acting as your real estate manager;
5. any person, organization, trustee or estate to whom you are obligated by a written contract or agreement to provide insurance such as is afforded by this policy but only with respect to liability arising out of:
  - a. Your Work; or
  - b. facilities owned or used by you.
6. any person (other than any of your partners or co-venturers if you are a partnership or joint venture, any of your members or managers if you are a limited liability company, or any of your executive officers, directors or stockholders if you are an organization other than a partnership, joint venture or limited liability company, or any of your Employees) or organization with respect to any Auto:
  - a. owned by you, loaned to you or hired by you or on your behalf; and
  - b. used by that person or organization with your permission.

However, none of the following is an Insured under this paragraph IV.J.6.:

- a. the owner or anyone else from whom you hire or borrow an Auto. But this exception does not apply if the Auto is a trailer or semi-trailer connected to an Auto you own; or
- b. any person using an Auto while working in a business that sells, services, repairs or parks Autos unless you are in that business.

K. Insured Contract means that part of any contract or agreement pertaining to your business under which the Named Insured assumes the Tort Liability of another party to pay for Bodily Injury, Property Damage, Personal Injury or Advertising Injury to a third person or organization, but only if:

1. the Bodily Injury or Property Damage occurs; or
2. the Personal Injury or Advertising Injury is caused by an Occurrence committed;

subsequent to the execution of the Insured Contract.



**L. Loading or Unloading means the handling of property:**

1. while it is being moved from the place where it is accepted for transportation;
2. while it is being loaded, transported or unloaded; and
3. until it is moved to the place where it is finally delivered.

**M. Mobile Equipment means any of the following types of land vehicles, including any attached machinery or equipment:**

1. bulldozers, farm machinery, forklifts and other vehicles designed for use principally off public roads;
2. vehicles maintained for use solely on or next to premises you own or rent;
3. vehicles that travel on crawler treads;
4. vehicles, whether self-propelled or not, maintained primarily to provide mobility to permanently mounted:
  - a. power cranes, shovels, loaders, diggers or drills; or
  - b. road construction or resurfacing equipment such as graders, scrapers or rollers;
5. vehicles not described in paragraphs IV.M.1., 2., 3. or 4. above that are not self-propelled and are maintained primarily to provide mobility to permanently attached equipment of the following types:
  - a. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment; or
  - b. cherry pickers and similar devices used to raise or lower workers; and
6. vehicles not described in IV.M.1., 2., 3. or 4. above maintained primarily for purposes other than the transportation of persons or cargo.

However, self-propelled vehicles with the following types of permanently attached equipment are not Mobile Equipment but will be considered Autos:

- a. equipment designed primarily for:
  - 1) snow removal;
  - 2) road maintenance, but not construction or resurfacing; or
  - 3) street cleaning;
- b. cherry pickers and similar devices mounted on automobile or truck chassis and used to raise or lower workers; and
- c. air compressors, pumps and generators, including spraying, welding, building cleaning, geophysical exploration, lighting and well servicing equipment.

**N. Named Insured means:**

1. any person or organization listed in Item 1 of the Declarations, any company that is your subsidiary as of the effective date of this policy and any company in which you own a majority or controlling interest as of the effective date of this policy; and
2. any organization, other than a partnership, joint venture or limited liability company, which is newly acquired, controlled or formed by you during the Policy Period but only:
  - a. as respects Occurrences taking place after you acquire, take control of or form such organization;

- b. to the extent such organization is included under the coverage provided by any **Scheduled Underlying Insurance**;
- c. if you give us prompt notice after you acquire, take control of or form such organization; and
- d. if you own a majority or controlling interest in such organization;

We may make an additional premium charge for any such organizations you acquire, take control of or form during the **Policy Period**;

- 3. if you are an individual, you and your spouse, but only with respect to the conduct of a business of which you are the sole owner;
- 4. if you are a partnership or joint venture, your partners or co-venturers and their spouses, but only with respect to the conduct of your business;
- 5. if you are a limited liability company, your members, but only with respect to the conduct of your business, and your managers, but only with respect to their duties as your managers; and
- 6. if you are an organization other than a partnership, joint venture or limited liability company, any of your executive officers, directors or stockholders but only while acting within their duties or capacities as such;

However, no person or organization is a **Named Insured** with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a **Named Insured** in the **Declarations**.

Also, no person or organization is a **Named Insured** under paragraphs IV.N.3., 4., 5. or 6. for the ownership, maintenance, operation, use, **Loading or Unloading**, or entrustment to others, of any Autos, aircraft or watercraft unless such coverage is included under the **Scheduled Underlying Insurance** and then for no broader coverage than is provided under such **Scheduled Underlying Insurance**.

**O. Occurrence means:**

- 1. as respects **Bodily Injury** or **Property Damage**, an accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in **Bodily Injury** or **Property Damage**. All **Bodily Injury** or **Property Damage** caused by such exposure to substantially the same general harmful conditions shall be considered to be caused by one **Occurrence**;
- 2. as respects **Personal Injury**, an offense arising out of your business that results in **Personal Injury**. All **Personal Injury** caused by the same or related injurious material, act or offense shall be considered to be caused by one **Occurrence**, regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making **Claims** or bringing **Suits**; and
- 3. as respects **Advertising Injury**, an offense committed in the course of advertising your goods, products and services that results in **Advertising Injury**. All **Advertising Injury** caused by the same or related injurious material, act or offense shall be considered to be caused by one **Occurrence**, regardless of the frequency or repetition thereof, the number and kind of media used or the number of persons or organizations making **Claims** or bringing **Suits**.

**P. Other Insurance means any insurance providing coverage for damages covered in whole or in part by this policy. Other Insurance includes alternative risk transfer, risk management or financing methods or programs, such as risk retention groups or self-insurance methods or programs. But Other Insurance does not include:**

- 1. any **Scheduled Underlying Insurance**;

2. the Self-Insured Retention; or
  3. any policy of insurance specifically purchased to be excess of this policy and affording coverage that this policy also affords.
- Q. Personal Injury** means injury, other than Bodily Injury or Advertising Injury, arising out of your business and caused by one or more of the following offenses:
1. false arrest, detention or imprisonment;
  2. malicious prosecution;
  3. the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor;
  4. oral, written or electronic publication of material that slanders or libels a person or organization, or disparages a person's or organization's goods, products or services; or
  5. oral, written or electronic publication of material that violates a person's right of privacy.
- R. Policy Period** means the period of time from the inception date shown in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the termination date of this policy.
- S. Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and Waste.
- T. Products - Completed Operations Hazard** means all Bodily Injury and Property Damage occurring away from premises you own, rent or borrow and arising out of Your Product or Your Work except:
1. products that are still in your physical possession; or
  2. work that has not yet been completed or abandoned. However, we will consider Your Work to be completed at the earliest of the following times:
    - a. when all of the work called for in your contract has been completed;
    - b. when all of the work to be done at the job site has been completed if your contract calls for work at more than one job site; or
    - c. when any person or organization, other than another contractor or subcontractor working on the same project, has put that part of the work done at a job site to its intended use.
- Work that may need service, maintenance, correction, repair or replacement, but which is otherwise complete, shall be considered to be completed.
- The Products - Completed Operations Hazard does not include Bodily Injury or Property Damage arising out of:
1. the transportation of property, unless the Bodily Injury or Property Damage arises out of a condition in or on a vehicle created by the Loading or Unloading of that vehicle by an Insured; or
  2. the existence of tools, uninstalled equipment or abandoned or unused materials.
- U. Property Damage** means:
1. physical injury to Tangible Property of others including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or
  2. loss of use of Tangible Property of others that is not physically injured. All such loss of use shall be deemed to occur at the time of the Occurrence that caused it.

As used in this definition, **Tangible Property** does not include data.

- V. **Scheduled Retained Limits** means the amount and type of insurance, not covered by any **Scheduled Underlying Insurance**, listed in the Schedule of Retained Limits forming a part of this policy.
- W. **Scheduled Underlying Insurance** means:
1. the policy or policies of insurance listed in the Schedule of Underlying Insurance forming a part of this policy; and
  2. automatically any renewal or replacement of any policy described in paragraph IV.W.1. above, provided that such renewal or replacement provides equivalent coverage to and affords limits of insurance equal to or greater than the policy being renewed or replaced.
- X. **Self-Insured Retention** means the amount indicated in Item 4 of the Declarations which is the maximum amount that:
1. the **Insured** becomes legally obligated to pay by reason of liability imposed by law; or
  2. the **Named Insured** becomes legally obligated to pay as damages assumed by the **Named Insured** under an **Insured Contract**;
- not covered by either any **Scheduled Underlying Insurance** or any **Scheduled Retained Limit** and caused by any one **Occurrence**.
- Y. **Slogan** means a phrase that others use and intend to attract attention in their **Advertisement**. However, a **Slogan** does not include a phrase used as, or in, the name of:
1. any person or organization, other than you; or
  2. any business or any of the premises, goods, products or services of any person or organization, other than you.
- Z. **Suit** means a civil proceeding that seeks damages. **Suit** includes:
1. an arbitration proceeding that seeks damages and to which you must submit or do submit with our consent; or
  2. any other alternative dispute resolution proceeding that seeks damages and to which you submit with our consent.
- AA. **Tort Liability** means a liability that would be imposed by law in the absence of any contract or agreement.
- BB. **Waste** includes materials which are intended to be or have been recycled, reconditioned or reclaimed.
- CC. **Your Product** means:
1. any goods or products, other than real property, that are or were manufactured, sold, handled, distributed or disposed of by:
    - a. you;
    - b. others trading under your name; or
    - c. a person or organization whose business or assets you have acquired; and
  2. containers (other than vehicles), materials, parts or equipment furnished in connection with such goods or products.

**Your Product includes:**

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of Your Product; and
2. the providing of or failure to provide warnings or instructions.

Your Product does not include vending machines or other property rented to or located for the use of others but not sold.

**DD. Your Work means:**

1. work or operations performed or being performed by you or on your behalf; and
2. materials, parts or equipment furnished in connection with such work or operations.

**Your Work includes:**

1. warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of Your Work; and
2. the providing of or failure to provide warning or instructions.

**V. Exclusions**

**This insurance does not apply to:**

**A. Workers' Compensation, Disability Benefits or Unemployment Compensation Laws**

Any obligation of the Insured under any workers compensation law, disability benefits law, unemployment compensation law or any similar law.

**B. ERISA or COBRA**

Any obligation of the Insured under:

1. the Employees Retirement Income Security Act Of 1974 (ERISA);
2. the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA); or
3. any similar common or statutory law of any jurisdiction;

including any amendments to such laws.

**C. Uninsured Motorists, Underinsured Motorists or Automobile No-Fault Laws**

Any liability or obligation of the Insured under any automobile:

1. uninsured motorists;
2. underinsured motorists; or
3. no-fault or other first party benefits law.

**D. Asbestos**

1. Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the actual, alleged or threatened:

- a. absorption, ingestion or inhalation of asbestos in any form by any person; or
- b. existence of asbestos in any form.

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2. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of the actual, alleged or threatened:
- a. absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and **Waste**, in any form by any person; or
  - b. existence of any such other irritant or contaminant in any form;
- and that is part of any **Claim** or **Suit** that also alleges any **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** described in paragraph V.D.1. of this exclusion, above.
3. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any **Insured** or others:
- a. test for, monitor, clean up, remove, contain, treat, detoxify or neutralize asbestos in any form; or
  - b. respond to, or assess, in any way the effects of asbestos in any form.

Because asbestos, and any other such irritants or contaminants, are **Pollutants**, this exclusion applies in addition to any of the following exclusions that apply:

- a. the pollution exclusion in this policy; or
- b. any other pollution-related exclusion made part of this policy.

**E. Employment-Related Practices**

**Bodily Injury or Personal Injury** to:

- 1. a person arising out of any:
  - a. refusal to employ that person;
  - b. termination of that person's employment; or
  - c. employment-related practices, policies, acts or omissions, such as coercion, demotion, evaluation, reassignment, discipline, defamation, failure to promote or advance, harassment, humiliation or discrimination applied to or directed at that person; or
- 2. the spouse, child, parent, brother or sister of that person as a consequence of such **Bodily Injury** or **Personal Injury** to that person described in paragraph V.E.1., of this exclusion, above.

This exclusion applies to any obligation to share damages with or repay someone else who must pay damages because of the **Bodily Injury or Personal Injury**.

**F. Property Damage to Certain Property**

**Property Damage** to:

- 1. property you own, rent or occupy;
- 2. premises you sell, give away or abandon if the **Property Damage** arises out of any part of those premises;
- 3. property loaned to you;
- 4. personal property in the care, custody or control of any **Insured**;

5. that particular part of real property on which you or any contractors or sub-contractors working directly or indirectly on your behalf are performing operations if the **Property Damage** arises out of those operations;
6. that particular part of any property that must be restored, repaired or replaced because **Your Work** was incorrectly performed on it;
7. **Your Product** arising out of **Your Product** or any part of it; or
8. **Your Work** arising out of **Your Work** or any part of it and included in the **Products-Completed Operations Hazard**, unless the damaged work or the work out of which the damage arises was performed on your behalf by a subcontractor.

Paragraph V.F.2, of this exclusion, above, does not apply if the premises are **Your Work** and were never occupied, rented or held for rental by you.

Paragraph V.F.6, of this exclusion, above, does not apply to **Property Damage** included in the **Products-Completed Operations Hazard**.

**G. Property Damage to Impaired Property or Property Not Physically Injured**

**Property Damage to Impaired Property**, or property that has not been physically injured, arising out of:

1. a defect, deficiency, inadequacy or dangerous condition in **Your Product** or **Your Work**; or
2. a delay or failure by you, or anyone acting on your behalf, to fulfill the terms of a contract or agreement.

This exclusion does not apply to the loss of use of other property arising out of sudden and accidental physical injury to **Your Product** or **Your Work** after it has been put to its intended use.

**H. Product Recall**

Damages claimed for any loss, cost or expense incurred by you or others for the loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal of:

1. **Your Product**;
2. **Your Work**; or
3. **Impaired Property**;

if such product, work or property is withdrawn or recalled from the market or from use by any person or organization because of a known or suspected defect, deficiency, inadequacy or dangerous condition in it.

**I. Expected or Intended Bodily Injury or Property Damage**

**Bodily Injury or Property Damage** expected or intended from the standpoint of the **Insured**.

This exclusion does not apply to **Bodily Injury or Property Damage** resulting from the use of reasonable force to protect persons or property.

**J. Known Violation of Rights**

**Personal Injury or Advertising Injury** caused by or committed at the direction of the **Insured**, or by an offense committed at the direction of the **Insured**, with knowledge that the rights of another would be violated and that **Personal Injury or Advertising Injury** would result.

**K. Material Published with Knowledge of Falsity**

**Personal Injury or Advertising Injury** arising out of oral, written, or electronic publication of material, if done by or at the direction of the **Insured** with knowledge of its falsity.

**L. Material Published Prior to Policy Period**

**Personal Injury or Advertising Injury** arising out of any:

1. oral, written, or electronic publication of material whose first publication;
2. unauthorized use in your **Advertisement** of another's **Advertising Idea** if that unauthorized use first; or
3. infringement in your **Advertisement** of another's copyright, trade dress or **Slogan** if that infringement first;

took place before the beginning of the **Policy Period**.

**M. Criminal Acts**

**Personal Injury or Advertising Injury** arising out the willful violation of a penal statute or ordinance committed by, at the direction of, any **Insured**.

**N. Advertising, Broadcasting, Publishing, Telecasting, Media and Internet Businesses**

**Personal Injury or Advertising Injury** committed by an **Insured** whose business is:

1. Advertising, broadcasting, publishing or telecasting;
2. Designing or determining content of websites for others; or
3. An Internet search, access, content or service provider.

However, this exclusions does not apply to **Personal Injury** caused by any of the following offenses:

1. false arrest, detention or imprisonment;
2. malicious prosecution;
3. the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies committed by or on behalf of its owner, landlord or lessor.

For the purpose of this exclusion, the placing of advertising, borders or frames for an **Insured** or others, or links for or to others, on or in an **Insured's** website is not by itself considered the business of advertising, broadcasting, publishing or telecasting.

**O. Breach of Contract**

**Personal Injury or Advertising Injury** arising out of breach of contract, other than misappropriation of **Advertising Ideas** under an implied contract.

**P. Quality or Performance of Goods - Failure to Conforms to Statements**

**Advertising Injury** arising out of the failure of goods, products or services to conform with advertised quality or performance.



**Q. Wrong Description of Prices**

**Advertising Injury** arising out of the wrong description of the price of goods, products or services.

**R. Intellectual Property**

**Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of the actual or alleged infringement or violation of any of the following rights or laws:

1. copyright;
2. patent;
3. trade name;
4. trade secret;
5. trademark; or
6. other intellectual property rights or laws.

This exclusion does not apply to **Bodily Injury or Property Damage** that:

1. results from **Your Products or Your Work**; or
2. is included in the **Products-Completed Operations Hazard**.

This exclusion also does not apply to **Advertising Injury** that results from:

1. the unauthorized use in your **Advertisement** of another's **Advertising Idea**; or
2. infringement in your **Advertisement** of another's copyright, trade dress or trademarked **Slogan**.

**S. Pollution**

1. **Bodily Injury, Property Damage or Personal Injury or Advertising Injury** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** anywhere in the world;
2. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that we, the **Insured** or any other person or organization test for, monitor, clean-up, remove, contain, treat, detoxify, respond to, neutralize or assess the effects of **Pollutants**; or
3. Any loss, cost or expense arising out of any **Claim or Suit** by or for any governmental authority or any other person or organization for damages arising out of the testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or responding to or assessing in any way, **Pollutants**.

This exclusion does not apply to **Bodily Injury or Property Damage**:

- a. arising out of heat, smoke or fumes from a **Hostile Fire**;
- b. arising out of the upset, overturn or collision of an **Auto**; or
- c. included in the **Products-Completed Operations Hazard**;

if insurance for such **Bodily Injury or Property Damage** is provided by any **Scheduled Underlying Insurance** or any **Scheduled Retained Limit**. However, the insurance provided by this policy for such **Bodily Injury or Property Damage** will not be broader than the insurance provided by such **Scheduled Underlying Insurance** or **Scheduled Retained Limit**.

**T. Nuclear Material**

**Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of:

1. the actual, alleged or threatened exposure of any person or property to; or
2. the **Hazardous Properties** of;

any **Nuclear Material**.

As used in this exclusion:

1. **hazardous properties** includes radioactive, toxic or explosive properties;
2. **nuclear material** means source material, special nuclear material or by-product material;
3. **source material, special nuclear material and by-product material** have the meanings given them in the Atomic Energy Act of 1954 or any law amendatory thereof.

Because **Nuclear Material** is a **Pollutant**, this exclusion applies in addition to any of the following exclusions that apply:

1. the pollution exclusion in this policy; or
2. any other pollution-related exclusion made part of this policy.

**VI. Additional Exclusions**

This insurance does not apply to the following, unless insurance for such liability is provided by any **Scheduled Underlying Insurance** or any **Scheduled Retained Limit** and then it will be no broader than the insurance provided by such **Scheduled Underlying Insurance** or **Scheduled Retained Limit**:

**A. Fellow Employee**

Liability of any **Employee** with respect to **Bodily Injury** or **Personal Injury** to:

1. another **Employee** of the same employer; or
2. the spouse or any child, parent, brother or sister of that other **Employee** as a consequence of such **Bodily Injury** or **Personal Injury** to that other **Employee** described in paragraph VI.A.1. of this exclusion.

**B. Watercraft**

**Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, use, operation, **Loading** or **Unloading**, or entrustment to others of any watercraft owned, operated or rented by, or loaned to, any **Insured**. This exclusion does not apply to watercraft while ashore on premises owned or rented by any **Insured**.

**C. Aircraft**

**Bodily Injury** or **Property Damage** arising out of the ownership, maintenance, use, operation, **Loading** or **Unloading** or entrustment to others of any aircraft owned, rented or chartered by, or loaned to, any **Insured** or on an **Insured's** behalf, with or without crew.

## **VII. Conditions**

### **A. Appeals**

We have the right but not the duty to appeal an award or judgment, including damages covered by this policy, in excess of the applicable **Retained Limit**. If we elect to appeal we will pay, in addition to any applicable limits of insurance of this policy, all costs, interest and expenses incidental to such appeal. However, the result of an appeal will not change the limits of coverage that apply under this policy.

### **B. Audit**

We may audit the Insured's books and records at any time during the term of the Policy Period or within three years after expiration or termination of this policy.

### **C. Bankruptcy or Insolvency**

1. The Insured's bankruptcy, insolvency or inability to pay, or the bankruptcy, insolvency or inability to pay of any issuer of **Scheduled Underlying Insurance** will not relieve us of our obligations under this policy.
2. In the event of any such bankruptcy, insolvency or inability to pay:
  - a. this insurance will neither replace or reduce the insurance provided by **Scheduled Underlying Insurance** nor replace or reduce any **Scheduled Retained Limit**; and
  - b. this insurance will apply only to amounts in excess of the applicable limits of such **Scheduled Underlying Insurance** and **Scheduled Retained Limits**.

### **D. Cancellation**

1. You may cancel this policy. You must mail or deliver to us advance written notice to us stating when the cancellation is to take effect.
2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you not less than 10 days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than 60 days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Declarations shall be sufficient to prove such notice.
3. The Policy Period will end on the day and time stated in the cancellation notice.
4. If we cancel, final premium shall be calculated pro rata based on the time this policy was in force.
5. If you cancel, final premium will be more than pro rata. It will be based on the time this policy was in force and increased by our short rate cancellation table and procedure.
6. Premium adjustment may be made at the time of cancellation or as soon as practicable thereafter, but the cancellation will be effective even if we have not made or offered any premium refund due you. Our check, or our representative's check, mailed or delivered to you at your mailing address shown in Item 1 of the Declarations, shall be sufficient tender of any such refund due you.
7. The first Named Insured in Item 1 of the Declarations shall act on behalf of all other Insureds with respect to the giving or receiving of notice of cancellation and the receipt of any premium refund that may become payable under this policy.

8. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this policy is changed by this statement to comply with that law.

**E. Changes**

Notice to any agent or knowledge possessed by any agent or any other person will not effect a waiver of, or a change in, any part of this policy. This policy can only be changed by a written endorsement that becomes a part of this policy and that is signed by one of our authorized representatives.

**F. Duties in the Event of an Occurrence, Claim or Suit**

1. You must see to it that we are notified as soon as practicable of an Occurrence which may result in a Claim or Suit seeking damages covered by this policy. To the extent possible, notice should include:
  - a. how, when and where the Occurrence took place;
  - b. the names and addresses of any injured persons and witnesses; and
  - c. the nature and location of any Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the Occurrence.
2. If a Claim is made or Suit is brought against any Insured that is reasonably likely to involve the coverage provided by this policy, you must notify us in writing as soon as practicable. You and any other involved Insured also must:
  - a. immediately send us copies of any demands, notices, summonses or legal papers received in connection with the Claim or Suit;
  - b. authorize us to obtain necessary records and other information;
  - c. cooperate with us in the investigation, settlement or defense of any Claim or Suit we investigate, settle or defend; and
  - d. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the Insured because of injury or damage to which this insurance may apply.
3. No Insured will, except at that Insured's own expense, voluntarily make a payment, assume any obligation, make any admission, or incur any expense, other than for first aid for Bodily Injury covered by this policy, without our consent.

**G. First Named Insured**

The person or organization first named in Item 1 of the Declarations is primarily responsible for the payment of all premiums, the giving and receiving of notice of cancellation and the receiving of any return premiums that become payable under this policy.

**H. Inspection**

We have the right, but are not obligated, to inspect your premises and operations at any time. Our inspections are not safety inspections. They relate only to the insurability of your premises and operations and the premiums to be charged. We may give your reports on the conditions that we find. We may also recommend changes. However, we will not undertake to perform the duty of any person or organization to provide for the health or safety of your Employees or the public. We do not warrant the health and safety conditions of your premises or operations or represent that your premises or operations comply with any law, regulation, code or standard.

**I. Knowledge of Occurrence or Claim**

Knowledge of an Occurrence, Claim or Suit by your agent, servant or Employee shall not in itself constitute knowledge by you, unless a Named Insured:

1. shall have received notice of such Occurrence, Claim or Suit from said agent, servant or Employee; or
2. otherwise has knowledge of such Occurrence, Claim or Suit.

**J. Legal Action Against Us**

No person or organization has a right under this policy to sue us, join us as a party, or otherwise bring us into a Suit seeking damages from, or to determine the liability of, any Insured unless:

1. you have, and any other involved Insured has, complied with all the terms of this policy; and
2. the amount you owe has been determined with our consent or by actual trial and final judgment.

**K. Maintenance of Scheduled Underlying Insurance**

1. During the Policy Period, you agree:
  - a. to keep Scheduled Underlying Insurance in full force and effect;
  - b. that the terms, including definitions, conditions and exclusions, of Scheduled Underlying Insurance shall not materially change;
  - c. that the total applicable limits of Scheduled Underlying Insurance shall not decrease, except for any reduction or exhaustion of aggregate limits by payment of Claims or Suits for Bodily Injury, Property Damage, Personal Injury or Advertising Injury covered by this policy; and
  - d. that any renewals or replacements of Scheduled Underlying Insurance shall provide equivalent coverage to and afford limits of insurance equal to or greater than the policy being renewed or replaced.
2. If you fail to comply with these requirements, we will be liable only to the same extent that we would have, had you fully complied with these requirements.
3. If you are unable to recover from an issuer of any Scheduled Underlying Insurance because that issuer is unable to pay or you fail to comply with any term or condition of any Scheduled Underlying Insurance, we will only pay those sums covered by this insurance which are in excess of the applicable limit of Scheduled Underlying Insurance shown in the Schedule of Underlying Insurance.

**L. Other Insurance**

If Other Insurance applies to damages that are also covered by this policy, this policy will apply excess of, and shall not contribute with, that Other Insurance, whether it is primary, excess, contingent or on any other basis. However, this provision will not apply if the Other Insurance is specifically written to be excess of this policy.

**M. Premium**

The premium for this policy is the amount stated in Item 5 of the Declarations. It is a flat premium unless specified as subject to an audit adjustment.

**N. Separation of Insureds**

Except with respect to the limits of insurance of this policy and any rights or duties specifically assigned to the first Named Insured designated in Item 1 of the Declarations, this insurance applies:

1. as if each Named Insured were the only Named Insured; and
2. separately to each Insured against whom the Claim is made or the Suit is brought.

**O. Titles**

The titles of the various sections or paragraphs in this policy and endorsements, if any, attached to this policy are intended solely for convenience or reference and are not to be deemed in any way to affect the provisions to which they relate.

**P. Transfer of Rights of Recovery to Us**

1. If any Insured has rights to recover from any other person or organization all or part of any payment we have made under this policy, those rights are transferred to us. The Insured must do nothing after loss to impair those rights and must help us enforce them.
2. Any such recovery shall be applied as follows:
  - a. first, any person or organization, including the Insured, that has paid an amount in excess of the applicable limits of insurance of this policy will be reimbursed for the actual excess amount paid under this policy;
  - b. then, we will be reimbursed up to the amount we have paid; and
  - c. last, any Insured or issuer of Scheduled Underlying Insurance is entitled to claim the remainder, up to the amount that Insured or issuer of Scheduled Underlying Insurance has paid.
3. Expenses incurred in the exercise of such rights of recovery shall be apportioned among such persons or organizations, including the Insured, in the same ratio as their respective recoveries are finally shared.

**Q. Transfer of Your Rights and Duties**

Your rights and duties under this policy may not be transferred without our written consent.

If you die or are legally declared bankrupt, your rights and duties will be transferred to your legal representative, but only while acting within the scope of duties as your legal representative. However, notice of cancellation sent to the first Named Insured designated in Item 1 of the Declarations and mailed to the address shown in this policy will be sufficient notice to effect cancellation of this policy.

**R. Unintentional Failure to Disclose Hazards**

Your failure to disclose all hazards existing as the inception date of the policy shall not prejudice you with respect to the coverage afforded by this policy, provided that any such failure or omission is not intentional.

**S. When Damages Are Payable**

We will not make any payment under this policy unless and until the Insured or any other insurer is obligated to pay the Retained Limit.

When the amount of loss has been determined, we will promptly pay on behalf of the Insured the amount of loss covered by this policy.

You shall promptly reimburse us for any amount within the Self-Insured Retention paid by us on behalf of an Insured.

In Witness Whereof we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned by one of our duly authorized representatives where required by law.

### Amendment of Cancellation Notice

Paragraph 2 of Section VII, Conditions, D, Cancellation is replaced by the following:

We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you not less than 10 days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you not less than 90 days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Declarations shall be sufficient to prove such notice.

All other terms of your policy remain the same.



### Claims-Made Coverage And Extended Reporting Period Endorsement

- A. With respect to the coverage provided by this policy that applies in excess of the Scheduled Underlying Insurance listed directly below, which provides coverage on a claims-made basis, this policy also provides coverage on a claims-made basis:

Scheduled Underlying Insurance Description: EMPLOYEE BENEFITS LIABILITY

Scheduled Underlying Insurance Carrier: PER SCHEDULE ON INDIVIDUAL ACCOUNT CERTIFICATE

Scheduled Underlying Insurance Policy #: PER SCHEDULE ON INDIVIDUAL ACCOUNT CERTIFICATE

Scheduled Underlying Insurance Limits: \$1,000,000/\$1,000,000

Scheduled Underlying Insurance Retroactive Date:

Scheduled Underlying Insurance Description:

Scheduled Underlying Insurance Carrier:

Scheduled Underlying Insurance Policy #:

Scheduled Underlying Insurance Limits:

Scheduled Underlying Insurance Retroactive Date:

Scheduled Underlying Insurance Description:

Scheduled Underlying Insurance Carrier:

Scheduled Underlying Insurance Policy #:

Scheduled Underlying Insurance Limits:

Scheduled Underlying Insurance Retroactive Date:

- B. Each of the following applies to such coverage provided by this policy on a claims-made basis:

1. The Bodily Injury or Property Damage must have occurred, the Personal Injury or Advertising Injury must have been caused by an Occurrence committed, or the negligent act, error, or omission must have been committed, on or after the Retroactive Date of this policy;
2. The Bodily Injury or Property Damage must have occurred, the Personal Injury or Advertising Injury must have been caused by an Occurrence committed, or the negligent act, error or omission must have been committed, on or before the earlier of the expiration date shown in Item 2 of the Declarations or the termination date of this policy;
3. The Claim or Suit for any Bodily Injury, Property Damage, Personal Injury, Advertising Injury, or negligent act, error, or omission must have been first made or brought during the Policy Period or within 60 days thereafter, or within any Extended Reporting Period provided under this policy. A Claim or Suit is deemed first made or brought when notice of such Claim or Suit is first received by any Insured or by us, whichever is earlier.
4. No insurance is provided by this policy for any Claim or Suit, or any notification being treated as a Claim or Suit, which is made or brought before the inception date shown in Item 2 of the Declarations and for which any Insured has given notice to any person or organization providing Other Insurance.

- C. The following is added to section VII. Conditions F. Duties in the Event of an Occurrence, Claim or Suit but only with respect to this endorsement:

4. Notice of an Occurrence as described in F.1. above is not notice of a Claim or Suit. However, if:

- a. we are notified during the Policy Period, as specified above, of an Occurrence; and
- b. a Claim or Suit is made or brought within 36 months from the date we are notified of that Occurrence;

then this policy will apply as if notice of that Claim or Suit has been made during the Policy Period.

**D. The following is added to section VII. Conditions:**

**Extended Reporting Period**

1. If the Insured cancels or does not renew this policy, or if we either cancel or non-renew this policy for any reason other than non-payment of premium, the Insured may elect to purchase the Extended Reporting Period.
2. The Extended Reporting Period will apply only if:
  - a. The Insured requests it in writing within 60 days after the end of the Policy Period;
  - b. The Insured has paid all premiums due for this policy at the time the Insured makes such request; and
  - c. The Insured pays the additional premium for such Extended Reporting Period as charged by us. The additional premium will not exceed 200%.
3. Once the Extended Reporting Period is effective, neither we nor you may cancel the Extended Reporting Period for any reason.
4. Any Claim or Suit first made or brought during the Extended Reporting Period will be deemed to have been made or brought on the last day of the Policy Period. The Extended Reporting Period will not extend the Policy Period or reinstate or increase the Limits of Liability of this policy.
5. Any insurance provided by this policy for Claims or Suits made or brought during the Extended Reporting Period is excess over any Other Insurance providing coverage for such Claims or Suits made or brought after the Extended Reporting Period begins.

**E. With respect to this endorsement only, the following are added to section IV. Definitions:**

**Extended Reporting Period** means a period of 5 years or the length of the add'l Extended Reporting Period in your Scheduled Underlying Insurance, whichever is less, starting with the expiration date of this policy, during which Claims or Suits may be first made or brought.

**Retroactive Date** means . If no retroactive date is shown, then the retroactive date of this policy is the same as the retroactive date shown on the applicable Scheduled Underlying Insurance listed in part A. of this endorsement.

All other terms of your policy remain the same.

### **Anti-Stacking Endorsement**

For the purpose of this endorsement only, the following is added to section III. **Limits of Insurance:**

Regardless of the Limits specified in the Declarations of this policy, if any **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** covered by this policy is also covered by any other Named Insured Certificate issued on the Premier Hotel Insurance Group policy QK06503290 and QK06503289, then the maximum that we will pay for all such **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** will be the highest applicable Each Occurrence Limit under any one of those certificates.

This endorsement does not apply to certificate holders that have no contractual relationship or common ownership between them.

All other terms of your policy remain the same.

**Pollution Exclusion Exception For Certain Equipment Including Pollutants From Swimming Pools And Garages**

The following is added to the second paragraph of section V, Exclusions S, Pollution 3.

- d. arising out of the discharge, dispersal, seepage, migration, release or escape of pollutants from:
  - 1. chlorine equipment, refrigeration equipment, ventilation equipment, air conditioning equipment; or
  - 2. release of a substance from a swimming pool or a garage.

All other terms of your policy remain the same.

### Employee Benefits Liability Endorsement

1. The following is added to section I, Coverage A:

We will also pay on behalf of the Insured all sums in excess of the Retained Limit that the Insured becomes legally obligated to pay as damages by reason of liability imposed by law because of any negligent act, error or omission committed in the Administration of your Employee Benefits Program. However, the insurance provided by this endorsement will not be broader than the insurance provided by the applicable Scheduled Underlying Insurance or the applicable Scheduled Retained Limit for such damages.

2. The following are added to section IV, Definitions:

**Administration** means any of the following administrative functions:

1. Providing information to Employees, including dependents and beneficiaries, with respect to eligibility for or scope of an Employee Benefit Program;
2. Handling records in connection with an Employee Benefit Program; or
3. Effecting or terminating any Employee's participation in a plan included in the Employee Benefit Program.

**Employee Benefit Program** means any of the following plans:

1. Group life insurance; group accident or health insurance; dental, vision and hearing plans; and flexible spending accounts; provided that no one other than an Employee may subscribe to such insurance or plans and such plans are generally available to those Employees who satisfy the plan's eligibility requirements;
2. Profit sharing plans, employee savings plans, employee stock ownership plans, pension plans and stock subscription plans, provided that no one other than an Employee may subscribe to such plans and such plans are generally available to all Employees who are eligible under the plan;
3. Unemployment insurance, social security benefits, workers compensation and disability benefits;
4. Vacation plans; or
5. Any other plan designated in the Schedule of Designated Plans below or added by endorsement to this policy.

#### Schedule of Designated Plans

All other terms of your policy remain the same.

### Lead Exclusion

This Insurance does not apply to:

1. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of the actual, alleged or threatened:
  - a. absorption, ingestion or inhalation of lead in any form by any person; or
  - b. existence of lead in any form.
2. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of the actual, alleged or threatened:
  - a. absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and Waste, in any form by any person; or
  - b. existence of any such other irritant or contaminant in any form;and that are part of any Claim or Suit that also alleges any **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** described in paragraph 1. of this exclusion, above.
3. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any Insured or others:
  - a. test for, monitor, clean up, remove, contain, treat, detoxify or neutralize lead in any form;
  - b. respond to, or assess, in any way the effects of lead in any form.

Because lead, and any other such irritant or contaminant, are **Pollutants**, this exclusion applies in addition to any of the following exclusions that apply:

- a. the pollution exclusion in this policy; or
- b. any other pollution-related exclusion made part of this policy.

All other terms of your policy remain the same.

### Mold or Other Fungi or Bacteria Exclusion

This insurance does not apply to:

1. Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the actual, alleged or threatened:

- a. absorption, ingestion or inhalation of Mold or other fungi or Bacteria in any form by any person; or
- b. existence of Mold or other fungi or Bacteria in any form;

Paragraph 1 of this exclusion does not apply to:

- a. Bodily Injury or Property Damage arising out of Mold or other fungi or Bacteria which are in, on or part of any good or product that is intended to be consumed as food, beverage or medicine;
- b. Bodily Injury arising out of bacteria which are directly transmitted solely by or from another person to the person sustaining the Bodily Injury, or
- c. Bodily Injury arising out of a bacterial infection which develops in connection with physical harm to the person sustaining the Bodily Injury, if such physical harm is not excluded by this paragraph of this exclusion, or by any other part of this exclusion, and a Claim or Suit is made or brought against the Insured because of such physical harm;

2. Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the actual, alleged or threatened:

1. absorption, ingestion or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and Waste, in any form by any person; or
2. existence of any such other irritant or contaminant in any form;

and that is part of any Claim or Suit that also alleges any Bodily Injury, Property Damage, Personal Injury, or Advertising Injury described in paragraph 1. of this exclusion, above; or

3. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any Insured or others:

- a. test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Mold or other fungi or Bacteria in any form; or
- b. respond to, or assess in any way, the effects of Mold or other fungi or Bacteria in any form.

Because Mold or other fungi or Bacteria can be Pollutants, and such other irritants or contaminants are Pollutants, this exclusion applies in addition to any of the following exclusions that apply:

- a. the pollution exclusion in this policy; or
- b. any other pollution-related exclusion made part of this policy.

For purposes of this endorsement only, the following words or phrases have or include special meaning:

1. Molds or other fungi means:
  - a. any type or form of mold or mildew;
  - b. any other type or form of fungus; or
  - c. any mycotoxin, spore, scent or byproduct that is produced or released by such mold, mildew or other fungus.

2. Bacteria means:

- a. any type or form of bacterium; or
- b. any mycotoxin, spore, scent or byproduct that is produced or released by such bacterium.

All other terms of your policy remain the same.



### **Pesticide, Herbicide or Fertilizer Applications Endorsement**

The following is added to Section V. Exclusions, F. **Property Damage to Certain Property**:

Paragraph V.F.5. of this exclusion, above, does not apply to **Property Damage** to real estate property arising out of **Your Work** in the application of any pesticide, herbicide or fertilizer.

All other terms of your policy remain the same.

### Waiver of Rights of Recovery Endorsement

The following is added to section VII. Conditions, P. Transfer of Rights of Recovery to Us:

If, prior to an Occurrence, covered by this policy, you have agreed in a written contract, to waive your rights to recovery of payment for damages for Bodily Injury, Property Damage, Personal Injury or Advertising Injury caused by that Occurrence, then we agree to waive our right of recovery for such payment.

All other terms of your policy remain the same.

### SCHEDULED RETAINED LIMITS

Type of Coverage	Limits Of Liability
Certified Acts of Terrorism	\$1,000,000

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Name of Insured	Policy Number QK06503290	Effective Date 03/01/11
PREMIER HOTEL INSURANCE GROUP (P2)		Processing Date 05/03/11 13:52 001

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### Scheduled Underlying Insurance

<b>Comprehensive General Liability</b> <hr/> Carrier <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Number <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Period SEE ACCOUNT CERTIFICATE <hr/> Coverage is: <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	<b>Limits Of Liability</b> <hr/> General Aggregate. <b>\$2,000,000</b> <hr/> Products/Completed Operations Aggregate. <b>\$1,000,000</b> <hr/> Personal and Advertising Injury. <b>\$1,000,000</b> <hr/> Each Occurrence. <b>\$1,000,000</b> <hr/>
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<b>Automobile Liability</b> <hr/> Carrier <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Number <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Period SEE ACCOUNT CERTIFICATE <hr/>	<b>Limits Of Liability</b> <hr/> Bodily Injury And Property Damage Combined. Each Accident <b>\$1,000,000 CSL</b> <hr/> Bodily Injury. Each Person                                      Each Accident \$    \$ <hr/> Property Damage. Each Accident \$ <hr/>
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<b>Employers Liability</b> <hr/> Carrier <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Number <u>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</u> <hr/> Policy Period SEE ACCOUNT CERTIFICATE <hr/>	<b>Limits Of Liability</b> <hr/> Bodily Injury By Accident Each Accident <b>\$500,000*</b> <hr/> Bodily Injury Disease Policy Limit                                      Each Employee <b>\$500,000*                                      \$500,000*</b> <hr/>
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\*UNLIMITED IN THE STATE OF NEW YORK

ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)

Name of Insured	Policy Number QK06503290	Effective Date 03/01/11
PREMIER HOTEL INSURANCE GROUP (P2)		Processing Date 05/03/11 13:52 001

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T000040

### Scheduled Underlying Insurance

<b>Comprehensive General Liability</b>	<b>Limits Of Liability</b>
Carrier _____	General Aggregate. \$ _____
Policy Number _____	Products/Completed Operations Aggregate. \$ _____
Policy Period _____	Personal and Advertising Injury. \$ _____
Coverage is: <input type="checkbox"/> claims-made	Each Occurrence. \$ _____
<input type="checkbox"/> not claims-made	

<b>Automobile Liability</b>	<b>Limits Of Liability</b>
Carrier _____	Bodily Injury And Property Damage Combined, Each Accident \$ _____
Policy Number _____	Bodily Injury, Each Person \$ _____ Each Accident \$ _____
Policy Period _____	Property Damage, Each Accident \$ _____

<b>Employers Liability</b>	<b>Limits Of Liability</b>
Carrier _____	Bodily Injury By Accident Each Accident \$ _____
Policy Number _____	Bodily Injury By Disease Policy Limit \$ _____ Each Employee \$ _____
Policy Period _____	

### Scheduled Underlying Insurance - Continued

<b>Type Of Coverage:</b> <b>FOREIGN LIABILITY</b> <b>Carrier</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Number</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Period</b> SEE ACCOUNT CERTIFICATE <hr/> <b>Coverage is:</b> <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	<b>Limits Of Liability</b> <hr/> \$1,000,000 EACH OCCURRENCE \$1,000,000 AGGREGATE  ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)
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<b>Type Of Coverage:</b> <b>LIQUOR LIABILITY</b> <b>Carrier</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Number</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Period</b> SEE ACCOUNT CERTIFICATE <hr/> <b>Coverage is:</b> <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	<b>Limits Of Liability</b> <hr/> \$1,000,000 EACH COMMON CAUSE \$1,000,000 AGGREGATE  ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)
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<b>Type Of Coverage:</b> <b>GARAGEKEEPERS LEGAL LIABILITY</b> <b>Carrier</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Number</b> <b>PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.</b> <hr/> <b>Policy Period</b> SEE ACCOUNT CERTIFICATE <hr/> <b>Coverage is:</b> <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	<b>Limits Of Liability</b> <hr/> \$1,000,000 EACH OCCURRENCE  ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)
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Name of Insured	Policy Number QK06503290	Effective Date 03/01/11
PREMIER HOTEL INSURANCE GROUP (P2)		Processing Date 05/03/11 13:52 001

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### Scheduled Underlying Insurance - Continued

<b>Type Of Coverage:</b> MARINE OPERATORS LEGAL LIABILITY Carrier PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.	<b>Limits Of Liability</b> \$5,000,000 OCCURRENCE \$5,000,000 AGGREGATE
Policy Number PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.	ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)
Policy Period SEE ACCOUNT CERTIFICATE	
Coverage is: <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	

<b>Type Of Coverage:</b> PROTECTION & INDEMNITY LIABILITY Carrier PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.	<b>Limits Of Liability</b> \$5,000,000 \$5,000,000
Policy Number PER SCHEDULE ON INDIVIDUAL ACCOUNT CERT.	ABOVE LIMITS OF LIABILITY ARE MINIMUM LIMITS ONLY. INDIVIDUAL CERTIFICATE MAY REQUIRE HIGHER UNDERLYING LIMITS OR COVERAGE MAY NOT APPLY. (SEE INDIVIDUAL ACCOUNT CERTIFICATE)
Policy Period SEE ACCOUNT CERTIFICATE	
Coverage is: <input type="checkbox"/> claims-made <input checked="" type="checkbox"/> not claims-made	

<b>Type Of Coverage:</b>  Carrier  Policy Number  Policy Period	<b>Limits Of Liability</b>      
Coverage is: <input type="checkbox"/> claims-made <input type="checkbox"/> not claims-made	

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T000043

### Silica Exclusion

This insurance does not apply to:

1. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of any actual, alleged or threatened:
  - a. absorption, ingestion or inhalation of silica in any form by any person; or
  - b. existence of silica in any form.
2. **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of any actual, alleged or threatened:
  - a. absorption, ingestion, or inhalation of any other solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and Waste, in any form by any person; or
  - b. existence of any such other irritant or contaminant in any form;and that are part of any **Claim or Suit** that also alleges any **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** described in paragraph 1 of this exclusion above.
3. Any loss, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any **Insured** or others:
  - a. test for, monitor, clean up, remove, contain, treat, detoxify or neutralize silica in any form; or
  - b. respond to, or assess, in any way the effects of silica in any form.

Because silica, and any other such irritants or contaminants, are **Pollutants**, this exclusion applies in addition to any of the following exclusions that apply:

- a. the pollution exclusion in this policy; or
- b. any other pollution-related exclusion made part of this policy.

All other terms of your policy remain the same.



### Washington Amendatory Endorsement

This endorsement changes your policy to comply with, or otherwise respond to, Washington law. Therefore, each change made by this endorsement applies only to the extent:

1. required by Washington statutory or regulatory law; or
2. specifically described in the part of this endorsement which makes that change.

As a result, if the address shown for you in Item 1 of the Declarations of your policy is outside Washington, each change that is made to comply with Washington statutory or regulatory law applies only if, and to the extent:

1. your policy provides coverage for damages that result from your operations in, or which affect, Washington; and
  2. that law applies to that coverage.
1. Section VII, Conditions D, Cancellation 2. is replaced by the following:
    2. We may cancel this policy. If we cancel because of non-payment of premium, we must mail or deliver to you and your agent or broker not less than 10 days advance written notice stating when the cancellation is to take effect. If we cancel for any other reason, we must mail or deliver to you and your agent or broker not less than 60 days advance written notice stating when the cancellation is to take effect. The cancellation notice will state the specific reason for cancellation.
  2. The following condition is added to Section VII, Conditions D, Cancellation:

We may decide not to renew or continue this policy. If so, we will mail or deliver a notice of nonrenewal to you and your agent or broker at least 60 days before policy expiration unless you have obtained replacement insurance or you fail to pay any premium when due after we have offered to renew this policy at least 20 days before the expiration date. The notice will state the reason for cancellation. Mailing that notice to you at your mailing address shown in Item 1 of the Declarations shall be sufficient to prove such notice.

All other terms of your policy remain the same.

### **Unsolicited Communication Exclusion Endorsement**

1. The following is added to section V. Exclusions:

#### **Unsolicited Communication**

This insurance does not apply to **Bodily Injury, Property Damage, Personal Injury or Advertising Injury:**

1. arising out of the actual or alleged violation of any law or regulation that restricts or prohibits the transmitting of **Unsolicited Communication**; or
2. alleged in a **Claim or Suit** that also alleges a violation of any law or regulation that restricts or prohibits the transmitting of **Unsolicited Communication**.

2. The following is added to section IV. Definitions:

**Unsolicited Communication** means any communication, in any form, that:

1. is received by any person or organization; and
2. such person or organization did not ask to receive.

All other terms of your policy remain the same.

### Application of Limits of Insurance

1. The following replaces Section III. Limits Of Insurance B. of this policy:
  - B. The General Aggregate Limit, applicable separately to each individual Certificate issued to member of The Premier Hotel Insurance Group , is the most we will pay for all damages covered under Insuring Agreement I. Coverage except for:
    1. damages included in the Products-Completed Operations Hazard, applicable separately for each individual Certificate issued to member of The Premier Hotel Insurance Group ; and
    2. damages that would have been covered under any Automobile Liability type of coverage included in the Scheduled Underlying Insurance or Scheduled Retained Limits to which no aggregate limit applies.

For damages because of Bodily Injury or Property Damage, if any one Scheduled Underlying Insurance or any one Scheduled Retained Limit contains aggregate limits in the same policy that apply separately to each Location or Project, other than an aggregate limit applying to the Products-Completed Operations Hazard, then the General Aggregate Limit stated in the Declarations will apply in the same manner as such aggregate limits of that Scheduled Underlying Insurance or Scheduled Retained Limit.

However, with respect to The Premier Hotel Insurance Group and to each separate Certificate issued to members of The Premier Hotel Insurance Group , we will not pay more than \$100,000,000 for the combined total of all damages covered under Insuring Agreement I. Coverage because of Bodily Injury and Property Damage that arises out of any Location or Project. For the purposes of determining the applicable General Aggregate Limit, each Location or Project that includes premises involving the same or connecting lots, or premises whose connection is interrupted only by a street, roadway, or waterway, or by a right-of-way of a railroad, will be considered a single Location or Project.

2. The following is added to section III. Limits of Insurance:

With respect to each separately numbered Certificate issued to members of The Premier Hotel Insurance Group , endorsed to this policy, and evidenced by monthly bordereaux to us, the General Aggregate Limit will apply jointly to all Named Insureds shown on such Certificate.

3. The following is added to Section IV. Definitions of this policy:

Location means any premises, site or location that you rent or lease from others, or own.

Project means any area away from any premises, site, or location that you rent or lease from others, or own, and at which you are performing operations pursuant to a contract or agreement.

4. The following is added to section IV. Definitions R. Policy Period:

For purposes of the beginning and ending date of coverage under this insurance for each Named Insured, Policy Period shall mean the period of time from the inception date shown on the applicable Certificate to the earlier of the expiration date shown on such Certificate or the termination date of this policy.

All other terms of your policy remain the same.

**Auto Liability Limits of Insurance Endorsement -  
Exception for Damages Not Subject to Underlying Aggregate Limit  
Applies Only to Auto Liability**

The following replaces the first paragraph of Section **III. Limits Of Insurance B.** of this policy:

- B. The General Aggregate Limit is the most we will pay for all damages covered under Insuring Agreement I. Coverage except for:
1. damages included in the Products-Completed Operations Hazard; and
  2. damages that would have been covered under any Automobile Liability type of coverage included in the Scheduled Underlying Insurance or Scheduled Retained Limits to which no aggregate limit applies.

All other terms of your policy remain the same.

### Auto Liability Limitation

The following is added to section V, Exclusions:

#### Auto

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the ownership, maintenance, operation, use, Loading or Unloading or entrustment to others of any Auto.

However, if insurance for such Bodily Injury, Property Damage, Personal Injury or Advertising Injury is provided by any Scheduled Underlying Insurance or any Scheduled Retained Limit, then:

1. this exclusion shall not apply; and
2. the insurance provided by this policy will not be broader than the insurance provided by that Scheduled Underlying Insurance or that Scheduled Retained Limit.

All other terms of your policy remain the same.

### **Garagekeepers Legal Liability**

This insurance does not apply to **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** arising out of:

**Garagekeepers Legal Liability.**

However, if insurance for such **Bodily Injury, Property Damage, Personal Injury or Advertising Injury** is provided by any **Scheduled Underlying Insurance** or any **Scheduled Retained Limit**, then:

1. this exclusion does not apply;
2. section V, F. **Property Damage To Certain Property** does not apply; and
3. the insurance provided by this policy will not provide broader coverage than the insurance provided by that **Scheduled Underlying Insurance** or that **Scheduled Retained Limit**.

All other terms of your policy remain the same.

**Pollution Exclusion Except Building Heating Or Air Conditioning Equipment Or Water Heating Equipment**

1. The following is added to Section V, Exclusions S. Pollution of this policy:

This exclusion also does not apply to Bodily Injury arising out of Building Heating or Air Conditioning Equipment or Water Heating Equipment Fumes, Smoke, Soot, or Vapors if insurance for such Bodily Injury is provided by any Scheduled Underlying Insurance or any Scheduled Retained Limit. However, the insurance provided by this policy for such Bodily Injury will not be broader than the insurance provided by such Scheduled Underlying Insurance or Scheduled Retained Limit.

2. The following is added to Section IV, Definitions of this policy:

**Building Heating or Air Conditioning Equipment or Water Heating Equipment Fumes, Smoke, Soot, or Vapors** means only the fumes, smoke, soot, or vapors that:

1. result from equipment used to:
  - a. heat, cool or dehumidify, a building; or
  - b. heat water for personal use by persons within a building;
2. are within that building.

All other terms of your policy remain the same.

### Knowledge Of Occurrence Or Claim

- 1 The following replaces section VII. Conditions I, Knowledge of Occurrence or Claim

#### Knowledge of Occurrence or Claim

Knowledge of an Occurrence, Claim or Suit by your agent, servant or Employee shall not in itself constitute knowledge by you, unless an Executive Officer or anyone working in the capacity as Partner

1. shall have received notice of such Occurrence, Claim or Suit from said agent, servant or Employee; or
2. otherwise has knowledge of such Occurrence, Claim or Suit.

All other terms of your policy remain the same.



### Crisis Management Service Expenses Endorsement

1. The following is added to section I, Coverage:

#### Crisis Management Service Expenses

We will reimburse you, or pay on your behalf, Crisis Management Service Expenses arising out of a Crisis Management Event that first commences during the Policy Period. The most we will pay for all Crisis Management Service Expenses for all Crisis Management Events that first commence during the Policy Period is the Crisis Management Service Expenses Limit. The Crisis Management Service Expenses Limit is 1% of the General aggregate limit stated in Item 3.B. of the Declarations. A Crisis Management Event will be deemed to first commence at the time when any Executive Officer first becomes aware of an Occurrence that leads to a Crisis Management Event and will end when we determine that the crisis no longer exists, or when the Crisis Management Service Expenses Limit has been exhausted, whichever occurs first.

A Retained Limit does not apply to Crisis Management Service Expenses.

Any payment of Crisis Management Service Expenses that we make under this endorsement shall not be determinative of our obligations under this policy with respect to, nor create any duty to defend against or indemnify any Insured for, any Claim or Suit.

2. The following is added to section III, Limits of Insurance:

The most we will pay for Crisis Management Service Expenses arising out of all Crisis Management Events is the Crisis Management Service Expenses limit as stated in paragraph 1. above. Payment of any such Crisis Management Service Expenses is in addition to, and shall not reduce, any aggregate limits under this policy.

3. The following is added to section IV, Definitions:

Crisis Management Event means an Occurrence that an Executive Officer of the Named Insured reasonably determines has resulted, or may result, in:

1. damages covered by this policy that are in excess of the total applicable limits of the Scheduled Underlying Insurance or Scheduled Retained Limit; and
2. significant adverse regional or national media coverage.

Crisis Management Service Expenses means the reasonable and necessary expenses you incur in:

1. retaining a public relations consultant or firm, or a crisis management consultant or firm; or
  2. planning or executing your public relations campaign;
- to mitigate the negative publicity generated from a Crisis Management Event.

Executive Officer means the:

1. Chief Executive Officer;
  2. Chief Operating Officer;
  3. Chief Financial Officer;
  4. President;
  5. General Counsel;
  6. general partner (if the Named Insured is a partnership); or
  7. sole proprietor (if the Named Insured is a sole proprietorship);
- of the Named Insured, or any person acting in the same capacity as any individual listed above.

4. The following is added to section V. Exclusions:

**Newly Acquired, Controlled or Formed Entities**

**Crisis Management Service Expenses** arising out of a **Crisis Management Event** that occurred prior to the date you acquired, controlled or formed any other entity, even though an **Executive Officer** only first becomes aware of an **Occurrence** that leads to such **Crisis Management Event** after such date.

5. The following is added to section VII. Conditions F. Duties in the Event of an Occurrence, Claim or Suit:

You must also see to it that we are notified by telephone within 24 hours of a **Crisis Management Event** that may result in **Crisis Management Service Expenses**.

You must also provide written notice as soon as practicable. To the extent possible, notice should include:

- a. how, when and where the **Crisis Management Event** took place;
- b. the names and addresses of any injured persons and witnesses;
- c. the nature and location of any **Bodily Injury**, **Property Damage**, **Personal Injury** or **Advertising Injury** arising out of the **Crisis Management Event**; and
- d. the reason it is likely to involve damages covered by this policy in excess of the **Retained Limit** and involve regional or national media coverage.

You must submit all incurred expenses within 180 days after we have notified you of our determination that the **Crisis Management Event** no longer exists. Expenses submitted after 180 days of such notice are not reimbursable.

All other terms of your policy remain the same.

### Failure To Notify Insurer Of Occurrence

The following is added to section VII, Conditions F, 2:

Your failure to notify us of an Occurrence that may result in a Claim or Suit seeking damages covered by this Policy because you inadvertently notified another insurer of such Occurrence will not invalidate this Policy, but only if you notify us immediately after you become aware of such inadvertent error.

All other terms of your policy remain the same.

## **POLICY CHANGE ENDORSEMENT**

This endorsement summarizes the changes to your policy. All other terms of your policy not affected by these changes remain the same.

---

### **How Your Policy Is Changed**

EFFECTIVE 11/01/2011 THE FOLLOWING FORMS ARE ADDED TO YOUR POLICY BUT ONLY WITH RESPECT TO THE NAMED INSURED AND CERTIFICATE LISTED:

SUP001 DESIGNATED PREMISES LIMITATION AS RESPECTS:  
NEVADA PROPERTY 1 LLC DBA THE COSMOPOLITAN OF LAS VEGAS  
CERTIFICATE #2149-A

SUP009 DESIGNATED OPERATIONS EXCLUSION AS RESPECTS:  
NEVADA PROPERTY 1 LLC DBA THE COSMOPOLITAN OF LAS VEGAS  
CERTIFICATE #2149-B

SUP007 PROFESSIONAL SERVICES EXCLUSION AS RESPECTS:  
NEVADA PROPERTY 1 LLC DBA THE COSMOPOLITAN OF LAS VEGAS  
CERTIFICATE #2149-C

SU301 LIMITED ABUSE OR MOLESTATION COVERAGE ENDORSEMENT AS RESPECTS:  
NEVADA PROPERTY 1 LLC DBA THE COSMOPOLITAN OF LAS VEGAS  
CERTIFICATE #2149-D

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### **Premium Change Which Is Due Now**

Additional premium N/A

Returned premium N/A

If issued after the date your policy begins, these spaces must be completed and our representative must sign below.

Policy issued to:  
PREMIER HOTEL INSURANCE GROUP (P2)

Authorized Representative

Endorsement takes effect: 11/01/11  
Policy number: QK06503290  
Processing date: 11/22/11 14:10 090

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Endorsement

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### Designated Premises Limitation

This endorsement changes your Specialty Commercial Umbrella Liability Policy, but only as respects to:

Nevada Property I LLC dba The Cosmopolitan of Las Vegas

Certificate #2149-A

Effective Date of Cert Holder 11/01/2011

Effective Date of Endorsement 11/01/2011

Pol #QK06503290

This insurance only applies to Bodily Injury, Property Damage, Personal Injury or Advertising Liability arising out of:

1. the ownership, maintenance, occupancy or use of the premises designated in the Schedule of Covered Premises, below, including any property located on such premises; or
2. any goods or products manufactured, distributed or serviced at or from such premises.

#### Schedule of Covered Premises

Description and Location of Premises:

	Added	Deleted
Cosmopolitan Hotel 3708 Las Vegas Blvd, Las Vegas NV 89109	11/01/2011	
Leased Office Space 4285 Polaris Ave, Las Vegas NV 89103	11/01/2011	
Leased Space - Recruitment Center 7180 Pollack Drive, Suites 100 and 140, Las Vegas NV 89119	11/01/2011	
Leased Office Space 3485 West Harmon Blvd, Las Vegas NV 89103	11/01/2011	
Leased Office - Training Space 650 White Drive, Suite 280, Las Vegas NV 89103	11/01/2011	
Leased Office Space - Corporate Office 5170 Badura Avenue, Las Vegas NV 89118	11/01/2011	
Leased Warehouse Space Units 100,110,120,130 6025 Procyon Street, Las Vegas NV 89118	11/01/2011	
Parking Lot - Used for Employee Parking 3200 West Tomkins Avenue, Las Vegas NV 89103	11/01/2011	

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Description and Location of Premises (continued):

All other terms of your policy remain the same.

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### **Designated Operations Exclusion**

This endorsement changes your Specialty Commercial Umbrella Liability Policy, but only as respects to:

Nevada Property I LLC dba The Cosmopolitan of Las Vegas

Certificate #2149-B

Effective Date of Cert Holder 11/01/2011

Effective Date of Endorsement 11/01/2011

Pol #QK06503290

The following is added to section V. Exclusions:

#### **Described Operations**

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the operations designated in the Schedule of Designated Operations below.

#### **Schedule of Designated Operations**

All Operations covered under OCIP/Wrap Up for the construction of the Cosmopolitan Hotel of Las Vegas and all property damage to "your work" arising out of it or any part of it including the Products/Completed Operations Hazard related to the original construction.

### Professional Services Exclusion

This endorsement changes your Specialty Commercial Umbrella Liability Policy, but only as respects to:

Nevada Property I LLC dba The Cosmopolitan of Las Vegas

Certificate #2149-C

Effective Date of Cert Holder 11/01/2011

Effective Date of Endorsement 11/01/2011

Pol #QK06503290 with respect to Emergency Medical Technicians (EMT's)

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury or Advertising Injury arising out of the rendering of, or failure to render, any professional service by or on behalf of the Insured.

All other terms of your policy remain the same.



### Limited Abuse Or Molestation Coverage Endorsement

Nevada Property I LLC dba The Cosmopolitan of Las Vegas  
Certificate #2149-D  
Effective Date of Cert Holder 11/01/2011, Effective Date of Endorsement 11/01/2011  
Pol #QK06503290

1. The following is added to section V. Exclusions:

This insurance does not apply to Bodily Injury, Property Damage, Personal Injury, or Advertising Injury arising out of any Abuse or Molestation.

However if insurance for such Bodily Injury or Personal Injury is provided by any Scheduled Underlying Insurance or any Scheduled Retained Limit, then:

1. this exclusion does not apply; and
2. the insurance provided by this policy will not provide broader coverage than the insurance provided by that Scheduled Underlying Insurance or that Scheduled Retained Limit.

2. The following is added to section IV. Definitions J. Insured:

However, none of the following is an Insured under paragraph IV. J. for Bodily Injury or Personal Injury arising out of any Abuse or Molestation:

1. any Perpetrator;
2. any person or organization that has been added to your policy as an additional insured, or any employee, leased worker, agent, representative or volunteer worker of such person or organization; or
3. any of your independent contractors, or any employee, leased worker, agent, representative or volunteer worker of such independent contractor.

Subject to section II. Defense of this agreement, paragraph 2.1 above does not apply to any Perpetrator once a final, non-appealable adjudication in the Suit establishes that such Perpetrator did not commit the Abuse or Molestation.

Also, paragraph 2.2. above does not apply to any person or organization:

1. to whom you have agreed in a written contract requiring insurance to include such person or organization as an additional insured; or
2. that has been added to your policy as an additional insured because such person or organization owns property that you manage, but only to the extent such Abuse or Molestation is committed on such property.

Such person or organization is an Insured, but only to the extent that the Bodily Injury or Personal Injury is caused by Abuse or Molestation arising out of your business. The person or organization does not qualify as an additional insured with respect to the independent acts or omissions of such person or organization. The insurance provided to such additional insureds shall be limited to the limits of liability required by that written contract requiring insurance. This endorsement shall not increase the limits of insurance described in section III. Limits of Insurance.

3. The following is added to section IV. Definitions O. Occurrence:

As respects Bodily Injury or Personal Injury arising out of any Abuse or Molestation, all single, multiple, continuous, sporadic or related acts of Abuse or Molestation, committed by one Perpetrator or two or more Perpetrators acting together, will be deemed to be one Occurrence, regardless of the number of:

1. Insureds;
2. Claims made or Suits brought; or

3. persons or organizations making Claims or bringing Suits.

Such Occurrence will be deemed to have been committed on the date the first such Abuse or Molestation is committed, regardless of when such acts or contacts are actually committed.

4. The following are added to section IV. Definitions:

**Abuse or Molestation** means any illegal or offensive physical act or contact committed by any Perpetrator against any person who is:

1. under 18 years of age;
2. legally incompetent; or
3. in the care, custody or control of any Insured and is physically or mentally incapable of consenting to such physical act or contact.

**Perpetrator** means any of the following persons who actually or allegedly commit any illegal or offensive physical act or contact:

1. you or your spouse, if you are an individual;
2. your partners or members, or their spouses, if you are a partnership or joint venture;
3. your managers or members, if you are a limited liability company;
4. your executive officers or directors, if you are an organization other than a partnership, joint venture or limited liability company;
5. your Employees or volunteer workers; or
6. any other person acting together with any of the persons described in paragraphs 1. through 5. above.

5. The following is added to section II. Defense A.:

We have no duty to defend, investigate or settle any Claim or Suit on behalf of any Perpetrator. However, we will reimburse you or such Perpetrator for the amount of such person's reasonable and necessary defense costs:

1. once a final, non-appealable adjudication in the Suit establishes that such Perpetrator did not commit the Abuse or Molestation;
2. when the Retained Limit has been exhausted by payment of judgment or settlements that would be covered by this policy; and
3. only to the extent that such defense costs are also covered by the applicable Scheduled Underlying Insurance or Scheduled Retained Limit.

All other terms of your policy remain the same.

# EXHIBIT H

**DECL**  
MICHAEL M. EDWARDS, ESQ.  
Nevada Bar No. 6281  
RYAN A. LOOSVELT, ESQ.  
Nevada Bar No. 8550  
NICHOLAS L. HAMILTON, ESQ.  
Nevada Bar No. 10893  
**MESSNER REEVES LLP**  
8945 W. Russell Road, Suite 300  
Las Vegas, Nevada 89148  
Telephone: (702) 363-5100  
Facsimile: (702) 363-5101  
E-mail: [medwards@messner.com](mailto:medwards@messner.com)  
[rloosvelt@messner.com](mailto:rloosvelt@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
*Attorneys for Defendant*  
*Aspen Specialty Insurance Company*

**DISTRICT COURT**  
**CLARK COUNTY, NEVADA**

ST. PAUL FIRE & MARINE INSURANCE  
COMPANY,

Plaintiffs,

vs.

ASPEN SPECIALTY INSURANCE  
COMPANY; NATIONAL UNION FIRE  
INSURANCE COMPANY OF PITTSBURGH  
PA; ROOF DECK ENTERTAINMENT, LLC  
d/b/a MARQUEE NIGHTCLUB; and DOES 1-  
25; inclusive,

Defendants.

CASE NO.: A-17-758902-C  
DEPT. NO.: XXVI

**DECLARATION OF RYAN A.  
LOOSVELT IN SUPPORT OF  
DEFENDANT ASPEN SPECIALITY  
INSURANCE COMPANY'S RENEWED  
MOTION FOR SUMMARY JUDGMENT**

**DECLARATION OF RYAN A. LOOSVELT IN SUPPORT OF DEFENDANT ASPEN  
SPECIALITY INSURANCE COMPANY'S RENEWED MOTION FOR SUMMARY  
JUDGMENT**

I, RYAN A. LOOSVELT, ESQ. do hereby declare as follows:

- 1           1.           I am an attorney with Messner Reeves, LLP, counsel of record for Defendant  
2 Aspen Specialty Insurance Company, and file this Declaration in support of Aspen's Renewed  
3 Motion for Summary Judgment. I am over the age of 18, am competent to make this Declaration,  
4 and have personal knowledge of the matters herein.
- 5           2.           Attached as **Exhibit A** is a true and correct copy of the 05/27/2020 Notice Entry  
6 and Order Denying Plaintiff's Motion for Partial Summary Judgment And Order Granting In Part  
7 Aspen's Countermotion for Summary Judgment.
- 8           3.           Attached as **Exhibit B** is a true and correct copy of the 10/15/2019 Hearing  
9 Transcript on National Union's Motion for Summary Judgment.
- 10          4.           Attached as **Exhibit C** is a true and correct copy of the 10/08/2019 Hearing  
11 Transcript on Plaintiff's Motion for Partial Summary Judgment and Aspen's Countermotion for  
12 Summary Judgment.
- 13          5.           Attached as **Exhibit D** is a true and correct copy of the 05/27/2020 Notice Entry  
14 and Order Granting National Union's Motion for Summary Judgment.
- 15          6.           Attached as **Exhibit E** is a true and correct copy of the 04/27/2020 Notice of Entry  
16 of Order on Plaintiff and Aspen's Stipulation and Order to Stay Discovery and Stay or Vacate Trial.
- 17          7.           Attached as **Exhibit F and F1** is a true and correct copy of the Declaration of  
18 Marvin Robalino and the Aspen insurance policy; these were attached as Exhibit A and A1 to  
19 Aspen's Opposition to Plaintiff's Motion for Partial Summary Judgment and Countermotion for  
20 Summary Judgment.
- 21          8.           Attached as **Exhibit G** is a true and correct Certified copy of the St. Paul insurance  
22 policy. This was also attached as Exhibit B to Aspen's Opposition to Plaintiff's Motion for Partial  
23 Summary Judgment and Countermotion for Summary Judgment.

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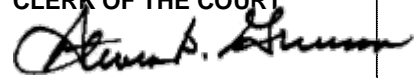
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1 I declare that the foregoing is true and correct under the penalty of perjury under the laws of  
2 the State of Nevada.

3 DATED: the 11<sup>th</sup> day of June, 2020.

/s/ Ryan A. Loosvelt  
4 RYAN A. LOOSVELT, ESQ.  
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NOAS  
Michael K. Wall (2098)  
HUTCHISON & STEFFEN, PLLC  
10080 West Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Tel. (702) 385-2500  
[mwall@hutchlegal.com](mailto:mwall@hutchlegal.com)

*Attorneys for Plaintiff  
St. Paul Fire & Marine Ins. Co.*

**DISTRICT COURT  
CLARK COUNTY, NEVADA**

ST. PAUL FIRE & MARINE INSURANCE  
COMPANY,

Plaintiff,

v.

ASPEN SPECIALITY INSURANCE  
COMPANY; NATIONAL UNION FIRE  
INSURANCE COMPANY OF PITTSBURGH  
PA.; ROOF DECK ENTERTAINMENT, LLC  
d/b/a MARQUEE NIGHTCLUB; and DOES 1  
through 25, inclusive,

Defendants.

Case No.: A-17-758902-C  
Dept. No.: XXVI

**NOTICE OF APPEAL**

Notice is given that St. Paul Fire & Marine Insurance Company, Plaintiff in the above-captioned matter, appeals to the Supreme Court of Nevada from the following Orders:

1. Findings of Fact, Conclusions of Law and Order Granting Roof Deck Entertainment, LLC d/b/a Marquee Nightclub's Motion for Summary Judgment, entered in this action on May 14, 2020;
2. Findings of Fact, Conclusions of Law and Order Granting National Union Fire Insurance Company of Pittsburgh PA's Motion for Summary Judgment, entered in this action on May 14, 2020; and

///

///

///

1 3. Any and all orders and judgments rendered appealable by any of the foregoing.

2 DATED this 12 day of June, 2020.

4 HUTCHISON & STEFFEN, PLLC

5 By 

6 Michael K. Wall (2098)  
7 10080 W. Alta Drive, Suite 200  
8 Las Vegas, NV 89145  
9 mwall@hutchlegal.com

10 *Attorney for Plaintiff*



**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of HUTCHISON & STEFFEN, PLLC and that on this 12<sup>th</sup> day of June, 2020, I caused the above and foregoing document entitled **NOTICE OF APPEAL** to be served as follows:

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to the attorney(s) listed below at the address and/or facsimile number indicated below:

Michael M. Edwards, Esq. (6281)  
Nicholas L. Hamilton, Esq. (10893)  
MESSNER REEVES LLP  
8945 W. Russell Road, Suite 300  
Las Vegas, NV 89148  
[medwards@messner.com](mailto:medwards@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
[efile@messner.com](mailto:efile@messner.com)  
T: 702-363-5100  
F: 702-363-5101

Andrew D. Herold, Esq. (7378)  
Nicholas B. Salerno, Esq. (6118)  
HEROLD & SAGER  
3960 Howard Hughes Parkway, Suite 500  
Las Vegas, NV 89169  
[aherold@heroldsagerlaw.com](mailto:aherold@heroldsagerlaw.com)  
[nsalerno@heroldsagerlaw.com](mailto:nsalerno@heroldsagerlaw.com)  
T: 702-990-3624  
F: 702-990-3835

*Attorneys for Defendant Aspen Specialty Company*

*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*

Jennifer L. Keller, Esq. (Pro Hac Vice)  
Jeremy Stamelman, Esq. (Pro Hac Vice)  
KELLER/ANDERLE LLP  
18300 Von Karman Ave., Suite 930  
Irvine CA 92612  
[jkeller@kelleranderle.com](mailto:jkeller@kelleranderle.com)  
[jstamelman@kellweanderle.com](mailto:jstamelman@kellweanderle.com)  
T: 949-476-8700  
F: 949-476-0900

*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*

  
An employee of Hutchison & Steffen, PLLC

*Attorneys for Plaintiff*  
*St. Paul Fire & Marine Ins. Co.*

ST. PAUL FIRE & MARINE INSURANCE  
COMPANY,

Plaintiff,

V.

ASPEN SPECIALITY INSURANCE COMPANY; NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH PA.; ROOF DECK ENTERTAINMENT, LLC d/b/a MARQUEE NIGHTCLUB; and DOES 1 through 25, inclusive,

Defendants.

Case No.: A-17-758902-C  
Dept. No.: XXVI

**PLAINTIFF'S RENEWED  
OPPOSITION TO DEFENDANT  
ASPEN'S RENEWED MOTION FOR  
SUMMARY JUDGMENT**

Date of Hearing: August 4, 2020

Time of Hearing: 9:30 a.m.

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## INTRODUCTION

As this court is aware, this is a renewal of Aspen's motion for summary judgment after this Court previously denied the motion solely because it presented issues of fact, not law. This Court granted summary judgment in favor of the other defendants, concluding that the claims against them failed as a matter of law. Those separate decisions are on appeal to the Nevada Supreme Court.

St. Paul believes Aspen has misrepresented the prior rulings of this Court regarding the denial of its prior counter-motion for summary judgment. It is St. Paul's opinion that this Court denied that motion outright; it did not defer ruling on it. Therefore, this motion is a very late motion for reconsideration, complete with the limiting standards of such a motion, not just a deferred motion for summary judgment.

### I. PROCEDURAL POSTURE

#### A. This is an Untimely and Unsupported Motion for Reconsideration.

Aspen begins its renewed motion by asserting that "[t]he Court ultimately declined to rule at that time [when the motion was first brought] on the viability of St. Paul's claims against Aspen, limiting its ruling to the \$1 million policy limits issue. The Court deferred ruling on the issues concerning the viability of St. Paul's subrogation claims against Aspen until after the Court could hear the other defendant's Motions for Summary Judgment concerning similar issues that were being heard one week after the hearing on the St. Paul-Aspen Motions." Renewed Motion at 3. Aspen repeats these assertions at page 6 of its renewed motion, and cites to the transcript of the hearing on the counter-motion, and to the order resolving it. These representations are not correct. Indeed, it appears these misrepresentations are intentional.

First, there is nothing in the transcript of the hearing to support Aspen's representations that this Court was reserving ruling on Aspen's Counter-motion. This Court never suggested that the motion was being denied without prejudice, nor did it ever suggest that it was deferring ruling on the motion. It further never stated that its denial of the motion was without prejudice. Aspen will be able to cite to no language in the transcript supporting its misrepresentations.

Indeed, although this Court did mention once that other motions were pending that raised similar issues, it did not suggest at that time or later that it was reserving judgment on Aspen's motion pending those other matters. Instead, this Court specifically stated that it considered Aspen's

1 motion as raising questions of fact, and so it denied the motion outright.

2 Near the end of St. Paul's argument on its motion, the Court asked:

3 So did you want to say anything further with respect to his motion, because to the  
4 extent that I view this as -- you had narrowed the issue pretty clearly. I do think that  
these other issues are questions of fact about whether or not you can recover on any  
of these causes of action."

5 Transcript at 17 (interruption of sentence deleted). When counsel for Aspen suggested that the  
6 denial of Aspen's motion should be without prejudice, St. Paul responded with "those are fact  
7 questions," and the Court responded: "Yeah, I mean that seems very factual to me." Transcript at  
8 20. The Court's only mention of "the same issues next week" noted that "there's a little bit of  
9 difference,"<sup>1</sup> and was in the context of whether or not to certify under NRCP 54(b) the decision on  
10 the policy limit, transcript at 22, a discussion that would have been irrelevant had the Court not been  
11 denying Aspen's counter-motion. After recognizing that the counter-motion presented questions of  
12 fact, the Court stated: "You know, I'm going to deny the initial motion, grant the counter-motion  
13 only as to coverage limits. I'm not getting into the other issues that you argued." Transcript at 23.  
14 This is a far cry from deferring ruling on the motion and inviting a renewed motion.<sup>2</sup>

15 Following the hearing, the parties could not agree on language for the order primarily based  
16 on Aspen's insistence that this Court had not denied its motion, but had only deferred ruling on it.

17  
18 <sup>1</sup>One major difference is that Aspen's liability is primary while National Union's is excess.  
19 Many of National Union's arguments were based upon it being an excess insurer, arguments which  
20 Aspen does not have.

21 <sup>2</sup>The open questions of fact are many.

22 As the primary insurer, controlling the defense from its inception, Aspen's acts and omissions  
23 are materially different from National Union's. Aspen decided not to try to settle for \$1.5 million,  
24 when it was obvious that the exposure was much, much higher than that, it chose not to inform St.  
Paul of offers of judgment, and not to settle within the combined limits of Aspen and National  
Union's policies when the opportunity presented itself--twice.

25 What Aspen knew, when Aspen knew it, and what Aspen chose to do are issues that impact  
26 not only the equities of who should pay, but also the public policy considerations of whether a  
subrogated claim by a party (any party) that has paid a debt of an insured should exist in Nevada  
27 against that insured's primary carrier. This Court is therefore not bound because it ruled there is no  
cause of action by one excess carrier against another to conclude that there is no claim by a party  
28 who paid the debt of an insured against the primary carrier/wrongdoer, especially when that primary  
carrier called the shots. These are the factual issues that prompted the Court to deny Aspen's motion  
the first time around, and nothing has changed since that time.

1 Aspen submitted a proposed order that included the language:

2 This Court reserves judgment on Aspen's Countermotion to the extent it seeks a  
3 ruling on the viability of Plaintiff's claims and/or whether they fail as a matter of law,  
4 pending the Court's ruling on the other defendants' motions for summary judgment  
5 that also argues the Plaintiff's claims are not viable and fail as a matter of law, which  
6 is/was heard October 15, 2019. Aspen may renew its Countermotion as a motion for  
summary judgment on the viability of the Plaintiff's claims and/or whether such  
claims fail as a matter of law, or otherwise, after the Court's ruling and order on the  
other defendants' motions for summary judgment.

7 Aspen's proposed order also included:

8 To the extent Aspen's Countermotion seeks relief other than interpretation of the  
9 Aspen Policy limit, such relief is denied without prejudice to re filing for summary  
judgment after the order on the other defendants' motions for summary judgment is  
entered.

10 The Court rejected Aspen's proposed order in favor of the order proposed by St. Paul. The order the  
11 Court entered states:

12 Regarding Aspen's Countermotion to the extent it seeks a ruling on the viability of  
13 Plaintiff's claims and/or whether they fail as a matter of law, the Court views these  
14 other issues as questions of fact.

15 . . . .

16 Aspen's Countermotion on other issues presented is denied.

17 St. Paul is not picking at nits; it is setting the record straight. This Court did not defer ruling  
18 on Aspen's motion nor did it invite a renewed motion. Thus, Aspen's motion is in the nature of  
reconsideration of a motion previously denied.

19 Aspen carries a heavy burden of persuasion with respect to its motion for reconsideration.

20 EDCR 2.24 provides in relevant part:

21 (a) No motions once heard and disposed of may be renewed in the same cause, nor  
22 may the same matters therein embraced be reheard, unless by leave of the court  
granted upon motion therefor, after notice of such motion to the adverse parties.

23 (b) A party seeking reconsideration of a ruling of the court, other than any order  
24 which may be addressed by motion pursuant to N.R.C.P. 50(b), 52(b), 59 or 60, must  
25 file a motion for such relief within 10 days after service of written notice of the order  
26 or judgment unless the time is shortened or enlarged by order. A motion for rehearing  
or reconsideration must be served, noticed, filed and heard as is any other motion. A  
motion for reconsideration does not toll the 30-day period for filing a notice of appeal  
from a final order or judgment.

27 St. Paul does not deny that this Court has discretion to grant a proper motion for  
28 reconsideration. *See Harvey's Wagon Wheel, Inc. v. MacSween*, 96 Nev. 215, 606 P.2d 1095 (1980).

1 That discretion is recognized in NRCP 54(b) (an “order or other form of decision is subject to  
2 revision at any time before the entry of judgment adjudicating all the rights and liabilities of all the  
3 parties.”). However, reconsideration should not be granted lightly.

4 The Nevada Supreme Court has set forth the following standard for motions for  
5 reconsideration in district court:

6 A district court may reconsider a previously decided issue if substantially different  
7 evidence is subsequently introduced or the decision is clearly erroneous. *See Little*  
8 *Earth of United Tribes v. Department of Housing*, 807 F.2d 1433, 1441 (8th  
9 Cir.1986); *see also Moore v. City of Las Vegas*, 92 Nev. 402, 405, 551 P.2d 244, 246  
(1976) (“Only in very rare instances in which *new issues of fact or law* are raised  
supporting a ruling contrary to the ruling already reached should a motion for  
rehearing be granted.”) (Emphasis added).

10 *Masonry and Tile Contractors Ass’n of Southern*, 113 Nev. 737, 741, 941 P.2d 486, 489 (1997).

11 St. Paul submits that this is not one of those “rare instances” where Aspen has demonstrated  
12 a good reason for reconsideration. The issues Aspen now raises for a third time are questions of fact,  
13 not the same as those decided in favor of the other defendants.

#### 14 **B. A Note on the Law-of-the-Case**

15 Aspen has quoted long passages from this Court’s decision in favor of the other defendants  
16 and has characterized those passages as the law of this case. Technically, in Nevada, that  
17 characterization is not correct.

18 In Nevada, the law-of-the-case doctrine applies only to the decision of court acting in an  
19 appellate capacity, and binds lower courts. Under the law-of-the-case doctrine, a lower tribunal  
20 cannot reconsider an issue or change an appellate court’s decision if the appellate court has “actually  
21 address[ed] and decide[d] the issue explicitly or by necessary implication.” *Dictor v. Creative Mgmt.*  
22 *Servs., LLC*, 126 Nev. 41, 44, 223 P.3d 332, 334 (2010) (“The law-of-the-case doctrine provides that  
23 when an appellate court decides a principle or rule of law, that decision governs the same issues in  
24 subsequent proceedings in that case.”); *see also HSU v. Cty. of Clark*, 123 Nev. 625, 629, 173 P.3d  
25 724, 728 (2007) (doctrine is intended to provide consistency in rulings).

26 Federal courts recognize a related doctrine which they also refer to as law-of-the-case  
27 precluding a court from changing its own decisions unless varying standards are met. *See, e.g.,*  
28 *Dickinson Frozen Foods, Inc. v. FPS Food Process Sols. Corp.*, No. 1:17-CV-00519-DCN, 2020

1 WL 2841517, at \*9 (D. Idaho June 1, 2020) (unpublished) (discussing in reconsideration context  
2 law-of-the-case doctrine and the public policy of stability of judgments). Nevada also recognizes  
3 through its reconsideration cases the public policy of not changing orders without sufficient cause  
4 to insure stability.

5 This Court has already denied Aspen's motion because of factual issues, and that decision  
6 is "law of the case" to the same extent that this Court's decisions in favor of the other defendants are  
7 law of the case. (Actually, such rulings should be respected by this Court to the extent necessary to  
8 maintain the public policy of stability and consistency.) But this Court always has the power to  
9 reconsider if it is convinced it has made an error, NRCP 54(b), and St. Paul believes this Court has  
10 erred in this case; not in denying Aspen's motion for summary judgment, but in granting summary  
11 judgment in favor of the other defendants. Despite the pending appeal, this Court has power to right  
12 that wrong should it feel inclined to reconsider. *See Huneycutt v. Huneycutt*, 94 Nev. 79, 575 P.2d  
13 585 (1978) (approved and explained in *Foster v. Dingwall*, 126 Nev. 49, 228 P.3d 453 (2010).

14 **C. A Note on the So Called Two "Towers" of Insurance**

15 Both Aspen and, previously, National Union, argue that St. Paul is not entitled to relief  
16 because St. Paul insured the Cosmopolitan in a purportedly unique and mysterious separate "tower"  
17 of insurance from the "tower" in which Aspen and National Union insured Marquee. This two  
18 "tower" characterization obscures more than it illuminates, and it has led to profound confusion and,  
19 respectfully, to an incorrect ruling for National Union against St. Paul.

20 Aspen issued a primary insurance policy with a CGL Coverage Part and a Liquor Liability  
21 Coverage Part to Marquee effective October 16, 2011 to October 16, 2012. Derewetzky Decl., ¶4,  
22 Exh. 14. Per a blanket additional insured endorsement, the Cosmopolitan qualifies as an additional  
23 insured on Aspen's policy, meaning that both Marquee and the Cosmopolitan are Aspen's insureds.  
24 *See Derewetzky Decl., Exh. 14 (ASPEN000090).*<sup>3</sup> This is undisputed,<sup>4</sup> and has been found by the  
25

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27 <sup>3</sup>National Union (AIG) also issued liability policies to Marquee pursuant to which the  
28 Cosmopolitan qualified as an additional insured.

<sup>4</sup>*See Aspen's motion*, p. 13, lines 13-16.

1 Court.<sup>5</sup>

2 St. Paul's rights in this case are not based on its status as an insurer in a "second tower" of  
3 insurance from the insurance provided by Aspen and National Union. St. Paul's claims against  
4 Aspen and National Union (and Marquee) are based on theories of subrogation, under which St.  
5 Paul—having paid the debt of the Cosmopolitan, for whatever reason—steps into the shoes of the  
6 Cosmopolitan and sues those who either contractually or equitably should be required to bear the  
7 loss. This case is not about a second "tower" of insurance, at all. It is about the "first tower."

8 St. Paul's claims against Aspen and National Union are the claims by the Cosmopolitan as  
9 an additional insured under Aspen's and National Union's policies:

- 10 (1) The Cosmopolitan had the rights of an additional insured to be defended and  
11 indemnified properly;
- 12 (2) Aspen and National Union admit this, as they must;
- 13 (3) Aspen and National Union breached their obligations to the Cosmopolitan when they  
14 recklessly squandered the opportunity to settle the Moradi claim against the  
15 Cosmopolitan for \$1.5 million and, instead, they let the case go to a verdict of \$160.5  
16 million;
- 17 (4) This horrendous verdict resulted from a bad faith breach by Aspen and National  
18 Union making them liable, in tort, to their additional insured, the Cosmopolitan, for  
19 all resulting damages;
- 20 (5) St. Paul had to step into the breach to protect the Cosmopolitan; it did that; St. Paul  
21 paid millions of dollars to get the Cosmopolitan cleared of the Moradi claim;
- 22 (6) As a result, St. Paul now has the right, via subrogation, to enforce the Cosmopolitan's  
23 rights against Aspen and National Union for their bad faith breach.

24 St. Paul has standing to sue Aspen and National Union because the Cosmopolitan *was Aspen*  
25 *and National Union's additional insured*, and they failed their duties to it. The Cosmopolitan  
26 suffered millions in damages as a result. St. Paul paid for those damages. St. Paul has the right to  
27 hold them accountable. St. Paul's rights don't arise because of the alchemy of an independent  
28 "second tower." St. Paul's rights arise because it paid for harm caused by Aspen and National  
Union, who now must be held accountable.

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<sup>5</sup>See Finding 26 in Order Granting Summary Judgment to National Union ("Cosmopolitan qualified as an additional insured to the Aspen Primary Policy with respect to the Underlying Action").

1 The Court has ruled as a matter of law that St. Paul cannot assert claims against National  
2 Union by way of subrogation of the claims of the Cosmopolitan because those claims have not been  
3 expressly recognized in Nevada. St. Paul considers this conclusion erroneous, and it hopes this  
4 Court will reconsider based on the arguments of this opposition. Whether or not the Court agrees  
5 to revisit its prior ruling, it should not grant Aspen's renewed motion on the misconception that the  
6 Cosmopolitan has no possible claims against its insurers which St. Paul cannot enforce.

## 7 **II. BACKGROUND FACTS**

8 After introductory statements regarding the supposed procedural posture of this renewed  
9 motion, Aspen has repeated verbatim (so far as we can tell) its prior motion. St. Paul therefore  
10 responds to that renewed motion by repeating its arguments from the prior briefing (with some  
11 modifications).

12 This Court has had the facts briefed to it multiple times. Therefore, St. Paul will provide an  
13 abbreviated version of the facts here, but incorporates by this reference all of the facts and  
14 documentary evidence from its prior oppositions to defendants' motions for summary judgment.  
15 Citations are to the exhibits attached to St Paul's prior motion and reply.

### 16 **A. The Underlying Parties**

17 This dispute arises out of a \$160,500,000 verdict based on an assault committed by security  
18 for the Marquee Nightclub against one of its patrons, David Moradi. *See* St. Paul's Request for  
19 Judicial Notice ("RJN"), Exh. 1. The nightclub was managed by Roof Deck Entertainment, LLC,  
20 dba Marquee Nightclub ("Marquee") on property owned by the Cosmopolitan. *See* Declaration of  
21 Marc J. Derewetzky in Support of Motion for Partial Summary Judgment ("Derewetzky Decl."),  
22 ¶ 1. Pursuant to the management agreement, Marquee agreed to defend and indemnify Cosmo for  
23 liability for Marquee's or its employees' breach of that agreement or their negligence or willful  
24 misconduct, that Cosmo would be named as an additional insured under any liability policies  
25 Marquee procured, and that such insurance provided by Marquee would be primary. Derewetzky  
26 Decl., ¶2, Exh. 13.

### 27 **B. The Underlying Incident**

28 On April 8, 2012, David Moradi, a patron at the Marquee, was detained by Marquee



1 employees and allegedly assaulted, suffering personal injuries. The Marquee denied that it was  
2 responsible for the fight and the injuries.

3 **C. The Underlying Suit and Judgment**

4 Moradi sued Marquee and the Cosmopolitan for his injuries alleging causes of action for: 1)  
5 assault and battery; 2) negligence; 3) intentional infliction of emotional distress; and 4) false  
6 imprisonment. *See* Exhibit 2 to RJN.

7 The Cosmopolitan's only exposure was as the landowner, *i.e.*, its alleged liability was based  
8 on purported premises liability and not on any actual wrongdoing. *See* Exhibit 2 to RJN. Prior to  
9 trial, the Court denied the Cosmopolitan's motion for summary judgment finding that the  
10 Cosmopolitan had a non-delegable duty to exercise reasonable care so as not to subject others to an  
11 unreasonable risk of harm. Derewetzky Decl., ¶ 25. Accordingly, the Cosmopolitan was found  
12 jointly and severally liable with Marquee to Moradi not as a result of any act or omission by the  
13 Cosmopolitan, but vicariously. Exhibit R.

14 In response to a tender, Aspen agreed to provide a joint defense to both Marquee and the  
15 Cosmopolitan while National Union (AIG), based on the large exposure, agreed to do the same.  
16 Aspen never sought nor procured a conflict waiver from the Cosmopolitan.<sup>6</sup> Derewetzky Decl.,  
17 ¶ 5. As early as November 13, 2015, defense counsel who Aspen appointed and controlled  
18 specifically warned Aspen of the potential for a catastrophic verdict of \$310 million in compensatory  
19 damages, and predicted a defense verdict only 3 out of 10 times, *i.e.*, there was a 70 percent chance  
20 of plaintiff prevailing. Derewetzky Decl., ¶ 6, Exh 17.

21 On or about December 10, 2015, Moradi served a formal, written statutory Offer of Judgment  
22 in the amount of \$1,500,000. Derewetzky Decl., ¶ 7, Exh 18. Aspen failed to accept the offer.  
23 Aspen failed to inform either the Cosmopolitan or St. Paul of opportunities to settle before the offers  
24 expired. Derewetzky Decl., ¶ 28. These offers included a statutory offer of judgment for \$1.5  
25 million dated December 10, 2015 and offers to settle for \$26 million (the undisputed amount of the  
26

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27  
28 <sup>6</sup>Aspen provided a single set of attorneys to represent the Cosmopolitan and Marquee jointly,  
despite the fact that the Cosmopolitan was entitled to be indemnified by Marquee pursuant to  
contract, thus improperly waiving the Cosmopolitan's rights.

1 combined Aspen and AIG limits) presented on November 2, 2016 and March 9, 2017, shortly before  
2 trial commenced. Rather than accept a settlement demands that would have insulated both Marquee  
3 and the Cosmopolitan, Aspen and AIG elected to reject the demands and instead unreasonably take  
4 its chances at trial. Aspen lost this gamble spectacularly.

5 At trial, the jury found in favor of Moradi. See Exhibit 1 to RJN. The jury awarded Moradi  
6 \$160.5 million in damages. *Id.* The jury also allowed Moradi to recover punitive damages, but the  
7 matter settled for a confidential sum before conclusion of that phase of trial. See Exhibit 2 to RJN,  
8 Derewetzky Decl., ¶ 3.

### 9 10 **III. LEGAL ARGUMENT**

11 Put simply, subrogation is when one party stands in the shoes of another because it paid for  
12 that other party's injuries, thereby transferring to it via equity or contract the rights that injured party  
13 originally had to seek redress from the third party who injured it. Fundamental to this definition is  
14 that the originally injured party had its injuries paid for by the subrogating party.  
15 Thus, the fact that the injured party had its injuries paid for does not obviate a right of subrogation  
16 as Aspen would have this Court believe; rather, it is what creates that right. Aspen's position has  
17 been referred to as "circular" and "illogical" repeatedly by the courts, because otherwise subrogation  
18 would not exist at all. See, e.g., *Interstate Fire & Cas. Ins. Co. v. Cleveland Wrecking Co.*, 182 Cal.  
19 App. 4th 23, 34 (Cal. 2010) (illogical); *Pub. Serv. Mut. Ins. Co. v. Liberty Surplus Ins. Corp.*, 2017  
20 WL 3601381 (E.D. Cal. 2017) (circular). These (and other) cases are discussed, *infra*.

21 Further, contractual subrogation is when one party has the right to subrogate to the rights  
22 of another per a contract between them, rather than merely through equity. This contract is between  
23 the subrogating party and the injured party, not between the subrogating party and the tortfeasor who  
24 caused those injuries. Aspen's position that St. Paul needs a contract with Aspen to sue it in  
25 contractual subrogation is therefore misguided. If St. Paul did have a direct contract with Aspen, a  
26 suit on that contract would simply be a breach of contract action, not contractual subrogation. The  
27 reason it is called contractual "subrogation" is that St. Paul does not have such a contract, but rather  
28 subrogates to the Cosmopolitan's contract with Aspen (the Aspen insurance policy). That is the

1 whole point. St. Paul can sue under contractual subrogation because its policy includes a  
2 subrogation clause, which is undisputed, and which are enforced in Nevada. Therefore, again,  
3 Aspen's arguments fail.

4 All the cases Aspen cites either do not say what it claims they do, or are demonstrably  
5 incorrect themselves. If the Court were to hold to the contrary, that there is no right of subrogation  
6 in Nevada under these circumstances, then inevitably insurers will play chicken with each other in  
7 the settlement of cases, hoping that the other blinks first, pays the claim, and thereby gets stuck with  
8 the bill. Not only would this operate as a windfall to unscrupulous insurers like Aspen who commit  
9 bad faith while increasing premiums, but it would also greatly increase the risk of judgments in  
10 excess of policy limits that will directly injure insureds.

11 **A. St. Paul Is Entitled to Subrogate to the Cosmopolitans Rights Against Aspen.**

12 **1. The General Law of Subrogation Nationally.**

13 **a. Misapplication of the Doctrine of Subrogation**

14 Courts are sometimes confused by the doctrine of subrogation. As one highly influential  
15 opinion in this area stated, it is "difficult to think of two legal concepts that have caused more  
16 confusion and headache for both courts and litigants than have contribution and subrogation."  
17 *Fireman's Fund Ins. Co. v. Maryland Cas. Co.*, 65 Cal. App. 4th 1279, 1291 (1998) (describing  
18 cases properly and improperly applying the doctrine of subrogation); *see also, Herrick Corp. v.*  
19 *Canadian Ins. Co.*, 29 Cal. App. 4th 753, 756, 34 Cal. Rptr. 2d 844, 845 (1994) ("Even lawyers find  
20 words like 'indemnity' and 'subrogation' ring of an obscure Martian dialect."); *U.S. Fid. & Guar.*  
21 *Co. v. Federated Rural Elec. Ins. Corp.*, 37 P.3d 828, 832 (Oklahoma 2001). For this reason,  
22 litigants are sometimes able to mislead courts about the nature of subrogation and how it operates,  
23 which is what, whether through intent or ignorance, Aspen is doing here. This is dangerous, because,  
24 as the *Fireman's v Maryland* court also explained, misapplying these rules encourages insurers to  
25 delay in paying claims, in the hopes that whichever carrier blinks first will be forever burdened with  
26 a particular loss in derogation of the equitable principals these doctrines were created to serve. *Id.*  
27 at 1297.

28 Accordingly, we provide a comprehensive overview of the history, purpose, and application

1 of the doctrine of subrogation nationally and in Nevada. It demonstrates that St. Paul has the right  
2 to subrogate to the Cosmopolitan's claims against Aspen because equity requires that Aspen pay for  
3 the damages it caused by its wrongful actions for which St. Paul paid.

4 **b. The Origin, Meaning, and Purpose of the Doctrine of Subrogation.**

5 The doctrine of subrogation has been an integral part of the law for over three centuries. M.  
6 L. Marasinghe, "An Historical Introduction to the Doctrine of Subrogation: The Early History of the  
7 Doctrine I," 10 Val. U. L. Rev. 45, 48 (1975); *see also*, M. L. Marasinghe, "An Historical  
8 Introduction to the Doctrine of Subrogation: The Early History of the Doctrine II," 10 Val. U. L. Rev.  
9 275 (1976). It originated in the courts of equity in the 17th and early 18th Centuries as an offshoot  
10 of the doctrines of contribution and constructive trust, and was specifically developed for cases  
11 involving indemnities such as insurance and surety. *Id.* at 49. The earliest case in the common law  
12 courts permitting subrogation was *Mason v. Sainsbury*, 3 Doug. 61, 99 Eng. Rep. 538 (1782), where  
13 a first party insurer subrogated to its insured's rights against rioters who had damaged his property.  
14 "Since *Mason v. Sainsbury*, the right of the insurer to stand in the place of the assured has been  
15 unquestionably accepted and applied in the common law courts, with the same ease as it has been  
16 in the courts of equity." *Id.* Over the centuries, the doctrine has been expanded to other areas not  
17 involving insurance in the service of equity, but this in no way limits application of the doctrine to  
18 the insurance context for which it was originally developed. *See id.*

19 "Subrogation is not a cause of action in and of itself," but rather an equitable remedy that  
20 allows one party to assert the cause of action of another. 73 Am. Jur. 2d Subrogation § 75; *Pulte*  
21 *Home Corp. v. Parex, Inc.*, 174 Md. App. 681, 742, 923 A.2d 971, 1005 (2007), *aff'd*, 403 Md. 367,  
22 942 A.2d 722 (2008); *Konkel v. Acuity*, 2009WI App 132, ¶ 19, 321 Wis. 2d 306, 322, 775 N.W.2d  
23 258, 265. Subrogation is "defined as the substitution of one person in the place of another with  
24 reference to a lawful claim or right." 73 Am. Jur. 2d Subrogation § 1; *Fireman's Fund Ins. Co. v.*  
25 *Maryland Cas. Co.*, 65 Cal. App. 4th 1279, 1291, 77 Cal. Rptr. 2d 296, 302 (1998); *E. Boston Sav.*  
26 *Bank v. Ogan*, 428 Mass. 327, 329, 701 N.E.2d 331, 333 (1998). Under this doctrine, when one  
27 person, such as an insurer, pays for an injury to another caused by a third party, then the insurer has  
28 the right to step into the injured party's shoes to recover the cost of the injury from the wrongdoer.

1 Id. This allows the burden of the loss to be placed on the party that caused it, where it belongs. 73  
2 Am. Jur. 2d Subrogation § 2; Kim v. Lee, 145 Wash. 2d 79, 88, 31 P.3d 665, 669 (Wash. 2001).

3 In other words, because the insurer is the one who paid for the loss, it has the right to seek  
4 recovery for it, as if it were the party who would have been damaged had the insurer not paid.  
5 Foundational to the operation of subrogation is that the party who would have been injured was not  
6 in fact injured, because the insurer paid for the injury. Indeed, in the very first subrogation case  
7 under the common law, *Mason v. Sainsbury*, 3 Doug. 61, 99 Eng. Rep. 538 (1782), the central issue  
8 was whether the insurer could stand in the shoes of its insured given that the insured had not itself  
9 suffered injury because the insurer had already paid its loss. The court rejected the argument that  
10 the insurer could not seek recovery because the loss should fall on the wrongdoers, thereby  
11 introducing the doctrine of subrogation to the common law. *Id.* at 540 (“The principle is, that the  
12 insurer and insured are one, and, in that light, paying before or after can make no difference.”). Thus  
13 the fact that the injured party has not paid the loss itself, far from being a reason to deny subrogation,  
14 is the reason subrogation exists at all.

15 The fundamental reason for subrogation is that it is necessary to achieve a fair and just result.  
16 73 Am. Jur. 2d Subrogation § 11 (subrogation “has its roots in natural justice and is an equitable  
17 remedy.”); *see also*, 73 Am. Jur. 2d Subrogation §2 (“[T]he purpose of subrogation is to prevent  
18 injustice; it is designed to compel the ultimate payment of an obligation by the person who in justice,  
19 equity, and good conscience should pay it.”); *see also*, *Republic Underwriters Ins. Co. v. Fire Ins.*  
20 *Exch.*, 1982 OK 67, 655 P.2d 544, 547 (“Subrogation is a creature of equity intended to achieve the  
21 natural justice of placing the burden where it ought to rest . . .”); *Calvert Fire Ins. Co. v. James*, 236  
22 S.C. 431, 435 (1960); *Sourcecorp, Inc. v. Norcutt*, 227 Ariz. 463, 467 (Ct. App. 2011). Subrogation  
23 is just not only because it allows a party who did not cause a loss to recover the cost of paying for  
24 it, but also because it makes those parties who cause injury bear the burden of the wrongs they  
25 commit.

26 Given the effectiveness of subrogation in placing the burden of wrongdoing where justice  
27 demands it belongs—on the wrongdoer—the courts have repeatedly held that it is to be liberally and  
28 expansively applied, even in situations where it has not been applied before. As explained in a

1 well-respected secondary source:

2 Subrogation, as a doctrine, is not fixed and inflexible nor is it static, but rather, it is  
3 sufficiently elastic to meet the ends of justice. Furthermore, the doctrine is not  
4 constrained by form over substance, nor is it within the form of a rigid rule of law.  
Thus, the mere fact that the doctrine has not been previously invoked in a particular  
situation is not a prima facie bar to its applicability.

5 The doctrine of subrogation embraces all cases where, without it, complete justice  
6 cannot be done. Grounded upon this premise, there is no limit to the circumstances  
that may arise in which the doctrine may be applied, particularly if applying the  
doctrine will provide the most efficient and complete remedy which can be afforded.

7 73 Am. Jur. 2d Subrogation § 7 “Flexibility and Scope”; *see also, e.g., Gearing v. Check Brokerage*  
8 *Corp.*, 233 F.3d 469, 472 (7th Cir. (Ill.) 2000); *Smith v. Clavey Ravinia Nurseries*, 329 Ill. App. 548,  
9 552, 69 N.E.2d 921, 923 (Ill. App. Ct. 1946); *Atlanta Int’l Ins. Co. v. Bell*, 438 Mich. 512, 521, 475  
10 N.W.2d 294, 298 (1991); *W. Sur. Co. v. Loy*, 3 Kan. App. 2d 310, 313, 594 P.2d 257, 260 (1979);  
11 *Fenly v. Revell*, 170 Kan. 705, 711, 228 P.2d 905, 909 (1951).

12 This is why subrogation has expanded so far beyond the insurance context where it  
13 originated. This also, of course, necessarily encompasses situations in the insurance context that a  
14 particular court has not yet had the opportunity to address because no appropriate case has arisen,  
15 as often happens in Nevada. Conversely, to argue that subrogation should not be applied in a  
16 particular context simply because it has not been applied there before is to misunderstand the basis  
17 of the doctrine in natural justice, equity, and good conscience. 73 Am. Jur. 2d Subrogation § 7.

### 18 **c. Types of Subrogation**

19 There are a three principal types are subrogation: equitable (sometimes referred to as legal),  
20 contractual (also referred to as conventional), and statutory.<sup>7</sup> 73 Am. Jur. 2d Subrogation § 3;  
21 *Roberts v. Total Health Care, Inc.*, 109 Md. App. 635, 648, 675 A.2d 995, 1001 (1996), *aff’d*, 349  
22 Md. 499, 709 A.2d 142 (1998). Equitable subrogation was the original type of subrogation, which,  
23 as explained above, follows from equity and natural justice. 73 Am. Jur. 2d Subrogation at § 5 n.5  
24 (citing *Citizens State Bank v. Raven Trading Partners, Inc.*, 786 N.W.2d 274, 278 n.4. (Minn.  
25 2010)). It “includes every instance in which one person, not acting voluntarily, has paid a debt for  
26  
27

28 <sup>7</sup>Statutory subrogation is governed by whatever statute authorizes it. 73 Am. Jur. 2d  
Subrogation § 3. In this case, as no statute applies to Aspen, none is discussed here.

1 which another was primarily liable and which in equity and good conscience should have been  
2 discharged by the latter.” *Id.* It does not arise by contract but by operation of law based on the legal  
3 consequences of the acts and relationships between the parties. 73 Am. Jur. 2d Subrogation at § 5.  
4 As such, it is “it is a broad doctrine . . . given a liberal application; the doctrine of equitable  
5 subrogation is highly favored in the law.” *Id.* at § 5 (citing *U.S. Bank Nat. Ass’n v. Hylton*, 403 N.J.  
6 Super. 630, 637, 959 A.2d 1239, 1243 (Ch. Div. 2008)); *Bennett Truck Transp., LLC v. Williams*  
7 *Bros. Const.*, 256 S.W.3d 730, 734 (Tex. App. 2008); *see also, id.* at § 5 n.3.

8 Contractual subrogation developed later, and has its basis in an agreement of the parties  
9 granting the right to pursue reimbursement from the responsible third party in exchange for payment  
10 of a loss. 73 Am. Jur. 2d Subrogation § 4; *Fortis Benefits v. Cantu*, 234 S.W.3d 642, 646 (Tex.  
11 2007). Insurers often include subrogation provisions in their policies toward the ends of “prevention  
12 of a windfall to the insured or to the third party wrongdoer, and the reduction of the cost of insurance  
13 to both the insurer and the insured by making third party wrongdoers pay for the wrong done.”  
14 Turner, *Insurance Coverage of Construction Disputes* § 5:5 (2d ed.) (Thomson Reuters 2018); *see*  
15 *also, Rejda, et al., Principles of Risk Management and Insurance* at 194 (13<sup>th</sup> Ed. Pearson 2016)  
16 (“subrogation helps hold down insurance rates. Subrogation recoveries are reflected in the  
17 rate-making process, which tends to hold rates below where they would be in the absence of  
18 subrogation. Although insurers pay for covered losses, subrogation recoveries reduce loss  
19 payments.”) (emphasis in original); [https://www.claimsjournal.com/news/national/2017/07/](https://www.claimsjournal.com/news/national/2017/07/06/279219.htm)  
20 [06/279219.htm](https://www.claimsjournal.com/news/national/2017/07/06/279219.htm) (“Subrogation is the necessary evil of recovering as much of our insureds’ claim  
21 dollars as possible in order to help hold down insurance premiums and soften the blow a claim event  
22 might otherwise have on them.”); [https://www.thehartford.com/resources/alarm/](https://www.thehartford.com/resources/alarm/subrogation-insure-harmony) subrogation-  
23 insure-harmony (“Subrogation Actually Helps Lower Premium Costs” ).

24 As contractual subrogation is based on contract, it is governed by the terms of the agreement.  
25 73 Am. Jur. 2d Subrogation § 4. Accordingly, most courts hold that a right to contractual  
26 subrogation can expand an insurer’s rights beyond those available under equitable subrogation. *See,*  
27 *e.g., Fortis Benefits v. Cantu*, 234 S.W.3d 642, 646 (Tex. 2007); *see also, Sereboff v. Mid Atl. Med.*  
28 *Servs., Inc.*, 547 U.S. 356, 126 S. Ct. 1869, 164 L. Ed. 2d 612 (2006); *Puente v. Beneficial Mortg.*

1 *Co. of Indiana*, 9 N.E.3d 208 (Ind. Ct. App. 2014); *Allstate Ins. Co. v. Hugh Cole Builder, Inc.*, 772  
2 So. 2d 1145, 1146 (Ala. 2000); *Puente v. Beneficial Mortg. Co. of Indiana*, 9 N.E.3d 208, 217 (Ind.  
3 Ct. App. 2014); *Hill v. State Farm Mut. Auto. Ins. Co.*, 765 P.2d 864, 866 (Utah 1988); *Capitol*  
4 *Indem. Corp. v. Strike Zone*, 269 Ill. App. 3d 594, 596, 646 N.E.2d 310, 312 (1995). For example,  
5 “a subrogee invoking contractual subrogation can ‘recover without regard to the relative equities of  
6 the parties’” or before the insured has been made whole. *Fortis Benefits v. Cantu*, 234 S.W.3d 642,  
7 647 (Tex. 2007); *see also*, Windt, Insurance Claims and Disputes Section 10:5 (Thomson Reuters  
8 2018); *see, e.g., Nat’l Union Fire Ins. Co. of Pittsburgh, Pa. v. Riggs Nat. Bank of Washington, D.C.*,  
9 646 A.2d 966, 971 (D.C. 1994); *Liberty Mut. Ins. Co. v. Thunderbird Bank*, 113 Ariz. 375, 379, 555  
10 P.2d 333, 337 (1976); *Mut. Serv. Cas. Ins. Co. v. Elizabeth State Bank*, 265 F.3d 601, 628 (7th Cir.  
11 2001).

12 All types of subrogation may exist independently and simultaneously alongside the others,  
13 *i.e.*, they are not mutually exclusive, and a bar to one does not preclude the others. 73 Am. Jur. 2d  
14 Subrogation § 3; *Roberts v. Total Health Care, Inc.*, 109 Md. App. 635, 648, 675 A.2d 995, 1001  
15 (1996), *aff’d*, 349 Md. 499, 709 A.2d 142 (1998); *Phillips v. State Farm Mut. Auto. Ins. Co.*, 73 F.3d  
16 1535, 1538 (10th Cir. 1996); *Phillips v. State Farm Mut. Auto. Ins. Co.*, 73 F.3d 1535, 1538 (10th  
17 Cir. 1996). Thus a party may assert claims for equitable, contractual, and statutory subrogation  
18 simultaneously where it has grounds to do so. However, because an insurer’s natural right to  
19 equitable subrogation is so broad, some courts have opined that in most situations a contractual  
20 subrogation provision has nothing to add to it. *See, e.g., Progressive W. Ins. Co. v. Yolo Cty.*  
21 *Superior Court*, 135 Cal. App. 4th 263, 37 Cal. Rptr. 3d 434 (2005).

## 22 2. Nevada’s Long History of Applying Subrogation Where It Serves Justice.

### 23 a. Nevada Recognizes Subrogation Applies as an Equitable Remedy 24 Whenever It Is Just, Such As In the Instant Case.

25 In accord with jurisdictions nationally, Nevada has long applied subrogation expansively and  
26 flexibly in the interests of justice. While subrogation originated in the insurance context, the first  
27 opportunity the Nevada Supreme Court had to apply it was with regard to a refinanced mortgage.



1 *Laffranchini v. Clark*, 39 Nev. 48, 153 P. 250, 251 (1915).<sup>8</sup> There, the court expanded subrogation  
2 in holding a party who paid off a mortgage is subrogated to rights under that mortgage. While no  
3 prior Nevada opinion on point existed, the court relied on national authority from well over a dozen  
4 jurisdictions to find subrogation should be broadly permitted. Even at that early date, the court  
5 quoted with approval the following:

6 “Subrogation is, in point of fact, simply a means by which equity works out justice  
7 between man and man. Judge Peckham says, in *Pease v. Egan*, 131 N. Y. 262, 30  
8 N. E. 102, that ‘it is a remedy which equity seizes upon in order to accomplish what  
is just and fair as between the parties;’ and the *courts incline rather to extend than  
to restrict the principle*, and the doctrine has been *steadily growing and expanding*  
in importance.”

9 *Id.* at 252 (emphasis added).

10 In other words, subrogation should be applied expansively to promote justice, rather than  
11 limited in a way which allows wrongdoers to profit from their wrongs. Thus, the Nevada Supreme  
12 Court stated: “*Subrogation . . . applies to a great variety of cases, and is broad enough to include*  
13 *every instance in which one party pays a debt for which another is primarily liable, and which in*  
14 *equity and good conscience should have been discharged by the latter . . . .*” *Id.* at 252 (emphasis  
15 added). The court had no trouble extending subrogation to the mortgage context.

16 The Nevada courts adhere to these same principles today. *The Nevada Supreme Court stated*  
17 *as recently as 2010 that Nevada courts have “full discretion” to apply subrogation as an equitable*  
18 *remedy “based on the facts and circumstances of each particular case.”* *Am. Sterling Bank v.*  
19 *Johnny Mgmt. LV, Inc.*, 126 Nev. 423, 428, 245 P.3d 535, 538–39 (2010) (emphasis added); *see also,*  
20 *Zhang v. Recontrust Co., N.A.*, 405 P.3d 103 (Nev. 2017); *Arguello v. Sunset Station, Inc.*, 127 Nev.  
21 365, 368–69, 252 P.3d 206, 208 (2011); *NAD, Inc. v. Eighth Judicial Dist. Court of State, ex rel. Cty.*  
22 *of Clark*, 115 Nev. 71, 76, 976 P.2d 994, 997 (1999). For this reason, *Laffranchini*, the court’s first  
23 subrogation opinion, has been cited favorably by the Nevada Supreme Court as recently as 2012 in  
24

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25  
26 <sup>8</sup>The Nevada Supreme Court commented on the propriety of subrogation as early as 1879,  
27 first in *Quilled v. Quigley*, 14 Nev. 215, 217 (1879), where the court noted that a surety had not been  
28 deprived of its right of subrogation, and also in *Revert v. Henry*, 14 Nev. 191, 197 (1879), where it  
observed that a surety which paid a claim subrogated to rights against responsible third party parties.  
Thus, even then the court was familiar with and accepted the concept, which is unsurprising given  
it had existed for over a century in the insurance and surety contexts, even if the court had not yet  
had a chance to apply the doctrine itself.

1 *In re Fontainebleau Las Vegas Holdings*, 128 Nev. 556, 573, 289 P.3d 1199, 1209 n.8 (2012), where  
2 the court observe that Nevada “has recognized the doctrine of equitable subrogation in a variety of  
3 situations” including workers compensation (*AT&T Technologies, Inc. v. Reid*, 109 Nev. 592, 855  
4 P.2d 533 (1993)), negotiable instruments (*Federal Ins. Co. v. Toiyabe Supply*, 82 Nev. 14, 409 P.2d  
5 623 (1966)), sureties (*Globe Indem. v. Peterson–McCaslin*, 72 Nev. 282, 303 P.2d 414 (1956)) and  
6 mortgages (*Laffranchini v. Clark*, 39 Nev. 48, 153 P. 250 (1915)). In addition to these contexts, the  
7 court also held that a developer and general contractor’s builders risk insurer may subrogate against  
8 a subcontractor when the subcontractor was required to indemnify and provide additional insured  
9 coverage to developer and general contractor. *Lumbermen’s Underwriting All. v. RCR Plumbing,*  
10 *Inc.*, 114 Nev. 1231, 1232, 969 P.2d 301, 302 (1998). These were all specific areas where the court  
11 had not previously spoken, but it did not matter, because the general doctrine of subrogation is  
12 well-established in Nevada, and that doctrine applies beyond any specific context.

13         The Nevada Supreme Court has only limited subrogation in rare instances consistent with  
14 other jurisdictions. These include situations involving a loan receipt agreement, which eliminates  
15 the requirement the insured suffered a loss (*Cent. Nat. Ins. Co. of Omaha v. Dixon*, 93 Nev. 86, 87,  
16 559 P.2d 1187, 1188 (1977)), preventing an insurer from subrogating against its own insured, which  
17 undermines the purpose of insurance (*Harvey’s Wagon Wheel, Inc. v. MacSween*, 96 Nev. 215, 218,  
18 606 P.2d 1095, 1097 (1980)), or when the court is concerned an insured might not be fully  
19 compensated for its loss (*Canfora v. Coast Hotels & Casinos, Inc.*, 121 Nev. 771, 778, 121 P.3d 599,  
20 604 (2005)). In other words, all these limitations are based on the nature of subrogation itself,  
21 meaning they are not so much exceptions to as parameters of the rule. Therefore, Aspen’s assertion  
22 that allowing subrogation here is without precedent is incorrect. In fact, it is Aspen’s proposal that  
23 it be protected from subrogation when equity demands it applies that has no precedent in Nevada  
24 law. The path is well-worn for the Court to allow St. Paul to hold Aspen accountable for the  
25 tremendous harm it caused by recklessly mishandling the Cosmopolitan’s defense in the Moradi  
26 action.

27                   **b.         Nevada Law Supports Equitable Subrogation Between Insurers.**

28         This is why the Nevada federal district court had no difficulty concluding that current Nevada

1 law supports equitable subrogation by an excess carrier against a primary carrier for bad faith failure  
2 to settle, even though Nevada state courts had not yet had the opportunity to specifically address that  
3 situation. *Colony Ins. Co. v. Colorado Cas. Ins. Co.*, 2016 WL 3360943 (D. Nev. June 9, 2016); *see*  
4 *also, Colony Ins. Co. v. Colorado Cas. Ins. Co.*, 2018 WL 3312965 (D. Nev. July 5, 2018). In  
5 *Colony*, a primary auto insurer rejected settlement demands within its limits. The case later settled  
6 in excess of primary limits with the participation of the excess carrier. The excess carrier sued the  
7 primary carrier, via equitable subrogation, for the sum it paid based on bad faith failure to settle. The  
8 primary carrier argued Nevada had not “recognized” the right of an excess carrier to do so, so it need  
9 not pay for the damages its bad faith caused.

10 The court rejected this claim based on established Nevada law. The court relied on the  
11 following definition of equitable subrogation as articulated by the Nevada Supreme Court:

12 [E]quitable subrogation is “an equitable remedy that requires the court to balance the  
13 equities based on the facts and circumstances of each particular case. Subrogation’s  
14 purpose is to ‘grant an equitable result between the parties.’ This court has expressly  
stated that district courts have full discretion to fashion and grant equitable  
remedies.”

15 *Colony Ins. Co. v. Colorado Cas. Ins. Co.*, 2016 WL 3360943 at 3 (D. Nev. June 9, 2016).

16 In other words, application of equitable subrogation where it serves justice is well established  
17 in Nevada. The only exception the court noted was where subrogation is precluded by statute, which  
18 was not the case there, and not the case here. This case is comparable to *Colony*, in that St. Paul is  
19 also suing Aspen for the excess judgment Aspen’s bad faith failure to settle caused, though St. Paul  
20 has additional grounds for suit, as explained below. Thus, as in *Colony*, St. Paul has a right of  
21 subrogation against Aspen under Nevada law. *See also, Riverport Ins. Co. v. State Farm*, 2019 WL  
22 4601511, at \*8 (D. Nev. Sept. 20, 2019) (following *Colony* to permit equitable subrogation, but  
23 denying relief because additional insured carrier did not cover the loss, and its named insured was  
24 not responsible for the loss).

25 Notably, in arguing that Nevada should not permit subrogation, Aspen does not actually cite  
26 any jurisdictions that prevents subrogation between carriers. This is because such a rule makes no  
27 sense, so any cases it could cite would be a poorly-reasoned outlier which would undermine its  
28 position. To forbid subrogation would be to reward wrongdoers, and to undermine the insurance

1 industry. There is no Nevada public policy in favor of either. Accordingly, established Nevada law  
2 support subrogation between insurers.

3 **c. Nevada Permits Contractual Subrogation.**

4 While Aspen rejects Colony's holding that Nevada law supports equitable subrogation based  
5 on Nevada's long history of employing that doctrine whenever justice so requires, it embraces that  
6 court's position that in some situations a contractual subrogation claim cannot be maintained, and  
7 asserts this is such a situation.

8 In fact, *Colony* was incorrect when it held Nevada does not permit contractual subrogation.  
9 Nevada generally permits contractual subrogation, and it has only barred it in the very limited  
10 context of med-pay cases, as was explained by the Nevada Supreme Court in *Canfora v. Coast*  
11 *Hotels & Casinos, Inc.*, 121 Nev. 771, 776, 121 P.3d 599, 603 (2005). There, the court enforced a  
12 contractual subrogation clause. The court first cited the principal that in Nevada the court will not  
13 rewrite unambiguous contracts, and then concluded:

14 In this case, the language in the subrogation clause could not be more plain. The  
15 clause unequivocally provides that when an employee receives the same benefits  
16 from the plan and a negligent third party, the recipient "must reimburse the plan for  
the benefits provided." Since the subrogation clause is unambiguous, the Canforas  
are bound by the terms of the document.

17 *Canfora v. Coast Hotels & Casinos, Inc.*, 121 Nev. 771, 776, 121 P.3d 599, 603 (2005).

18 In other word, the court enforced the subrogation clause because it is not in the business of  
19 revising contracts. It distinguished a prior case—*Maxwell v. Allstate Ins. Companies*, 102 Nev. 502,  
20 506 (1986)—which held contractual subrogation was not available in the med-pay context as a matter  
21 of public policy as reflected in NRS 41.100 because of concerns the insured would not be fully  
22 compensated.<sup>9</sup> *Canfora v. Coast Hotels & Casinos, Inc.*, 121 Nev. 771, 778 (2005) ("We have  
23 previously prohibited an insurer from asserting a subrogation lien against medical payments of its  
24

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25 <sup>9</sup>As explained previously, case law is abundant across the country not only recognizing  
26 contractual subrogation but holding it is not limited by equitable doctrines such as the doctrine of  
27 superior equities. It is, however, the case that contractual subrogation will not be allowed where a  
28 statute reflects a public policy contrary to that particular type of subrogation. 73 Am. Jur. 2d  
Subrogation § 4 ("Subrogation clauses in contracts do not violate public policy; however, despite  
the parties' contractual agreement, it will not be recognized where a statute expresses a public policy  
against the enforcement of those rights."). While that was the case in *Maxwell*, in the med-pay  
context, it is not the case here.

1 insured as a matter of public policy.”). However, “where an insured receives ‘a full and total  
2 recovery,’ *Maxwell* and its public policy concerns are inapplicable.” *Id.* In other words, the Nevada  
3 Supreme Court specifically held that where the insured is fully compensated, contractual subrogation  
4 is permitted.

5 Aspen concedes the insured was fully compensated here because that is the basis of its no  
6 damages argument. Thus this limited bar on contractual subrogation does not apply in this case.  
7 Unfortunately, the *Colony* court concluded Nevada did not allow contractual subrogation because  
8 it did not recognize *Maxwell* had been so limited by the Nevada Supreme Court. Indeed, *Maxwell*  
9 was the only Nevada case *Colony* relied on for this point. In doing so, it erred. Likewise, the  
10 California cases it relied on—*Colony–21st Century Ins. Co. v. Superior Court*, 47 Cal. 4th 511, 518,  
11 213 P.3d 972, 976 (2009), and *Progressive W. Ins. Co. v. Yolo Cty. Superior Court*, 135 Cal. App.  
12 4th 263, 37 Cal. Rptr. 3d 434 (2005)—were also med-pay claims, and both cases specifically limited  
13 their reasoning to that context.

14 Likewise, those sections of *Progressive W.* cited by the *Colony* court for the proposition that  
15 contractual subrogation adds nothing to equitable subrogation are a misreading: Those sections only  
16 mean that equitable subrogation is very broad, not that contractual subrogation is disfavored or  
17 disallowed. Further, California is one of those few jurisdictions that apply equitable limitations to  
18 contractual subrogation. *State Farm Gen. Ins. Co. v. Wells Fargo Bank, N.A.*, 143 Cal. App. 4th  
19 1098, 1110, 49 Cal. Rptr. 3d 785, 793 (2006). This is not the case in most of the country, where  
20 contractual subrogation can expand those rights available at equity, as explained above. Even the  
21 California appellate courts have opined it would make more sense for contractual subrogation to not  
22 be bound by equitable limitations. *Id.* Therefore, these opinions cannot circumscribe St. Paul’s right  
23 to contractual subrogation here.

24 Lastly, the *Capitol* court referenced “windfalls” to the insurer as a reason to avoid contractual  
25 subrogation, because premiums are supposedly not calculated by taking into account anticipated  
26 subrogation recoveries. This argument was also employed in *Maxwell* based on cases from the  
27 1960s. It is obsolete. Whatever underwriting practices may have been over a half century ago, today  
28 the technology exist for carriers to take into account anticipated subrogation recoveries in premiums,

1 as explained above in that section regarding the basis of contractual subrogation by citation to  
2 industry sources. Therefore, there is no windfall to St. Paul. Rather, the windfall would be to Aspen  
3 to the extent it is allowed to escape accountability for the damages it caused by its bad faith.

4 In addition, as other courts have explained, where the defendant caused the loss, that the  
5 insurer received a premium that requires it to pay for that loss does not alter the equities between  
6 them: The party that caused the loss should still pay for it, because the insurance was not purchased  
7 for the wrongdoer's benefit. *Interstate Fire & Cas. Ins. Co. v. Cleveland Wrecking Co.*, 182 Cal.  
8 App. 4th 23, 45, 105 Cal. Rptr. 3d 606, 624 (2010). Or as a California court put it, "it would be  
9 better for the windfall to go to the one that undisputedly fulfilled its contractual obligations, rather  
10 than to the one that allegedly breached them." *Id.* at 47. Justice would be better served by awarding  
11 recovery to St. Paul, which honored its contract, rather than Aspen which breached its contract.

12 Accordingly, as there is no public policy reason to protect an insurer which committed bad  
13 faith from paying for the consequences of its actions, St. Paul is entitled to contractual subrogation  
14 to the Cosmopolitan's claims under Nevada law.

### 15 **3. Other States Allow Equitable Subrogation Actions Between Insurance Carriers.**

16 Although candidly there are a few outliers, the overwhelming majority of courts that have  
17 considered the issue have held that an excess carrier has a cause of action for equitable subrogation  
18 against a primary carrier who has failed, in bad faith, to settle a claim within its policy limits. These  
19 courts cite policy reasons the solidly support their position.

20 For example, in *In re Farmers Texas Cty. Mut. Ins. Co.*, No. 04-19-00180-CV, 2019 WL  
21 2605630, at \*6 (Tex. App. June 26, 2019), the court stated:

22 [O]ur prior decisions in *Stowers* and *Ranger County* imposed clear duties on  
23 the primary carrier to protect the interests of the insured. The primary carrier should  
24 not be relieved of these obligations simply because the insured has separately  
25 contracted for excess coverage. In this situation, where the insured has little  
incentive to enforce the primary carrier's duties, the excess carrier should be  
permitted to do so through equitable subrogation.

26 *Id.*, see *Am. Centennial Ins. Co. v. Canal Ins. Co.*, 843 S.W.2d 480, 482–83 (Tex. 1992) (recognizing  
27 the right of an excess carrier to sue a primary for bad faith failure to settle the claim of an insured  
28 on a theory of equitable subrogation, and collecting many cases from around the country reaching  
same conclusion); see also, *Preferred Prof'l Ins. Co. v. The Doctors Co.*, 2018 COA 49, ¶ 14, 419

1 P.3d 1020, 1023, reh'g denied (May 3, 2018) (under settled Colorado law, an excess insurer may sue  
2 a primary by equitable subrogation for bad faith); *Ace Am. Ins. Co. v. Fireman's Fund Ins. Co.*, 2  
3 Cal. App. 5th 159, 167, 206 Cal. Rptr. 3d 176, 181 (2016) ("Equitable subrogation allows an insurer  
4 that paid coverage or defense costs to be placed in the insured's position to pursue a full recovery  
5 from another insurer who was primarily responsible for the loss."); *St. Paul Fire & Marine Ins. Co.*  
6 *v. Liberty Mut. Ins. Co.*, 135 Haw. 449, 453, 353 P.3d 991, 995 (2015) (recognizing that the majority  
7 of jurisdictions recognize a cause of action based on equitable subrogation by an excess carrier  
8 against a primary carrier, and applying the remedy "broadly" in Hawaii); *Perera v. U.S. Fid. & Guar.*  
9 *Co.*, 35 So. 3d 893, 900 (Fla. 2010) ("Under the doctrine of equitable subrogation, an excess insurer  
10 has the right to maintain a cause of action for damages resulting from the primary carrier's bad faith  
11 refusal to settle the claim against their common insured." (citations omitted); *Ranger Ins. Co. v.*  
12 *Travelers Indem. Co.*, 389 So. 2d 272, 276 (Fla. Dist. Ct. App. 1980) (stating that the remedy of  
13 equitable subrogation is available in Florida by an excess carrier against a primary carrier and  
14 rejecting argument that there must be privity of contract between the carriers); *Great Am. Ins. Co.*  
15 *of New York v. Fed. Ins. Co.*, No. M200900833COAR3CV, 2010 WL 1712947, at \*5 (Tenn. Ct.  
16 App. Apr. 28, 2010) (equitable subrogation between carriers allowed in Tennessee); *United Nat. Ins.*  
17 *Co. v. Providence Washington Ins. Co.*, No. 05CV1798A, 2008 WL 2745218, at \*3 (Mass. Super.  
18 June 20, 2008) (noting general rule that an excess insurer has a claim against a primary based on  
19 equitable subrogation); *Fireman's Fund Ins. Co. v. Cont'l Ins. Co.*, 308 Md. 315, 320–21, 519 A.2d  
20 202, 205 (1987) (recognizing that the majority of jurisdictions that have addressed this issue  
21 recognize the right of an excess carrier to sue a primary carrier for bad faith on theory of equitable  
22 subrogation; citing cases from California, Minnesota, New Hampshire, New Jersey, Ohio, and  
23 Florida). And the list goes on and on.

24 Each of these cited has stressed the strong policy considerations that make equitable  
25 subrogation necessary to address the very situation that exists in this case.

26 The public has a strong interest in the prompt and reasonable settlement of lawsuits.  
27 If the presence of an excess insurer in the case relieves the primary insurer of a duty  
28 to settle, the primary insurer has no incentive to settle the suit within its policy limits.  
This disincentive to settle obviously would lead to increased insurance and litigation  
costs. *Valentine v. Aetna Ins. Co.*, 564 F.2d 292, 296-97 (9th Cir.1977); *Reserve Ins.*  
*Co.*, supra, 238 N.W.2d at 864-65.

1 *Fireman's Fund Ins. Co. v. Cont'l Ins. Co.*, 308 Md. 315, 320–21, 519 A.2d 202, 205 (1987).

2 **4. St Paul Alleges All Necessary Elements of an Insurer's Subrogation Claim.**

3 "There is no general rule to determine whether a right of subrogation exists. Thus, ordering  
4 subrogation depends on the equities and attending facts and circumstances of each case." 73 Am.  
5 Jur. 2d Subrogation § 10. In the insurance context, an influential California court of appeal opinion  
6 broke down subrogation into eight elements:

7 (a) the insured suffered a loss for which the defendant is liable, either as the  
8 wrongdoer whose act or omission caused the loss or because the defendant is legally  
9 responsible to the insured for the loss caused by the wrongdoer; (b) the claimed loss  
10 was one for which the insurer was not primarily liable; (c) *the insurer has*  
11 *compensated the insured* in whole or in part for the same loss for which the defendant  
12 is primarily liable; (d) *the insurer has paid the claim* of its insured to protect its own  
13 interest and not as a volunteer; (e) the insured has an existing, assignable cause of  
14 action against the defendant which the insured could have asserted for its own benefit  
15 had it not been compensated for its loss by the insurer; (f) *the insurer has suffered*  
16 *damages* caused by the act or omission upon which the liability of the defendant  
17 depends; (g) justice requires that the loss be entirely shifted from the insurer to the  
18 defendant, whose equitable position is inferior to that of the insurer; and (h) the  
19 insurer's damages are in a liquidated sum, generally *the amount paid to the insured*.

20 *Fireman's v. Maryland*, 65 Cal. App. 4th 1279, 1292 (1998) (emphasis added).

21 In the context of subrogation by an excess carrier against a lower level carrier, the Nevada  
22 federal district court held that while Nevada will weigh the California factors, because subrogation  
23 is an equitable remedy, none are dispositive except that only the insured's rights may be asserted.  
24 *Colony Ins. Co. v. Colorado Cas. Ins. Co.*, 2018 WL 3312965, at \*5 (D. Nev. July 5, 2018).

25 Under the California test, St. Paul is entitled to subrogation from Aspen because: (a) the  
26 Cosmopolitan suffered a loss for which Aspen is liable, namely the \$160.5 million excess judgment  
27 caused by Aspen's bad faith; (b) St. Paul is not primarily liable like Aspen because Aspen breached  
28 its duty to settle and St. Paul did not, because Aspen breached its duty to provide an adequate  
29 defense and St. Paul did not, and because St. Paul's policy responds after Aspen's<sup>10</sup>; (c) the  
30 Cosmopolitan has been compensated for the loss through the settlement of the underlying action and  
31 the payment by St. Paul of its limit; (d) St. Paul paid to protect its own interest, not as a volunteer,

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32 <sup>10</sup>While one might argue that St. Paul's excess policy responds at the same time as National  
33 Union's excess policy, there is no doubt that St. Paul's excess policy responds after Aspen's primary  
34 policy. This provides another reason for the Court to treat Aspen's motion differently from National  
35 Union's.



1 because the claim underlying the judgment was potentially covered under St. Paul's policy; (e) the  
2 Cosmopolitan had an existing assignable cause of action for bad faith against Aspen that it could  
3 have asserted had it not been compensated for its loss by St. Paul; (f) St. Paul has suffered damages  
4 because of Aspen's bad faith, in that it had to pay its limit to protect the Cosmopolitan; (g) justice  
5 requires the entirety of the loss be shifted to Aspen, because its equitable position is inferior because:  
6 (i) it breached its duty to settle; (ii) it breached its duty to defend by providing a conflicted defense;  
7 and (iii) St. Paul's policy is excess to Aspen; (h) the damages are in a liquidated sum, the \$25 million  
8 St. Paul paid to protect the Cosmopolitan.

9 Again, for purposes of this motion, the Court does not need to decide that St. Paul has  
10 evidence sufficient to prove these allegations. Rather, all the Court need decide now is that, if the  
11 evidence supports, St. Paul is entitled to subrogation. As what St. Paul seeks to prove is more than  
12 adequate to establish this right, the Court should deny Aspen's renewed motion for summary  
13 judgment.

14 **5. Aspen's Position That Subrogation Fails Because The Cosmopolitan Has No**  
15 **Damages Is Fundamentally Contrary to the Nature of Subrogation.**

16 Aspen argues St. Paul's subrogation claim fails because the insured suffered no damages,  
17 because St. Paul paid them. In other words, because St. Paul stepped up and protected its insured  
18 from Aspen's bad faith, Aspen gets away with its tortious conduct.

19 While this argument is a trap courts occasionally fall into, it is only possible based on  
20 ignorance of the fundamental nature of subrogation. As explained above, the reason the doctrine of  
21 subrogation was introduced into the common law was because of, not despite, the fact that the  
22 insurer had paid the insured for its damages. *Mason v. Sainsbury*, 3 Doug. 61, 99 Eng. Rep. 538  
23 (1782). Modern cases are in accord. *See, e.g., Interstate Fire & Cas. Ins. Co. v. Cleveland Wrecking*  
24 *Co.*, 182 Cal. App. 4th 23, 105 Cal. Rptr. 3d 606 (2010); *Troost v. Estate of DeBoer*, 155 Cal. App.  
25 3d 289, 294, 202 Cal. Rptr. 47, 50 (Ct. App. 1984) ("Payment by the insurance company does not  
26 change the fact a loss has occurred."); *Maryland Cas. Co. v. Acceptance Indem. Ins. Co.*, 639 F.3d  
27 701, 706 (5th Cir. 2011) (the law "does not bar contractual subrogation simply because the insured  
28 has been fully indemnified."); *Amerisure Ins. Co. v. Navigators Ins. Co.*, 611 F.3d 299, 307 (5th Cir.  
2010) (same). This is because that is what subrogation is: the insurer paying for the insured's

1 damages, thereby protecting the insured, and thereby gaining the right to pursue whoever was  
2 responsible for causing those damages. Conversely, if the insurer paying to protect the insured  
3 obviated subrogation, then subrogation would not exist. As bluntly explained by one court:

4 Under Cleveland's view, no insurer could ever state a cause of action for subrogation  
5 in order to recover amounts it paid on behalf of its insured, because of the very fact  
6 that it had paid amounts on behalf of its insured. Not only is this illogical, it  
contradicts decades of cases consistently holding that an insurer may be equitably  
subrogated to its insured's indemnification claims.

7 *Interstate Fire & Cas. Ins. Co. v. Cleveland Wrecking Co.*, 182 Cal. App. 4th 23, 34 (Cal. 2010).

8 Subrogation demonstrably does exist in Nevada, including in the insurance context, as  
9 explained above. Therefore, Aspen is necessarily wrong.

10 To support its position, Aspen cites and misrepresents *California Capital Ins. Co. v.*  
11 *Scottsdale Indem. Ins. Co.*, 2018 WL 2276815 (Cal. Ct. App. May 18, 2018), which the California  
12 Supreme Court has made unpublished and thus uncitable in California courts. In that case, the  
13 insurer did not assert a cause of action for subrogation. Rather, after Capital breached its duty to  
14 settle, resulting in an excess judgment, it was sued by another insurer under an assignment. The  
15 court held Capital had no right under the assignment because it had paid the judgment, relying  
16 exclusively on cases in which insureds tried to sue their insurers directly after another insurer had  
17 compensated them, *i.e.*, double recovery cases, not subrogation cases. While this is of course wrong,  
18 because even an assignee has the right to sue for damages for which it paid, Aspen is incorrect that  
19 the court denied subrogation on a no damages argument, since such a claim was not asserted.

20 It is true that Capital tried to correct its deficient pleadings by arguing its indemnity cause  
21 of action included subrogation. The court held that even if such a claim had been made, it would fail  
22 because Capital did not have equitable superiority. It did not reject subrogation based on a no  
23 damages argument. It held Capital lacked equitable superiority. There would therefore be no  
24 equitable reason to shift the loss to the other carrier, since both were in breach.

25 The instant case is entirely different. This case involves subrogation, not assignment. St.  
26 Paul has equitable superiority, as outlined above, for numerous reasons. Aspen, not St. Paul,  
27 caused the excess judgment. Aspen is in breach and bad faith, while St. Paul is not. Regardless,  
28 even if *Capital* did say what Aspen says it does, it would be wrong, because subrogation presupposes

1 the insurer paid the loss and protected the insured.

2 Aspen also cites *Nat'l Union Fire Ins. Co. of Pittsburgh, Pa. v. Tokio Marine & Nichido Fire*  
3 *Ins. Co.*, 233 Cal. App. 4th 1348, 1362 (2015), to support its misapplication of subrogation. This  
4 is an example of a case where the court misunderstood the fundamental nature of subrogation, as was  
5 later explained by the California federal court in *Pub. Serv. Mut. Ins. Co. v. Liberty Surplus Ins.*  
6 *Corp.*, 2017 WL 3601381 (E.D. Cal. Aug. 22, 2017), the only case to have ever cited *Tokio*. In  
7 rejecting *Tokio*, the court relied on *Interstate Fire & Cas. Ins. Co. v. Cleveland Wrecking Co.*, 182  
8 Cal. App. 4th 23, 105 Cal. Rptr. 3d 606 (2010), reasoning:

9 When Interstate sued Cleveland for breach of contract as its insured's subrogee,  
10 Cleveland demurred on grounds, inter alia, that because Interstate had fully  
11 compensated the indemnitee, it could not sue for subrogation on the indemnitee's  
12 behalf. The *Interstate* court squarely rejected this contention, stating that  
13 "Cleveland's insistence that [the insured] suffered no loss because Interstate paid [the  
14 insured's employee], and Interstate therefore suffered no loss because it stands in the  
15 shoes of its insured, is circular and erroneous." *Id.* at 35, n.3. As the Court observed,  
16 if Cleveland's "Illogical" contention were accepted "no insurer could ever state a  
17 cause of action for subrogation in order to recover amounts it paid on behalf of its  
18 insured, because of the very fact that it had paid amounts on behalf of its insureds."  
19 *Id.* at 34. In the court's view, that would contradict "decades of cases consistently  
20 holding that an insurer may be equitably subrogated to its insured's indemnification  
21 claims." *Id.*

22 *Pub. Serv. Mut. Ins. Co. v. Liberty Surplus Ins. Corp.*, 2017 WL 3601381 (E.D. Cal. 2017).

23 In other words, *Tokio* is necessarily wrong, because if it were correct, then subrogation would  
24 not exist, and centuries of precedent demonstrate it plainly does. The federal court therefore held  
25 that subrogation was in fact available both for breach of contract and bad faith, not despite the fact  
26 the subrogating insurer paid the claim to protect its insured, but because of it.

27 Further, part of the reason the *Tokio* court held the insured suffered no damages was because  
28 there was no excess judgment, because the case settled on the first day of trial. Some cases suggest  
that an excess judgment is necessary for bad faith exposure. See *J.B. Aguerre, Inc. v. Am.*  
*Guarantee & Liab. Ins. Co.*, 59 Cal. App. 4th 6, 13, 68 Cal. Rptr. 2d 837, 841 (1997). In the instant  
case, there was a \$160.5 million excess judgment which constituted actual damage to the insured  
when it was rendered. Thus, while this should not matter so long as the claim is paid, on this ground  
also, *Tokio* is distinguishable.

Accordingly, the Court should not be misled by Aspen's no damages argument, which is,

1 quite frankly, profoundly ignorant. St. Paul's payment does not obviate its right to subrogation. It  
2 creates it. This is made plain by a simple question: if paying the claim obviates the right to  
3 subrogation, then how would such a right ever arise? The answer is, if that were true, it could not.  
4 Centuries of precedent, including that of the Nevada Supreme Court, would be wrong. Aspen's  
5 position is analogous to arguing a breach of contract claim fails whenever it is based on a contract.  
6 It is inherently absurd. Therefore, because St. Paul paid for the insured's damages caused by Aspen,  
7 St. Paul is entitled to subrogation against Aspen.

8 **6. Aspen's Argument That a Contract Must Exist Between Aspen**  
9 **and St. Paul for St. Paul to Bring a Subrogation Action Against**  
10 **Aspen is Nonsensical and Contrary to the Nature of Subrogation.**

11 Aspen's argument that for St. Paul to bring a contractual subrogation claim against Aspen  
12 St. Paul must have contracted with Aspen directly is just as ignorant as its no damages argument.  
13 As explained above, subrogation is when one party steps into the shoes of another, such that the first  
14 party can assert the rights of the second against a third. Thus, for example, through subrogation, St.  
15 Paul steps into the Cosmopolitan's shoes, and can assert the Cosmopolitan's contractual rights  
16 against Aspen, even though St. Paul did not have its own contract with Aspen. St. Paul is not  
17 asserting its own contact rights against Aspen, but rather the Cosmopolitan's. That is the point of  
18 subrogation. Therefore, St. Paul does not need a contract with Aspen. Rather, it need only pay for  
19 the Cosmopolitan's injury, because the Cosmopolitan has a contract—an insurance contract—with  
20 Aspen. As authority, St. Paul cites every subrogation case to have ever been decided, including those  
21 cited above in its explanation of the fundamental nature of subrogation. Aspen of course cites  
22 nothing supporting it, because its argument is contrary to the very nature of subrogation. If Aspen  
23 were correct, subrogation would not exist.

24 *Fireman's v. Maryland's*, 21 Cal. App. 4th 1586, 26 Cal. Rptr. 2d 762 (1994), which Aspen  
25 misunderstands, analyzed whether carriers at different levels had a contract between them because  
26 there the insured had released one of them. Therefore, the carriers could not proceed via  
27 subrogation, because the insured had given up its contractual rights, *i.e.*, it no longer had any rights  
28 left to subrogate to. As the carriers had no direct contract with each other, there was thus no legal  
conduit remaining to assert a claim. The whole point of the case was that subrogation was not

1 available under those facts.

2 Here, in contrast, the Cosmopolitan has not released Aspen. Therefore, St. Paul's  
3 subrogation to the Cosmopolitan's breach of contract and bad faith claims against Aspen is perfectly  
4 viable. Likewise, Aspen's rambling about the need for St. Paul to be a third party beneficiary on the  
5 Cosmopolitan's contract with Aspen also has nothing to do with St. Paul's right to subrogate to the  
6 Cosmopolitan's existing rights, because again, it is the Cosmopolitan's rights against Aspen that St.  
7 Paul is asserting, not its own.

8 Fundamentally, what Aspen is trying to do here is avoid the consequences of its bad faith  
9 failure to settle. If there are no consequences for bad faith, then there is nothing to prevent it.  
10 Indeed, that is why bad faith is available in tort along with extra contractual damage; because it is  
11 so very important that insurers be prevented from committing bad faith. If this Court fails to allow  
12 subrogation here, it not only rewards Aspen for its conduct, it essentially tells St. Paul, "Well, you  
13 should have committed bad faith too if you didn't want to be stuck with the bill." That cannot be  
14 the right answer. It is certainly contrary to the equitable principals for which subrogation was  
15 created, and pursuant to which the Nevada Supreme Court has enforced subrogation in the past.  
16 Accordingly, this Court should deny Aspen's motion, and instead hold that St. Paul can subrogate  
17 to the Cosmopolitan's rights against Aspen because subrogation, both equitable and contractual, is  
18 available in Nevada.

19 **B. St. Paul's Equitable Estoppel Claim Includes Aspen.**

20 Aspen moves for summary judgment on St. Paul's cause of action for equitable estoppel on  
21 the ground it only alleges liability against National Union (AIG). This is not correct. Because  
22 Aspen's argument is not evidence-based, but rather pleading-based, it can be easily disposed of on  
23 the face of the pleading.

24 Equitable estoppel includes the following elements:

25 (1) the party to be estopped must be apprised of the true facts; (2) he must intend that  
26 his conduct shall be acted upon, or must so act that the party asserting estoppel has  
27 the right to believe it was so intended; (3) the party asserting the estoppel must be  
28 ignorant of the true state of facts; (4) he must have relied to his detriment on the  
conduct of the party to be estopped.

*S. Nevada Mem'l Hosp. v. State, Dep't of Human Res.*, 101 Nev. 387, 391 (1985).

1 St. Paul alleges a number of facts in its pleading supporting equitable estoppel against Aspen.  
2 It alleges Aspen is estopped to assert Marquee's direct coverage (including both Aspen and National  
3 Union) is not wholly responsible for this loss rather than the Cosmopolitan's direct coverage  
4 (including both Zurich and St. Paul). Among other bases for this, Aspen appointed a single,  
5 conflicted defense counsel to defend Marquee and the Cosmopolitan together, based on both the  
6 implicit and explicit representation that Marquee's coverage would cover this loss, not the  
7 Cosmopolitan's. The Cosmopolitan relied on this conduct by not asserting its own cross-complaint  
8 against Marquee, which could have allocated all liability to Marquee, and by not requesting a special  
9 verdict which would have clearly allocated liability between them. Aspen knew that its conduct  
10 would be relied upon by the Cosmopolitan, and the Cosmopolitan did not know Aspen would argue  
11 its own direct coverage had to share the loss. Therefore, the Cosmopolitan, and thus St. Paul via  
12 subrogation, is entitled to equitable estoppel. Likewise, Aspen behaved toward St. Paul in a way that  
13 estops Aspen from asserting it is not wholly responsible for this loss, by failing to tender the claim  
14 to St. Paul until the eve of trial, failing to inform St. Paul of trial until after it had begun, and  
15 preventing St. Paul from participating in handling the case. All these actions caused St. Paul to rely  
16 to its detriment on Aspen's representations that St. Paul would not be responsible, Aspen knew the  
17 truth was to the contrary and intended its actions to be relied upon so that it could maintain control  
18 of the defense and thus prevent a cross-complaint against Marquee and a special verdict form laying  
19 out the allocation of liability, and St. Paul did not know of Aspen's schemes to the contrary. This  
20 also supports equitable estoppel. St. Paul believes Aspen takes the position that St. Paul had the  
21 same duty to settle the underlying case that Aspen did, even though its actions belied that position.  
22 If that last belief is not so, St. Paul is happy to take Aspen's concession on this point. However, the  
23 other points are perfectly valid bases for equitable estoppel, and Aspen is plainly included in the  
24 cause of action as drafted. Accordingly, Aspen's motion as to St. Paul's equitable estoppel claim  
25 should be denied.

26 **C. Aspen's Evidentiary Objections Are Irrelevant.**

27 In its prior incarnation of this motion, Aspen decided to waste St. Paul and this Court's time  
28 by objecting to certain evidence Aspen knew is perfectly reliable and which, in any event, is not

1 critical to the issues addressed on this motion. These objections do not in any way support Aspen's  
2 motion or undermine St. Paul's prior motion.

3 First, Aspen raised its judicial notice objection only generally, and cited only three specific  
4 documents with respect to its authentication objection, Exhibits 15-17. Objections must be  
5 specific. *In re J.D.N.*, 128 Nev. 462, 468, 283 P.3d 842, 846 (2012) ("When objecting to the  
6 admission of evidence, a party must state the specific grounds for the objection. NRS 47.040(1)(a).  
7 This specificity requirement applies not only to the grounds for objection, but also to the particular  
8 part of the evidence being offered for admission."); *State v. Kallio*, 92 Nev. 665, 668, 557 P.2d 705,  
9 707 (1976); Nev. Rev. Stat. Ann. § 47.040 (West). Therefore, Aspen only effectively objects to  
10 authentication of the three documents specified.

11 Exhibits 15 and 16 are Aspen's reservation of rights to the Cosmopolitan and Marquee  
12 respectively, in which it appoints conflicted defense counsel, and Exhibit 17 a defense analysis from  
13 this counsel to Aspen and the Cosmopolitan explaining the defendants faced excess exposure. None  
14 of these documents impacts the specific issues currently before the Court, *i.e.*, whether St. Paul  
15 alleges a viable subrogation claim under Nevada law. The only facts the Court needs to determine  
16 that issue are: (1) the underlying complaint; (2) Aspen's policy; and (3) St. Paul's policy. Even the  
17 underlying special verdict was not strictly necessary, though it does prove the viability of both  
18 Coverage A and Coverage B claims. Aspen does not dispute introduction of this evidence, including  
19 the special verdict, because it cannot. Aspen provided its own policy, St. Paul provided its policy,  
20 and the other two are subject to judicial notice. Thus Aspen's evidentiary objections are irrelevant.  
21 The three disputed documents merely provide broader factual context for the Court. The same holds  
22 true as to Aspen's vague judicial notice objection, which also does not appear to encompass these  
23 documents. Therefore, these objections should not bear on the Court's consideration of this motion  
24 or St. Paul's response to it.

### 25 CONCLUSION

26 For all the foregoing reasons, Aspen's renewed motion for summary judgment should be  
27 denied.

28 ///

3 Plaintiff's Renewed Opposition to Defendant  
4 Aspen's Renewed Motion for Summary Judgment

---

5 DATED this 2 day of July, 2020.

6 HUTCHISON & STEFFEN, PLLC

7 By 

8 Michael K. Wall (2098)  
9 10080 W. Alta Drive, Suite 200  
10 Las Vegas, NV 89145  
11 mwall@hutchlegal.com  
12 *Attorney for Plaintiff*



**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of HUTCHISON & STEFFEN, PLLC and that on this 2<sup>nd</sup> day of July, 2020, I caused the above and foregoing document entitled **PLAINTIFF'S RENEWED OPPOSITION TO DEFENDANT ASPEN'S RENEWED MOTION FOR SUMMARY JUDGMENT** to be served as follows:

- ☐ by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or
- ☐ to be sent **via facsimile**; and/or
- ☒ to be electronically served through the Eighth Judicial District Court's electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or
- ☐ to be hand-delivered;

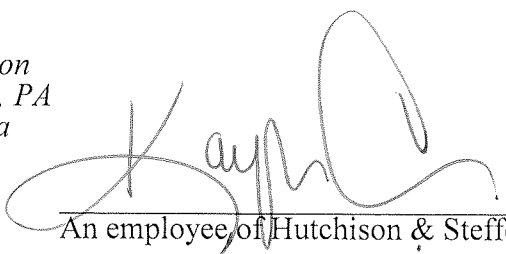
to the attorney(s) listed below at the address and/or facsimile number indicated below:

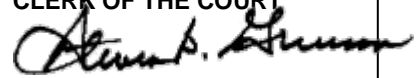
Michael M. Edwards, Esq. (6281)  
Nicholas L. Hamilton, Esq. (10893)  
MESSNER REEVES LLP  
8945 W. Russell Road, Suite 300  
Las Vegas, NV 89148  
[medwards@messner.com](mailto:medwards@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
[efile@messner.com](mailto:efile@messner.com)  
T: 702-363-5100  
F: 702-363-5101  
*Attorneys for Defendant Aspen Specialty Company*

Andrew D. Herold, Esq. (7378)  
Nicholas B. Salerno, Esq. (6118)  
HEROLD & SAGER  
3960 Howard Hughes Parkway, Suite 500  
Las Vegas, NV 89169  
[aherold@heroldsagerlaw.com](mailto:aherold@heroldsagerlaw.com)  
[nsalerno@heroldsagerlaw.com](mailto:nsalerno@heroldsagerlaw.com)  
T: 702-990-3624  
F: 702-990-3835  
*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*

Jennifer L. Keller, Esq. (Pro Hac Vice)  
Jeremy Stamelman, Esq. (Pro Hac Vice)  
KELLER/ANDERLE LLP  
18300 Von Karman Ave., Suite 930  
Irvine CA 92612  
[jkeller@kelleranderle.com](mailto:jkeller@kelleranderle.com)  
[jstamelman@kellweanderle.com](mailto:jstamelman@kellweanderle.com)  
T: 949-476-8700  
F: 949-476-0900

*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*

  
An employee of Hutchison & Steffen, PLLC



**RPLY**

MICHAEL M. EDWARDS, ESQ.

Nevada Bar No. 6281

RYAN A. LOOSVELT, ESQ.

Nevada Bar No. 8550

NICHOLAS L. HAMILTON, ESQ.

Nevada Bar No. 10893

**MESSNER REEVES LLP**

8945 W. Russell Road, Suite 300

Las Vegas, Nevada 89148

Telephone: (702) 363-5100

Facsimile: (702) 363-5101

E-mail: [medwards@messner.com](mailto:medwards@messner.com)

[rloosvelt@messner.com](mailto:rloosvelt@messner.com)

[nhamilton@messner.com](mailto:nhamilton@messner.com)

*Attorneys for Defendant*

*Aspen Specialty Insurance Company*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

ST. PAUL FIRE & MARINE INSURANCE  
COMPANY,

Plaintiffs,

vs.

ASPEN SPECIALTY INSURANCE  
COMPANY; NATIONAL UNION FIRE  
INSURANCE COMPANY OF PITTSBURGH  
PA; ROOF DECK ENTERTAINMENT, LLC  
d/b/a MARQUEE NIGHTCLUB; and DOES 1-  
25; inclusive,

Defendants.

CASE NO.: A-17-758902-C  
DEPT. NO.: XXVI

**DEFENDANT ASPEN SPECIALTY  
INSURANCE COMPANY'S REPLY TO  
PLAINTIFF'S OPPOSITION TO  
DEFENDANT ASPEN SPECIALTY  
INSURANCE COMPANY'S RENEWED  
MOTION FOR SUMMARY JUDGMENT**

**HEARING REQUESTED**

**Date: August 4, 2020  
Time: 9:30 A.M.**

Defendant, ASPEN SPECIALTY INSURANCE COMPANY ("Defendant" or "Aspen"),  
by and through its counsel of record, the law firm MESSNER REEVES, LLP, files this Reply I  
support of its Renewed Motion for Summary Judgment.

Defendant Aspen Granted Plaintiff an extension to file its Opposition, and Plaintiff granted Aspen an extension to file its Reply through July 31, 2020.

### **MEMORANDUM OF POINTS AND AUTHORITIES**

#### **I. INTRODUCTION**

In a desperate and transparent attempt to undo this Court's prior rulings in the case and avoid summary judgment for Aspen, St. Paul argues in Opposition that (1) the Court somehow lacks authority to hear a follow up motion for summary judgment --based on the new factual findings and legal rulings in its recent summary judgment orders--now that the Court's summary judgment orders have been entered, and (2) St. Paul argues that regardless, all the court's ruling on summary judgment for National Union (that now apply to Aspen) were all wrong—because such rulings entitle Aspen to summary judgment too. In essence, St. Paul has filed its appellate brief in Opposition after waiving its right to seek reconsideration of the Court's prior summary judgment rulings with which it belatedly now takes issue.

Plaintiff's attempt to undo the Court's ruling as to National Union is not properly before the Court on a motion for reconsideration by St. Paul, and its arguments in its Opposition to that effect cannot and should not be considered here. Those summary judgment factual findings and legal rulings are in fact controlling, apply to Aspen too *now that the National Union Order has been entered*, and the Court most certainly has authority to hear this Motion before the expiration of the dispositive motion deadline.

St. Paul's argument is simply that first the Court's construction of *all* its legal rulings in the National Union summary judgment order were *all* wrong and that the Court purportedly somehow abused its wide discretion declining to recognize the equitable claims. The summary judgment rulings however, whether characterized as law of the case or simply controlling legal rulings, still apply, control, and warrant summary judgment for Aspen.

St. Paul asserts three (3) claim against Aspen: (1) Subrogation – breach of the duty to settle by failing to accept \$1.5 million offer (because St. Paul contended it was within Aspen's alleged \$2 million policy limit); (2) Subrogation – breach of the Aspen insurance contract for failing to provide a conflict free defense to Marquee and Cosmopolitan and failing to pay all available limits under

1 the Aspen policy; and, (3) Equitable Estoppel – that the defendants should be prevented from  
2 arguing National Union’s policy was co-excess with St. Paul’s policy. Aspen is entitled to summary  
3 judgment on all three claims as a matter of law.

4 Nevada has not recognized subrogation in the context here, this Court declined to do so  
5 when granting National Union’s motion for summary judgment, and should do so again here for the  
6 same and similar reasons. Regardless, St. Paul’s subrogation claims, even if recognized for the first  
7 time here, would still fail as a matter of law.

8 St. Paul is not a party to the Aspen contract, like it is not a party to the National Union  
9 contract as this Court ruled, and thus contractual subrogation, which has not been recognized  
10 elsewhere either in this context, is not viable here as this Court ruled in granting National Union  
11 summary judgment.

12 St. Paul’s insured, in whose shoes it stands, has not suffered any cognizable legal damages  
13 as a matter of law either, again as this Court recently and correctly held when granting National  
14 Union’s Motion for Summary Judgment because, among other things, the insurers, including Aspen,  
15 paid their full policy limits, Aspen and National Union fully funded the insured’s defense and  
16 indemnity, and the insureds did not contribute toward settlement. The Court correctly relied on  
17 caselaw in jurisdictions that had recognized equitable subrogation yet still dismissed the subrogation  
18 claims as not viable for lack of damages for these very same reasons.

19 Consequently, as this Court previously ruled, there are no damages as the National Union  
20 summary judgment order holds here., which would be, if recognized, an essential element of the  
21 breach of contract subrogation claims. Therefore, even were this Court to recognize equitable  
22 subrogation for the first time here, the claim would still fail as a matter of law, just as it ruled when  
23 granting National Union summary judgment, because an essential element of the claim is lacking as  
24 a matter of law.

25 In addition, St. Paul’s subrogation claim for failure to accept a \$1.5 million settlement offer  
26 within an alleged \$2 million policy limit also now inherently fails as a matter of law because this  
27 Court has now determined Aspen’s policy limit is \$1 million; thus, Aspen, as a matter of law, did  
28 not fail to accept a settlement within policy limits even if subrogation could be applied here.

1 Finally, St. Paul's Estoppel 'claim' also fails as a matter of law. It is derivative of the other  
2 claims which all fail as well, and was directed at National Union, to estop National Union from  
3 arguing it was a co-excess insurer. However, National Union has been granted summary judgment,  
4 and the Court ruled St. Paul was not excess to National Union. Therefore, the claim also fails as a  
5 matter of law.

6 **II. ARGUMENT**

7 **A. The Court Recently Entered Controlling Legal Rulings.**

8 In much ado about nothing, St. Paul's Opposition takes issue with the 'law of the case'  
9 characterization of the Court's factual findings and legal rulings in the recent summary judgment  
10 orders. St. Paul's form over substance argument wholly lacks merit; the Court's factual findings  
11 and legal rulings do control and are applicable here to Aspen as much as they are to the other parties  
12 that have been granted summary judgment. The Court need not wait for an appeal to apply the  
13 legal rulings made in this case to Aspen.

14 The Court previously granted and recently entered the orders granting Aspen partial  
15 summary judgment (Exhibit A) and granting National Union summary judgment (Exhibit D). The  
16 following rulings are now controlling.

17 **1. Aspen Has A \$1 Million Policy Limit.**

18 The Court previously held that the plain language of the Aspen Policy operates to limit  
19 coverage for the Moradi action to \$1 million. *Exhibit A.* at 8:15-20.

20 **2. Court Declined To Recognize Subrogation Amongst Insurers For The First**  
21 **Time In Nevada**

22 The Court's Order granting National Union Summary Judgment concluded, in its  
23 Conclusion of Law section:

24 3. As a threshold matter, the Second Cause of Action [Subrogation –  
25 Breach of the Duty to Settle] fails as a matter of law because the Nevada Supreme  
26 Court has never recognized an equitable subrogation claim between insurers, and this  
27 Court is unwilling to do so in the first instance.  
28

1 14. ... Specifically, the Nevada Supreme Court has never recognized the  
2 viability of an equitable subrogation claim between insurers, and this Court is  
unwilling to do so in the first instance.

3 Exhibit D.

4 **3. Court Ruled Contractual Subrogation Is Not Viable.**

5 The Court's Order granting National Union Summary Judgment concluded, in its  
6 Conclusion of Law section:

7  
8 16. The Fourth Cause of Action [Subrogation – breach of insurance  
9 contract] also fails as a matter of law because Nevada courts have expressly rejected  
10 contractual subrogation claims between insurers. In the insurance context,  
11 contractual subrogation generally is not applied by an excess insurer against a  
12 primary insurer, but between an insurer and a third-party tortfeasor. *See Colony Ins.*  
13 *Co. v. Colorado Cas. Ins. Co.*, No. 2:12-cv-01727-RFB-NJK, 2016 WL 3360943 at  
14 \*6 (D. Nev. June 9, 2016). As noted by the *Colony* court, the Nevada Supreme Court  
has held that contractual subrogation in the context of insurers and insureds may  
contravene public policy and contractual subrogation may provide for windfalls in  
the insurance context. *Id.* (citing *Maxwell v. Allstate Ins. Cos.*, 102 Nev. 502, 506,  
728 P.2d 812, 815 (1986)). As such, St. Paul cannot pursue claims against National  
Union based on a contractual subrogation theory of recovery.

15 Exhibit D.

16 **4. Court Ruled Equitable Subrogation Is Not Viable.**

17 The Court's Order granting National Union Summary Judgment concluded, in its  
18 Conclusion of Law section:

19 17. The Second Cause of Action also fails as a matter of law for the  
20 separate and independent reason that Cosmopolitan has suffered no contractual  
damages.

21 18. General principles of subrogation allow an insurer to step into the  
22 shoes of its insured, but the insurer has no greater rights than the insured and is  
23 subject to all of the same defenses that can be asserted against the insured. *State Farm*  
*General Ins. Co. v. Wells Fargo Bank, N.A.*, 49 Cal. Rptr. 3d 785, 790-91 (Cal. Ct.  
App. 2006).

24 \*\*\*

25 20. A claim for breach of contract is not actionable without damage.  
26 *Nalder ex rel. Nalder v. United Auto. Ins. Co.*, No. 70504, 2019 WL 5260073, 449  
27 P.3d 1268 (Nev. 2019) (unpublished) ("It is beyond cavil that a party must suffer  
actual loss before it is entitled to damages." (quoting *Riofrio Anda v. Ralston Purina*  
*Co.*, 959 F.2d 1149, 1153 (1st Cir. 1992)); *California Capital Ins. Co. v. Scottsdale*  
*Indem. Ins. Co.*, 2018 WL 2276815, at \*4 (Cal.Ct.App. May 18, 2018) (unpublished);

1 *Bramalea California, Inc. v. Reliable Interiors, Inc.*, 14 Cal. Rptr. 3d 302, 306 (Cal.  
2 Ct. App. 2004). In the insurance context, damages for breach of an insurance policy  
3 are based on the failure to provide benefits owed under the policy. *Morris v. Paul*  
4 *Revere Life Ins. Co.*, 135 Cal. Rptr. 2d 718, 726 (Cal. Ct. App. 2003); *Avila v.*  
5 *Century Nat'l Ins. Co.*, No. 2:09-cv-00682-RCJ-GWF, 2010 WL 11579031 (D. Nev.  
6 Feb. 10, 2010). If the insured does not suffer “actual loss” from the insurer’s breach  
7 of a duty under the policy, there can be no claim for damages. *Nalder ex rel. Nalder*  
8 *v. United Auto. Ins. Co.*, No. 70504, 2019 WL 5260073, 449 P.3d 1268 (Nev. 2019)  
9 (unpublished).

10 21. Here, St. Paul alleges that National Union breached its obligations to  
11 Cosmopolitan under the National Union Excess Policy and seeks extra-contractual  
12 damages for such breach. However, it is undisputed that Cosmopolitan’s defense and  
13 indemnity in the Underlying Action were fully paid for by insurers. The damages  
14 sought by St. Paul are not contract damages suffered by Cosmopolitan due to any  
15 failure to provide policy benefits, but are instead an attempt to recoup extra-  
16 contractual damages to reimburse St. Paul for the money it was required to pay under  
17 its policy in discharge of its separate obligation to Cosmopolitan.

18 22. It is undisputed that Cosmopolitan was indemnified by National  
19 Union when it exhausted its policy limit by participating in the settlement of the  
20 Underlying Action. Cosmopolitan’s defense in the Underlying Action was funded  
21 entirely by insurers. Accordingly, Cosmopolitan suffered no contract damages as a  
22 matter of law and, as such, has no viable claim for breach of contract against National  
23 Union. As Cosmopolitan has no viable claim for breach of contract against National  
24 Union, neither does St. Paul under subrogation principles as it holds no greater rights  
25 than Cosmopolitan.

26 \*\*\*

27 24. Like the plaintiff insurer in *California Capital*, St. Paul is not a party  
28 to the National Union Excess Policy and has no direct cause of action against  
National Union for breach of contract or breach of the covenant of good faith and  
fair dealing. Both St. Paul and National Union had independent obligations to  
Cosmopolitan, and both insurers discharged those obligations by settlement of the  
Underlying Action. As such, neither insurer is in an equitably superior position as to  
the other. Further, given the cost of Cosmopolitan’s defense and the post-verdict  
settlement was fully funded by insurers in the Underlying Action, Cosmopolitan has  
no contract damages for policy benefits against National Union. Therefore,  
Cosmopolitan has no viable breach-of-contract claim for St. Paul to step into its shoes  
to pursue against National Union. Accordingly, St. Paul’s Fourth Cause of Action  
For Subrogation – Breach of The AIG Insurance Contract fails as a matter of law.

Exhibit D.

### 5. Court Ruled Plaintiff’s Estoppel Claim Are Not Viable.

The Court’s Order granting National Union Summary Judgment concluded, in its  
Conclusion of Law section:

30. In the FAC, St. Paul asserts the Seventh Cause of Action for Equitable Estoppel (“Seventh Cause of Action”), seeking to preclude National Union [and Aspen] from asserting that: (1) National Union’s policies were not primarily responsible for the defense and resolution of the Underlying Action; and (2) St. Paul, a non-defending carrier, had the same obligation to resolve the Underlying Action as Aspen and National Union. (FAC ¶ 135.)

\*\*\*

33. Because the Second, Fourth, and Eighth Causes of Action fail as a matter of law, including for reasons that are unaffected by National Union's assertions that St. Paul seeks to estop, this Seventh Cause of Action must also fail.

Exhibit D.

**B. The Court May Hear This Renewed Motion.**

St. Paul argues Aspen may not bring the instant Motion and unprofessionally accuses Aspen of purportedly misrepresenting matters. To do so, St. Paul disingenuously **ignores** (i) its own Stipulation to Stay Discovery where it stipulated the Court deferred ruling on the viability of the claims against Aspen pending the filing and determination of this very Renewed Motion (which was an Order entered by the Court), as well as St. Paul (ii) ignoring its own counsel's express discussion on record with the judge *during the National Union hearing* when the Court already **rejected** the attempts by St. Paul arguing that the ruling on the viability of the claims against Aspen was decided and finally determined by the ruling on the Aspen Countermotion, but which the Court made very clear was not the case and had not been determined.

St. Paul and Aspen signed a Stipulation to Stay Discovery and Vacate Trial that was entered by the Court on April 27, 2020 while entry of the parties' summary judgment orders were pending. *See* 4/27/2020 Notice of Entry of Stipulation and Order to Stay Discovery and Stay or Vacate Trial. The Stipulation, **signed by both parties and entered by the Court**, stipulates, agrees, and provides as follows:

Plaintiff's Partial Motion against Aspen, and Aspen's Countermotion, were scheduled for hearing and heard one week prior to the hearing on the other defendants' Motions for Summary Judgment. **At the hearing on Plaintiff's Partial Motion against Aspen, and Aspen's Countermotion against Plaintiff, the Court determined and ruled on the policy limit issue amongst them, but deferred ruling on the viability of Plaintiff's claims until it heard and ruled on the other defendants' Motions for Summary Judgment being heard on week later.**



1 One week after the hearing on the Plaintiff-Aspen Motions, the Court then  
2 granted National Union's and Marquee's Motions for Summary Judgment as to the  
3 viability of Plaintiff's claims, and **invited Aspen to submit a renewed Motion as  
to the viability of Plaintiff's claims, now that it had ruled on the other  
defendants' Motions.**<sup>1</sup>

4 \*\*\*

5 Expert deadlines are approaching though discovery has not been conducted in  
6 light of the dispositive motions. The expert deadline per the Scheduling Order was  
7 April 1, 2020. However, the Court's administrative order dated March 20, 2020 due  
to the Coronavirus COVID-19 emergency, stayed all deadlines 30 days. The new  
expert deadline is therefor currently May 1, 2020.

8 **The Court will still have to rule on the viability of the claims against Aspen**  
9 which may obviate the need for any discovery, experts, and related discovery  
10 considerations. Aspen intends to, and also stipulates hereby, to file its Renewed  
11 Motion for Summary Judgment on the viability of Plaintiff's claims within two  
weeks of the entry of both pending orders on the defendants' motions for summary  
judgment (i.e, two weeks from notice of entry of the latter order to be filed), since  
the renewed motion concerns the rulings in both orders.

12 Consequently, Plaintiff and Aspen agree to stay discovery, deadlines, and trial  
13 pending notice of entry of the Court's order on Aspen's Renewed Motion for  
14 Summary Judgment as to the viability of Plaintiff's claims. Should there be claims  
remaining after such order, Plaintiff and Aspen will submit a new proposed discovery  
15 schedule and deadlines to the Court.

16 **The parties submit there is good cause under EDCR 2.35(a) for a stay of  
deadlines because Aspen's Renewed Motion is potentially dispositive of the  
remaining claims in this action which may obviate the need for any discovery.**

17 *Id.* at 2:19-3:28.

18 St. Paul stipulated that as to when Aspen could file its Renewed Motion, that it would  
19 potentially be dispositive of all claims given the recent summary judgment rulings, and that the  
20 Court deferred ruling on the viability of the claims against Aspen until it could hear the National  
21 Union Motion. It cannot be heard to the contrary now.

22 In addition to the above Stipulation and Order, St. Paul's counsel specifically raised the  
23 issue during the National Union hearing, but which the Court rejected and made clear that it had not  
24 made dispositive rulings on the viability of the claims against Aspen yet.

---

25  
26  
27 <sup>1</sup> While the transcript record stopped recording/transcribing before the conversation with  
28 the judge about Aspen's 'me-too' Motion took place, those in the court room were aware of the  
conversation, and Plaintiff so stipulated here whether its new counsel was there or not.

1 The following transpired during the National Union hearing:

2 MR, DERETZKY [St. Paul's former counsel]: ... I didn't have  
3 the benefit of being at the hearing last week, but it's my  
4 understanding that the Court denied Aspen's motion for  
5 summary judgment on the subrogation claims that were  
6 brought against it by St. Paul.

7 THE COURT: **I just said I wasn't going to hear them.**

8 MR. DEREWETZKY: I'm sorry?

9 THE COURT: **I didn't deny them. I just said I wasn't going to**  
10 **hear them.** We -- because we -- my concern here was were,  
11 they going to be seeking a 54(b) ruling on the decision, such  
12 that we would need to certify that and that would go up. So  
13 then I felt like we shouldn't get into the whole issue of their  
14 subrogation claim. **That seemed premature to me, so I said**  
15 **I wasn't going to consider those -- that part of the motion.**

16 \*\*\*

17 MR. REEVES: **he had understood you found questions of**  
18 **fact otherwise, so this is new information to us.**

19 THE COURT: **No.** I said -- I wanted to know what was going  
20 on with the 54(b) certification on this question of limits,  
21 because it seemed like we wouldn't want to get into the all  
22 the subrogation, if we first had to take the subroga --

23 MR. REEVES: I guess he wanted to get into --

24 THE COURT: -- take the 50 --

25 MR. REEVES: -- all the subrogation, so --

26 THE COURT: Yeah, **well, I didn't, so.**

27  
28 Exhibit B, 38:1-39:25.

1 It is clear by the Court's statements and St. Paul's Stipulation and Order that Aspen's  
2 Renewed Motion is proper, and the Court may rule on it based on the new findings of fact and legal  
3 rulings in the recent summary judgment orders.

4 Despite the Transcript and clarification by the judge, St. Paul slipped into its proposed  
5 order a short phrase about there being an "issue of fact," but which does not identify any specific  
6 factual issue as precluding summary judgment. As is clear by the transcripts and Stipulation, the  
7 Court deferred ruling on the viability of Aspen's claims at the time, and may hear them here now.

8 To the extent St. Paul's deception slipped in language to the Court's Order on the prior  
9 Aspen Countermotion that was contrary to the facts, Transcript above, and rulings known to St.  
10 Paul, the Court may correct that inadvertent mistake now and should caution St. Paul from  
11 attempting to perpetuate such fraud on the Court in the future.

12 The dispositive motion deadline has not expired rendering this Motion timely. Even  
13 assuming the Aspen order was with prejudice to filing another motion, which it was not, a motion  
14 to alter or amend a judgment may be filed within 28 days of service of notice of written entry of the  
15 judgment, which Aspen's Motion may be construed as to the extent that is even necessary, rendering  
16 the instant Motion timely. NRCP 59(e). In addition, the "court may correct a clerical mistake or a  
17 mistake arising from oversight or omission *whenever one is found in a judgment*, order, or other  
18 part of the record" and "The court may do so on motion or on its own, with or without notice."  
19 NRCP 60(a) (relief from a judgment or order).

20 But, regardless of the initial ruling on Aspen's Motion, it did **not** identify any specific or  
21 particular factual issue precluding summary judgment as to the viability of the claims against Aspen,  
22 and the same is true here again. There is no specific issue of fact identified that is material to the  
23 instant Renewed Motion that would warrant denying it; rather, the controlling findings of fact and  
24 legal rulings compel summary judgment in favor of Aspen.

25 The Court did not previously rule that the claims against Aspen are viable as a matter of  
26 law nor did it rule there was any specific, identifiable disputed factual issue material to summary  
27 judgment. In fact, all indications are to the contrary. The Court may hear Aspen's Renewed Motion  
28 and should grant summary judgment to Aspen.

1           **C. Aspen Is Entitled To Summary Judgment On St. Paul's Subrogation and Estoppel**  
2           **Claims.**

3           St. Paul's Renewed Opposition is simply rehash of its prior Oppositions to Aspen's  
4 Countermotion and National Union's Motion for Summary Judgment. St. Paul discusses the history  
5 of subrogation ad nauseum, but in the end, it is merely left with disputing the legal rulings already  
6 made in this case, which is why St. Paul instead focuses on its appellate arguments as to why it  
7 believes the Court got it wrong when ruling on National Union's Motion. St. Paul did not seek  
8 reconsideration of the National Union Order or legal rulings, and the Court should rule consistently  
9 here again.

10           As a threshold matter, the Subrogation claims fail as a matter of law because the Nevada  
11 Supreme Court has never recognized an equitable subrogation claim between insurers, and this  
12 Court stated it "is unwilling to do so in the first instance" when ruling on National Union's Motion.  
13 Exhibit D, Conclusion of Law #3. It should decline here as well.

14           There can also be no breach of the duty to settle within policy limits because the Aspen  
15 limit was \$1 million and St. Paul contends the settlement offer was \$1.5 million when it  
16 unsuccessfully tried to turn insurance law on its head and convince the Court Aspen had a \$2 million  
17 limit.

18           There can be no breach of insurance contract either because, as this Court previously ruled,  
19 "Nevada courts have expressly rejected contractual subrogation claims between insurers." Exhibit  
20 D, Conclusion of Law #16. In the insurance context, contractual subrogation generally is not applied  
21 by an excess insurer against a primary insurer, but between an insurer and a third-party tortfeasor.  
22 See *Colony Ins. Co. v. Colorado Cas. Ins. Co.*, No. 2:12-cv-01727-RFB-NJK, 2016 WL 3360943 at  
23 \*6 (D. Nev. June 9, 2016). As noted by the *Colony* court, the Nevada Supreme Court has held that  
24 contractual subrogation in the context of insurers and insureds may contravene public policy and  
25 contractual subrogation may provide for windfalls in the insurance context. *Id.* (citing *Maxwell v.*  
26 *Allstate Ins. Cos.*, 102 Nev. 502, 506, 728 P.2d 812, 815 (1986)). As such, St. Paul cannot pursue  
27 claims against Aspen based on a contractual subrogation theory of recovery.

1 The subrogation claims fail for additional reasons too because, as this Court previously  
2 ruled, “as a matter of law ... Cosmopolitan has suffered no contractual damages.” Exhibit D,  
3 Conclusion of Law #17.

4 Here, the Court previously found and ruled that the settlement of the underlying action was  
5 completely funded by insurance carriers and no defendant in the underlying case contributed any  
6 money out-of-pocket towards the settlement. Exhibit D, Finding of Fact(A) #11. The combined  
7 defense of Cosmopolitan and Marquee was funded entirely by Aspen and National Union. *Id.* at  
8 #13.

9 General principles of subrogation allow an insurer to step into the shoes of its insured, but  
10 the insurer has no greater rights than the insured and is subject to all of the same defenses that can  
11 be asserted against the insured. *State Farm General Ins. Co. v. Wells Fargo Bank, N.A.*, 49 Cal.  
12 Rptr. 3d 785, 790-91 (Cal. Ct. App. 2006).

13 A breach of contract claim requires (1) the existence of a valid contract, (2) a breach by the  
14 defendant, and (3) damage as a result of the breach. *See Contreras v. American Family Mut. Ins.*  
15 *Co.*, 135 F. Supp. 3d 1208, 1224 (D. Nev. 2015) (citing *Richardson v. Jones*, 1 Nev. 405, 409  
16 (1865)).

17 A claim for breach of contract is not actionable without damage. *Nalder ex rel. Nalder v.*  
18 *United Auto. Ins. Co.*, No. 70504, 2019 WL 5260073, 449 P.3d 1268 (Nev. 2019) (unpublished) (“It  
19 is beyond cavil that a party must suffer actual loss before it is entitled to damages.” (quoting *Riofrio*  
20 *Anda v. Ralston Purina Co.*, 959 F.2d 1149, 1153 (1st Cir. 1992)); *California Capital Ins. Co. v.*  
21 *Scottsdale Indem. Ins. Co.*, 2018 WL 2276815, at \*4 (Cal.Ct.App. May 18, 2018) (unpublished);  
22 *Bramalea California, Inc. v. Reliable Interiors, Inc.*, 14 Cal. Rptr. 3d 302, 306 (Cal. Ct. App. 2004).

23 In the insurance context, damages for breach of an insurance policy are based on the failure  
24 to provide benefits owed under the policy. *Morris v. Paul Revere Life Ins. Co.*, 135 Cal. Rptr. 2d  
25 718, 726 (Cal. Ct. App. 2003); *Avila v. Century Nat’l Ins. Co.*, No. 2:09-cv-00682-RCJ-GWF, 2010  
26 WL 11579031 (D. Nev. Feb. 10, 2010). If the insured does not suffer “actual loss” from the  
27 insurer’s breach of a duty under the policy, there can be no claim for damages. *Nalder ex rel. Nalder*  
28 *v. United Auto. Ins. Co.*, No. 70504, 2019 WL 5260073, 449 P.3d 1268 (Nev. 2019) (unpublished).

1 Here, St. Paul alleges that Aspen breached its obligations to Cosmopolitan and seeks extra-  
2 contractual damages for such breach. However, as the Court previously ruled, “it is undisputed that  
3 Cosmopolitan’s defense and indemnity in the Underlying Action were fully paid for by insurers.”  
4 Exhibit D, Conclusion of Law #21. “The damages sought by St. Paul are not contract damages  
5 suffered by Cosmopolitan due to any failure to provide policy benefits, but are instead an attempt  
6 to recoup extra-contractual damages to reimburse St. Paul for the money it was required to pay under  
7 its policy in discharge of its separate obligation to Cosmopolitan.” *Id.*

8 It is undisputed that Cosmopolitan was indemnified by Aspen when it exhausted its policy  
9 limit by participating in the settlement of the Underlying Action (as this Court determined the limit  
10 in the prior motion). “Cosmopolitan’s defense in the Underlying Action was funded entirely by  
11 insurers.” *Id.* at #22. “Accordingly, Cosmopolitan suffered no contract damages as a matter of  
12 law and, as such, has no viable claim for breach of contract.” *Id.* As Cosmopolitan has no viable  
13 claim for breach of contract ... neither does St. Paul under subrogation principles as it holds no  
14 greater rights than Cosmopolitan.” *Id.*

15 As this Court held, the facts of this case are similar to *California Capital*, in which an  
16 insurer sued another insurer to recover amounts it paid in settlement (and defense) of its named  
17 insureds in an underlying bodily injury action. Like St. Paul, California Capital asserted causes of  
18 action against a co-carrier for breach of contract and breach of the covenant of good faith and fair  
19 dealing, among others, alleging its named insureds were additional insureds under the defendant  
20 insurer’s policy and that its named insureds had expressly assigned all of their rights under the  
21 defendant insurer’s policy to California Capital. 2018 WL 2276815, at \*2-4. California Capital  
22 alleged the defendant insurer breached its policy by refusing to provide the additional insureds the  
23 benefits due under the policy and also alleged defendant insurer breached its obligations of good  
24 faith by failing to defend and indemnify the insureds when it knew they were entitled to overage  
25 under the policy, withholding payments under the policy when defendant insurer knew plaintiff’s  
26 claim was valid, failing to properly investigate the insureds’ request for policy benefits, and failing  
27 to provide a reasonable explanation of the factual basis for denial of the insureds’ claim for benefits  
28 under the policy. *Id.* at \*4.

1           The trial court held that California Capital had no cause of action for breach of contract or  
2 breach of the covenant of good faith and fair dealing because the insureds had sustained no damage  
3 as a result of defendant insurer's alleged failure to defend and indemnify them or its failure to settle  
4 the claim within its policy limit. *Id.* Given the insureds' defense and post-judgment settlement had  
5 been fully paid by California Capital, the trial court found the essential element of contract damages  
6 was absent from the breach of contract cause of action such that the insureds had no viable claims  
7 to assign to California Capital. *Id.* The trial court further found that California Capital had no direct  
8 cause of action against the defendant insurer because it was not a party to defendant insurer's policy.  
9 *Id.* at \*6. The trial court in California Capital found that both insurers provided primary coverage  
10 for the loss. *Id.* at \*8. The Court of Appeal affirmed the foregoing findings by the trial court and  
11 held that California Capital could not pursue assigned claims for breach of contract or breach of the  
12 covenant of good faith and fair dealing against the defendant insurer. *Id.* at \*1, \*30.

13           Like the plaintiff insurer in California Capital, St. Paul is not a party to the Aspen policy  
14 and has no direct cause of action against Aspen for breach of contract or breach of the covenant of  
15 good faith and fair dealing. Both St. Paul and Aspen had independent obligations to Cosmopolitan,  
16 "and both insurers discharged those obligations by settlement of the Underlying Action ... As such,  
17 neither insurer is in an equitably superior position as to the other." Exhibit D, Conclusion of Law  
18 #24. Further, given the cost of Cosmopolitan's defense and the post-verdict settlement was fully  
19 funded by insurers in the Underlying Action, Cosmopolitan has no contract damages for policy  
20 benefits against Aspen. Therefore, Cosmopolitan has no viable breach-of-contract claim for St. Paul  
21 to step into its shoes to pursue against Aspen, just as it could not against National Union.  
22 Accordingly, St. Paul's claims for Subrogation fail as a matter of law.

23           Finally, St. Paul's Equitable Estoppel claims also fails as a matter of law. St. Paul asserts  
24 the Cause of Action for Equitable Estoppel seeking to preclude National Union and Aspen from  
25 asserting that: (1) National Union's policies were not primarily responsible for the defense and  
26 resolution of the Underlying Action; and (2) St. Paul, a non-defending carrier, had the same  
27 obligation to resolve the Underlying Action as National Union. The claim is thus truly asserted  
28 against National Union's positions, who is no longer a party to the action.

1 Typically, equitable estoppel is raised as an affirmative defense. However, under Nevada  
2 Law, equitable estoppel can be treated as an affirmative claim under the appropriate circumstances.  
3 To establish equitable estoppel, the plaintiff must prove the following: (1) the party to be estopped  
4 must be apprised of the true facts; (2) he must intend that his conduct shall be acted upon, or must  
5 so act that the party asserting estoppel has the right to believe it was so intended; (3) the party  
6 asserting the estoppel must be ignorant of the true state of facts; and (4) he must have relied to his  
7 detriment on the conduct of the party to be estopped. *See Chequer, Inc. v. Painters & Decorators*  
8 *Joint Comm., Inc.*, 98 Nev. 609, 614, 655 P.2d 996, 999 (1982); *In re Harrison Living Trust*, 121  
9 Nev. 217, 223, 112 P.3d 1058, 1061-1062 (2005).

10 Because St. Paul's other claims fail as a matter of law, including for reasons that are  
11 unaffected by National Union's assertions that St. Paul seeks to estop, this cause of action must also  
12 fail.

#### 13 **IV. CONCLUSION**

14 For the foregoing reasons and arguments, Aspen is entitled to summary judgment on St.  
15 Paul's claims including on, but not limited to, the following grounds:

- 16 1. Nevada has not recognized the subrogation claims in the context here, previously declined  
17 do so on National Union's Motion for Summary Judgment, and this Court should decline to  
18 do so as well here and rule consistent with its Order granting National Union's Motion for  
19 Summary Judgment;
- 20 2. St. Paul's subrogation claims fail as a matter of law because St. Paul is not a party to the  
21 Aspen contract;
- 22 3. St. Paul's subrogation claims further fail as a matter of law because, as this Court ruled when  
23 granting National Union summary judgment, St. Paul's insured has not suffered damages  
24 (an essential element of subrogation in other jurisdictions where the claims have been  
25 recognized in certain circumstances) since the insurers here fully paid for the defense and  
26 settlement of the insured in the underlying action, and the Court should rule consistent with  
27 its Order granting National Union's Motion for Summary Judgment;



- 1 4. St. Paul's subrogation claims fail because, contrary to Plaintiff's contention, Aspen did not  
2 fail to accept a \$1.5 million settlement offer within policy limits as alleged by Plaintiff  
3 because, as a matter of law, this Court has already ruled, the Aspen Policy Limit is \$1 million  
4 policy limit and therefore the alleged settlement offer was in excess of the Aspen limit;
- 5 5. St. Paul's subrogation claims fail because Aspen exhausted policy limits;
- 6 6. Equity does not require recognizing St. Paul's claims here for the first time in Nevada, St.  
7 Paul is not in an equitably superior position, and this Court may exercise its discretion and  
8 decline to recognize the claims in equity as a result;
- 9 7. St. Paul's Estoppel claim fails as a matter of law because it is not directed against Aspen but  
10 against National Union, National Union obtained summary judgment on the Estoppel claim  
11 and is no longer a party, and, the Court has determined National Union is an excess insurer  
12 in a different tower of coverage than St. Paul and St. Paul is not excess to National Union,  
13 so the estoppel claim to estop National Union and others from arguing St. Paul is excess to  
14 National Union thus fails as a matter of law given the Court's rulings.

15 This Court should therefore grant Aspen's Renewed Motion for Summary Judgment in  
16 full, granting in favor of all claims against Aspen.

17 DATED this 31st day of July, 2020

18 **MESSNER REEVES LLP**

19  
20 /s/ Ryan A. Loosvelt  
MICHAEL M. EDWARDS  
Nevada Bar No. 6281  
21 RYAN A. LOOSVELT  
Nevada Bar No. 8550  
22 NICHOLAS L. HAMILTON  
Nevada Bar No. 10893  
23 8945 W. Russell Road, Suite 300  
Las Vegas, Nevada 89148  
24 Telephone: (702) 363-5100  
25 Facsimile: (702) 363-5101  
26 *Attorneys for Defendant Aspen Specialty*  
*Insurance Company*  
27  
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1 **PROOF OF SERVICE**

2 *St. Paul Fire & Marine Insurance Company v. Aspen Specialty Insurance Company*  
3 Case No.: A-17-758902-C

4 The undersigned does hereby declare that I am over the age of eighteen (18) years and not a  
5 party to the within entitled action. I am employed by Messner Reeves LLP, 8945 W. Russell Road,  
6 Suite 300, Las Vegas, Nevada 89148. I am readily familiar with Messner Reeves LLP's practice for  
7 collection and processing of documents for delivery by way of the service indicated below.

8 On this 31<sup>st</sup> day of July, 2020, I served the following document(s):

9 **DEFENDANT ASPEN SPECIALITY INSURANCE COMPANY'S REPLY TO**  
10 **PLAINTIFF'S OPPOSITION TO DEFENDANT ASPEN SPECIALITY INSURANCE**  
11 **COMPANY'S RENEWED MOTION FOR SUMMARY JUDGMENT**

12 on the interested party(ies) in this action as follows:

13 Michael K. Wall  
14 HUTCHINSON & STEFFIN  
15 10080 West Alta Drive, Suite 200  
16 Las Vegas, NV 89145  
17 T: (702) 385-2500  
18 [mwall@hutchlegal.com](mailto:mwall@hutchlegal.com)  
19 *Attorneys for Plaintiff, St. Paul Fire &*  
20 *Marine Insurance Company*

21 **By Electronic Service.** Pursuant to Administrative Order 14-2 and Rule 9 of the NEFCR, I  
22 caused said documents(s) to be transmitted to the person(s) identified in the E-Service List for this  
23 captioned case in Odyssey E-File & Serve of the Eighth Judicial District Court, County of Clark,  
24 States of Nevada. A service transmission report reported service as complete and a copy of the  
25 service transmission report will be maintained with the document(s) in this office.

26 I declare under penalty of perjury under the laws of the States of Nevada that the foregoing  
27 is true and correct.

28 /s/ Desja Wilder

An employee of Messner Reeves LLP

AA003403

**CERTIFICATE OF SERVICE**

Pursuant to NRCP 5(b), I certify that I am an employee of HUTCHISON & STEFFEN, PLLC and that on this 12<sup>th</sup> day of October, 2020, I caused the above and foregoing document entitled **NOTICE OF ENTRY OF ORDER DENYING DEFENDANT ASPEN SPECIALTY INSURANCE COMPANY'S RENEWED MOTION FOR SUMMARY JUDGMENT** to be served as follows:

- ☐ by placing same to be deposited for mailing in the United States Mail, in a sealed envelope upon which first class postage was prepaid in Las Vegas, Nevada; and/or
- ☐ to be sent **via facsimile**; and/or
- ☒ to be electronically served through the Eighth Judicial District Court's electronic filing system, with the date and time of the electronic service substituted for the date and place of deposit in the mail; and/or
- ☐ to be hand-delivered;

to the attorney(s) listed below at the address and/or facsimile number indicated below:

Michael M. Edwards, Esq. (6281)  
 Nicholas L. Hamilton, Esq. (10893)  
 MESSNER REEVES LLP  
 8945 W. Russell Road, Suite 300  
 Las Vegas, NV 89148  
[medwards@messner.com](mailto:medwards@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
[efile@messner.com](mailto:efile@messner.com)  
 T: 702-363-5100  
 F: 702-363-5101

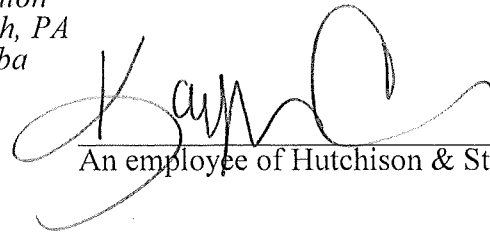
Andrew D. Herold, Esq. (7378)  
 Nicholas B. Salerno, Esq. (6118)  
 HEROLD & SAGER  
 3960 Howard Hughes Parkway, Suite 500  
 Las Vegas, NV 89169  
[aherold@heroldsagerlaw.com](mailto:aherold@heroldsagerlaw.com)  
[nsalerno@heroldsagerlaw.com](mailto:nsalerno@heroldsagerlaw.com)  
 T: 702-990-3624  
 F: 702-990-3835

*Attorneys for Defendant Aspen Specialty Company*

*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*

Jennifer L. Keller, Esq. (Pro Hac Vice)  
 Jeremy Stamelman, Esq. (Pro Hac Vice)  
 KELLER/ANDERLE LLP  
 18300 Von Karman Ave., Suite 930  
 Irvine CA 92612  
[jkeller@kelleranderle.com](mailto:jkeller@kelleranderle.com)  
[jstamelman@kellweanderle.com](mailto:jstamelman@kellweanderle.com)  
 T: 949-476-8700  
 F: 949-476-0900

*Attorneys for Defendants National Union Fire Insurance Company of Pittsburgh, PA and Roof Deck Entertainment, LLC dba Marquee Nightclub*



An employee of Hutchison & Steffen, PLLC

*Heather S. Sturman*  
CLERK OF THE COURT

**ORDER**

Michael K. Wall (2098)  
HUTCHISON & STEFFEN, PLLC  
10080 West Alta Drive, Suite 200  
Las Vegas, Nevada 89145  
Tel. (702) 385-2500  
[mwall@hutchlegal.com](mailto:mwall@hutchlegal.com)

*Attorneys for Plaintiff  
St. Paul Fire & Marine Ins. Co.*

**DISTRICT COURT**

**CLARK COUNTY, NEVADA**

ST. PAUL FIRE & MARINE INSURANCE  
COMPANY,

Plaintiff,

v.

ASPEN SPECIALTY INSURANCE  
COMPANY; NATIONAL UNION FIRE  
INSURANCE COMPANY OF PITTSBURGH  
PA.; ROOF DECK ENTERTAINMENT, LLC  
d/b/a MARQUEE NIGHTCLUB; and DOES 1  
through 25, inclusive,

Defendants.

Case No.: A-17-758902-C  
Dept. No.: XXVI

**ORDER DENYING DEFENDANT  
ASPEN SPECIALTY INSURANCE  
COMPANY'S RENEWED MOTION  
FOR SUMMARY JUDGMENT**

Defendant Aspen Specialty Insurance Company's ("Aspen") Renewed Motion for Summary Judgment came on for hearing on August 4, 2020, before the Honorable District Court Judge Gloria Sturman in Department XXVI of the Eighth Judicial District Court, Clark County, Nevada. The hearing was conducted remotely over Zoom.

Attorney Ryan A. Loosvelt of Messner Reeves, LLP, appeared on behalf of the Aspen. Appellant Michael K. Wall of Hutchison & Steffen, PLLC, appeared on behalf of plaintiff St. Paul Fire & Marine Insurance Company ("St. Paul"). Attorney Samuel J. Morris of Herold & Sager appeared on behalf of defendants National Union Fire Insurance Company of Pittsburgh PA ("National Union"), and Roof Deck Entertainment, LLC, d.b.a. Marquee Nightclub ("Marquee").<sup>1</sup>

<sup>1</sup>Final judgments have previously been entered in favor of National Union Marquee. Those

**HUTCHISON & STEFFEN**

A PROFESSIONAL LLC  
10080 WEST ALTA DRIVE, SUITE 200  
LAS VEGAS, NV 89145

1 The Court, having reviewed the papers and exhibits submitted by the parties, rules as  
2 follows:

### 3 PROCEDURAL POSTURE

4 1. St. Paul previously moved for summary judgment, and Aspen filed a  
5 countermotion for summary judgment.

6 2. In an order dated May 14, 2020, the Court denied St. Paul's motion for summary  
7 judgment.

8 3. With respect to Aspen's countermotion, the Court ruled: "Regarding Aspen's  
9 Countermotion to the extent it seeks a ruling on the viability of  
10 Plaintiff's claims and/or whether they fail as a matter of law, the Court views these other issues  
11 as questions of fact."

12 4. Therefore, the Court granted and denied Aspen's countermotion for summary  
13 judgment as follows: "Aspen's Countermotion for Summary Judgment is GRANTED IN  
14 PART in that the Court concludes the Aspen Policy's policy limit for the *Moradi* Action is a \$1  
15 million policy limit. Aspen's Countermotion on other issues presented is denied."

16 5. Thereafter, the Court granted summary judgment in favor of National Union and  
17 Marquee, and certified those judgments as final and appealable pursuant to NRCP 54(b).

18 6. Believing that its motion for summary judgment on the issue of the viability of  
19 St. Paul's claims had been deferred, rather than denied, and believing the summary judgment in  
20 favor of National Union mandates summary judgment in favor of Aspen, Aspen filed a  
21 "Renewed Motion for Summary Judgment," on June 11, 2020.

### 22 FINDINGS OF FACT

23 1. This action relates to a post-judgment settlement by St. Paul, National  
24 Union, Zurich Insurance (non-party), and Aspen following a jury trial in the personal  
25 injury case of *Moradi v. Nevada Property 1, LLC dba The Cosmopolitan, et al., District*  
26 *Court Clark County, Nevada*, Case No. A-14-698824-C ("Moradi Action").

27  
28 judgments are presently on appeal to the Nevada Supreme Court.

1           2.       Moradi sued the Cosmopolitan and Marquee for personal injuries.

2           3.       Zurich was the primary insurer of the Cosmopolitan. St. Paul was the  
3 excess insurer of the Cosmopolitan. Aspen was the primary insurer of Marquee. The  
4 Cosmopolitan was also an insured under the Aspen primary policy. National Union was  
5 the excess insurer for Marquee; the Cosmopolitan was also an insured under the  
6 National Union policy.

7           4.       Aspen, as the primary insurer, provided a joint defense for both the  
8 Cosmopolitan and Marquee. National Union, as excess carrier, appointed separate  
9 counsel to jointly represent both the Cosmopolitan and Marquee.

10          5.       *Moradi* resulted in a substantial verdict. St. Paul, National Union, Zurich  
11 and Aspen all contributed to a global settlement of Moradi's claims in a confidential  
12 amount.

13          6.       St. Paul, alleging that it paid more than its equitable share of the  
14 settlement, seeks to recover money it paid toward the settlement from National Union  
15 and Aspen on theories of subrogation—breach of duty to settle; subrogation—breach of  
16 insurance contract; and equitable estoppel.<sup>2</sup>

17          7.       On May 14, 2020, the Court granted summary judgment in favor of  
18 National Union, concluding, among other things, that “the Nevada Supreme Court has  
19 never recognized an equitable subrogation claim between insurers, and this Court is  
20 unwilling to do so in the first instance.”

21          8.       In support of this conclusion, this Court stated: “St. Paul issued an  
22 umbrella policy to Cosmopolitan while National Union issued an umbrella policy to  
23 Marquee. Thus, St. Paul's and National Union's respective umbrella policies remain in  
24 separate towers of coverage and, as such, St. Paul and National Union are co-excess  
25 insurers that provided coverage to Cosmopolitan at equal levels of coverage under two  
26 separate and distinct coverage towers.”

27  
28                   <sup>2</sup>The other causes of action against other defendants are not relevant here.





Union was between two excess carriers. That ruling does not apply here.

6. The Court finds that there are issues of fact as to whether Aspen is guilty of negligence in its handling of the case. Even with the policy limit of only \$1 Million, and assuming there was no opportunity to settle within that limit, does that mean that Aspen should have refused to pay, or does it mean that Aspen should have gotten St. Paul and the other carriers involved sooner because there was not enough insurance and the risks of trial were great? There are questions of fact as to whether Aspen did not properly settle when it should have.

7. Summary Judgment is not appropriate not only because there are questions of fact, but as a matter of law, the legal principles that affect the claims as between Aspen and St. Paul are not the same as those that affect the legal issues between National Union and St. Paul.

### ORDER

Based on the foregoing, Aspen's renewed motion for summary judgment is denied.

IT IS SO ORDERED this \_\_\_\_\_ day of this 9th day of October, 2020.



0DA 225 E159 A89B  
Gloria Sturman  
District Court Judge

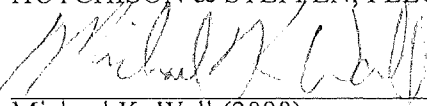
Respectfully submitted by:

Approved as to Form and Content:

HUTCHISON & STEFFEN, PLLC

MESSNER REEVES LLP

DID NOT SIGN

  
Michael K. Wall (2098)  
10080 W. Alta Drive, Suite 200  
Las Vegas, NV 89145  
mwall@hutchlegal.com

Michael M. Edwards, Esq. (6281)  
Nicholas L. Hamilton, Esq. (10893)  
8945 W. Russell Road, Suite 300  
Las Vegas, NV 89148  
[medwards@messner.com](mailto:medwards@messner.com)  
[nhamilton@messner.com](mailto:nhamilton@messner.com)  
[efile@messner.com](mailto:efile@messner.com)

Attorney for Plaintiff

Attorneys for Defendant Aspen Specialty  
Company





PECCOLE PROFESSIONAL PARK  
10080 WEST ALTA DRIVE, SUITE 200  
LAS VEGAS, NEVADA 89145  
702.385.2500  
FAX 702.385.2086  
HUTCHLEGAL.COM

MICHAEL K. WALL  
PARTNER  
MWALL@HUTCHLEGAL.COM

OUR FILE NO.: 8709-002

September 14, 2020

Via e-mail: dept26inbox@clarkcountycourts.us

Marwanda Knight  
Judicial Executive Assistant to the Honorable Kathleen Delaney  
Regional Justice Center, Dept. 26  
200 Lewis Avenue,  
Las Vegas, NV 89155

Re: St. Paul Fire & Marine Insurance Company v. Aspen Specialty Insurance  
Company, et. al.  
Case No. A-17-758902-C

Dear Ms. Knight:

Enclosed please find St. Paul Fire & Marine Insurance Company's proposed order from the August 4, 2020 hearing. Despite attempts to prepare a countersigned order, we were unable to obtain a countersignature.

The undersigned sent the order to opposing counsel on August 19, 2020. Despite e-mails from opposing counsel indicating the undersigned would have their proposed changes, our office has not heard anything. We have attached the relevant correspondence. Having reviewed the court minutes, we believe the attached proposed order complies with this court's orders and so submit it without the signature of opposing counsel.

Sincere regards,

HUTCHISON & STEFFEN, LLC

Michael K. Wall  
*For the Firm*

MKW/kc  
Enclosures

AA003411



## Kaylee Conradi

---

**From:** Ryan A. Loosvelt <RLoosvelt@messner.com>  
**Sent:** Tuesday, September 08, 2020 9:04 AM  
**To:** Michael K. Wall; Kaylee Conradi  
**Cc:** Desja Wilder; Michael Edwards  
**Subject:** RE: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344

Michael, just wanted to let you know we will have approved comments over in the next day or two.

Regards,

Ryan A. Loosvelt  
*Partner*

Messner Reeves LLP  
8945 W. Russell Road | Suite 300  
Las Vegas, NV 89148  
702.363.5100 *main* | 702.363.5101 *fax*  
[rloosvelt@messner.com](mailto:rloosvelt@messner.com)  
[messner.com](http://messner.com)

**From:** Michael K. Wall <MWall@hutchlegal.com>  
**Sent:** Thursday, August 27, 2020 1:58 PM  
**To:** Michael Edwards <medwards@messner.com>; Kaylee Conradi <kconradi@hutchlegal.com>  
**Cc:** Ryan A. Loosvelt <RLoosvelt@messner.com>  
**Subject:** RE: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344

Will do. Sorry about any oversight.

**From:** Michael Edwards [<mailto:medwards@messner.com>]  
**Sent:** Thursday, August 27, 2020 10:48 AM  
**To:** Kaylee Conradi <[kconradi@hutchlegal.com](mailto:kconradi@hutchlegal.com)>  
**Cc:** Michael K. Wall <[MWall@hutchlegal.com](mailto:MWall@hutchlegal.com)>; Ryan A. Loosvelt <[RLoosvelt@messner.com](mailto:RLoosvelt@messner.com)>  
**Subject:** RE: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344  
**Importance:** High

Please hold off on this until next week. Your prior email did not come through to me and I see you neglected to include Ryan Loosvelt, the attorney that argued this motion, from your email thought he is included on other emails from your office. While I'm sure this is simply an oversight, please correct this error and we will provide our comment and edits to this order shortly.

Michael M. Edwards  
*Partner*

Messner Reeves LLP  
8945 W. Russell Road | Suite 300  
Las Vegas, NV 89148

One East Liberty Street | Suite 600  
Reno, NV 89501

11620 Wilshire Boulevard | Suite 500  
Los Angeles CA 90025

702.363.5100 *main* | 702.363.5101 *fax*  
702 210 0718 *mobile*  
[medwards@messner.com](mailto:medwards@messner.com)  
[messner.com](http://messner.com)

**From:** Kaylee Conradi <[kconradi@hutchlegal.com](mailto:kconradi@hutchlegal.com)>  
**Sent:** Wednesday, August 26, 2020 11:20 AM  
**To:** Michael Edwards <[medwards@messner.com](mailto:medwards@messner.com)>  
**Cc:** Michael K. Wall <[MWall@hutchlegal.com](mailto:MWall@hutchlegal.com)>  
**Subject:** FW: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344

Good morning Mr. Edwards,

I am following-up on the below and attached. Please note that our office intends to submit the attached order tomorrow (8/27).

Thank you,  
Kaylee

**From:** Michael K. Wall  
**Sent:** Wednesday, August 19, 2020 8:31 AM  
**To:** Michael Edwards <[medwards@messner.com](mailto:medwards@messner.com)>  
**Subject:** RE: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344

Mr. Edwards,

Please find attached (in several formats so you will be sure to be able to open it) a proposed order on the renewed motion for summary judgment. If you approve, please sign and return an original, or let me know whether I can attach you e-signature. If you would like to propose changes, I look forward to your input.

**From:** Michael Edwards [<mailto:medwards@messner.com>]  
**Sent:** Tuesday, August 18, 2020 8:38 AM  
**To:** [lw1@sbcglobal.net](mailto:lw1@sbcglobal.net); Nicholas Salerno <[nsalerno@heroldsagerlaw.com](mailto:nsalerno@heroldsagerlaw.com)>; Kaylee Conradi <[kconradi@hutchlegal.com](mailto:kconradi@hutchlegal.com)>  
**Cc:** Michael K. Wall <[MWall@hutchlegal.com](mailto:MWall@hutchlegal.com)>; Jennifer Keller <[jkeller@kelleranderle.com](mailto:jkeller@kelleranderle.com)>; Laurle Moreno <[LMoreno@messner.com](mailto:LMoreno@messner.com)>; Ryan A. Loosvelt <[RLoosvelt@messner.com](mailto:RLoosvelt@messner.com)>; Desja Wilder <[DWilder@messner.com](mailto:DWilder@messner.com)>; Andy Herold <[aherold@heroldsagerlaw.com](mailto:aherold@heroldsagerlaw.com)>; Jeremy Stamelman <[jstamelman@kelleranderle.com](mailto:jstamelman@kelleranderle.com)>; Smith, Abraham <[asmith@lrrc.com](mailto:asmith@lrrc.com)>; Daniel F. Polsenberg <[dpolsenberg@lrrc.com](mailto:dpolsenberg@lrrc.com)>; Michael Edwards <[medwards@messner.com](mailto:medwards@messner.com)>  
**Subject:** RE: St. Paul Fire & Marine v. Aspen Ins., et. al Supreme Ct. Appeal No. 81344

Aspen is agreeable to October 1, starting at 9:00 a.m.

Michael M. Edwards  
*Partner*

Messner Reeves LLP  
8945 W. Russell Road | Suite 300  
Las Vegas, NV 89148

One East Liberty Street | Suite 600

1 **CSERV**

2  
3 DISTRICT COURT  
CLARK COUNTY, NEVADA

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5  
6 St. Paul Fire & Marine Insurance  
Company, Plaintiff(s)

CASE NO: A-17-758902-C

7 vs.

DEPT. NO. Department 26

8  
9 Aspen Specialty Insurance  
Company, Defendant(s)

10  
11 **AUTOMATED CERTIFICATE OF SERVICE**

12  
13 This automated certificate of service was generated by the Eighth Judicial District  
14 Court. The foregoing Order was served via the court's electronic eFile system to all  
recipients registered for e-Service on the above entitled case as listed below:

15 Service Date: 10/9/2020

16 Eileen Monarez emonarez@heroldsagerlaw.com

17 Suzanne Burke sburke@heroldsagerlaw.com

18 Nicholas Salerno nsalerno@heroldsagerlaw.com

19 Andrew Herold aherold@heroldsagerlaw.com

20 Michael Edwards medwards@messner.com

21 Nicholas Hamilton nhamilton@messner.com

22 Michael Wall mwall@hutchlegal.com

23 Messner Reeves efile@messner.com

24 Kathy Harrison kharrison@heroldsagerlaw.com

25 Eileen Monarez emonarez@heroldsagerlaw.com



1	Ramiro Morales	rmorales@mfrlegal.com
2	Marc Derewetzky	mdewetzky@mfrlegal.com
3	Jennifer Keller	jkeller@kelleranderle.com
4	Ryan Loosvelt	RLoosvelt@messner.com
5	Jeremy Stamelman	jstamelman@kelleranderle.com
6	Laurie Moreno	lmoreno@messner.com
7	Kaylee Conradi	kconradi@hutchlegal.com
8	Desja Wilder	dwilder@messner.com
9		
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