HISCOX

Effective with UNDERWRITERS AT LLOYD'S, LONDON
By Hiscox, Inc., 520 Madison Ave, New York, NY 10022

EXCESS PHYSICAL DAMAGE FORM

1. INSURING CLAUSE

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Underwriters agree to indemnify the Insured named in the Declarations herein in respect of Direct Physical loss or damage to the property described in Item 14 of the Declarations, while located or contained as described in the Declarations, occurring during the period stated in the Declarations and caused by any of such perils as are set forth in Item 13 of the Declarations and which are also covered by and defined in the Policy/ies specified in the Declarations and issued by the "Primary Insurers" stated therein.

2. APPLICATION OF UNDERLYING PROVISIONS

In respect of the perils hereby insured against this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the amount and Limits of Liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any, AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added to the Policy/ies of the Primary Insurers prior to the happening of a loss for which claim is made hereunder and should any alteration be made in the premium for the Policy/ies of the Primary Insurers, then the premium hereon may be adjusted accordingly.

3. LIMIT

Provided always that liability attaches to the Underwriters only after the Primary and Underlying Excess Insurers have paid or have admitted liability for the full amount of their respective ultimate net loss liability and then the Limits of the Underwriters' Liability shall be those set forth in Item 4 of the Declarations and the Underwriters shall be liable to pay the ultimate net loss up to the full amount of such Excess Limit(s).

4. MAINTENANCE OF PRIMARY AND UNDERLYING EXCESS POLICY/IES AND LIMITS

It is a condition precedent to recovery under this Policy that the Policy/ies and Limit(s) of the Primary and Underlying Excess Insurers shall be maintained in full force and effect, except for any reduction or exhaustion of any underlying aggregate Limits of Liability contained therein, solely by the amount of loss(es) paid or admitted during the policy year. Only losses which, except for the amount thereof, would have been payable under this Policy may contribute to the satisfaction, reduction or exhaustion of underlying amounts and/or deductibles.

In the event of such reduction of the aggregate Limits of Liability of the Primary and Underlying Excess Insurances this Policy shall pay excess over the reduced aggregate limit. In the event of exhaustion of the aggregate Limits of Liability of the Primary and Underlying Excess Insurances this Policy, subject to all its provisions, shall continue in force as Primary Insurance in respect of the peril for which the aggregate Limit of Liability has been so exhausted and the deductible or self-insured amount applicable to that peril shall apply to this Policy.

5. UNCOLLECTIBILITY OF OTHER INSURANCE

Notwithstanding any of the terms of this Policy that might be construed otherwise, the insurance provided by this Policy shall always be excess over the maximum monetary limits set forth in the Primary (reduced only by reduction of any underlying aggregate limits as provided for in Clause 4 herein) regardless of the uncollectibility (in whole or in part) of any underlying insured amounts for any reason, including, but not limited to, the financial impairment or insolvency of an underlying Insurer.

The risk of uncollectibility (in whole or in part) of other insurance, whether because of financial impairment or insolvency of an underlying or other insurer or for any other reason, is expressly retained by the Insured and is not in any way or under any circumstances insured or assumed by Underwriters.

6. DEFINITIONS

(a) **Loss:** The word "loss" shall mean a loss or series of losses arising out of one event.

(b) **Ultimate Net Loss:** The words "ultimate net loss" shall mean the loss sustained by the Insured as a result of the happening of the perils insured against by this Policy, limited by

(i) any sub-limits contained within this Policy or the Policy/ies of the Primary and/or Underlying Excess Insurers, and

(ii) making deductions for all salvages, recoveries and other insurances (other than recoveries under the Policy/ies of the Primary and Underlying Excess Insurers).

(c) **Policy Year:** The words "policy year" shall be understood to mean a period of one calendar year commencing each year on the day and hour first named in Item 3 of the Declarations.

7. APPLICATION OF RECOVERIES

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Underwriters, provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insured's ultimate net loss has been finally ascertained.

8. CANCELLATION

This Insurance may be cancelled by the Insured at any time by written notice or by surrender of this Policy. This Insurance may also be cancelled by or on behalf of the Underwriters by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown in this Insurance, written notice stating when, not less than 90 (ninety) days thereafter, except 10 (ten) days for non-payment of premium, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Insured, the Underwriters shall retain the customary short rate proportion of the premium hereon, except that if this Insurance is on an adjustable basis, the Underwriters shall receive the earned premium hereon, or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Underwriters, the Underwriters shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Underwriters shall receive the earned premium hereon, or the pro rata proportion of any minimum premium stipulated herein, whichever is the greater.

Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

9. NOTIFICATION OF CLAIMS

The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written advice thereof to the person(s) or firm named for the purpose in the attached Claim Reporting Procedures notice.

SUPPLEMENTAL DECLARATION

1. Identification of Primary and Underlying Insurers:

    a) Primary Insurers: Lexington Insurance Company

2. Identification policy and limits in respect of 1. (a) and (b) above:

    Policy Number(s) in respect of:

    1.(a) Primary Insurers: 017728109

    Limit in respect of:

    1.(a) Primary Insurers: $750,000,000

HISCOX

DECLARATIONS

Effective with UNDERWRITERS AT LLOYD'S, LONDON

Hiscox Inc. 520 Madison Avenue 32nd floor, New York, NY 10022
(914) 273-7400

Policy Number: URS2538351.15

In accordance with the authorization granted to Hiscox Inc. under Contract No. B1234INCS362415 by certain Underwriters at Lloyd's, London, whose names and the proportions underwritten by them can be ascertained by reference to the said Contract, which bears the Seal of Lloyd's Policy Signing Office and is on file at the office of the said Agency and in consideration of the premium specified herein, the said Underwriters do hereby bind themselves, each for his own part and not one for another, their heirs, executors and administrators, to insure as follows in accordance with the terms and conditions contained or endorsed hereon.

Broker No.:	US 0001663	RT Specialty, LLC (Philadelphia)
Policy No.:	URS2538351.15	1650 Market Street, 36th Floor Philadelphia, Pennsylvania 19103
Renewal of:	New	

COMMERCIAL PROPERTY

1.	Named insured:	State Of Tennessee, Treasury Department
2.	Address:	502 Deaderick St Fl 9 Nashville, Tennessee 37243
3.	Issuing Company:	Hiscox Inc. on behalf of certain Underwriters at Lloyd's of London who are rated A by A.M. Best Financial Size Category is XV.
4.	Limit of Liability:	Our participation in this insurance is 20.00% of the limit of Liability being $ 5,000,000 part of $ 25,000,000 and attaches only in excess of $ 25,000,000 each occurrence for all perils, coverages, and locations combined. We will only insure that proportion of any loss, whether total or partial, excluding but not limited to that portion of associated expenses, if any, to the extent and in the manner provided in this insurance. Sub-limits of liability indicated in the Supplemental Declarations or elsewhere in this policy are part of and not in addition to the aforementioned Limit of Liability and are on a per occurrence basis unless otherwise specified.
5.	Notice of Claim to:	Property.firstparty@hiscox.com
6.	Policy period:	Inception date: 07/01/2015 Expiration date: 07/01/2016 beginning and ending at 12:01 a.m. standard time at the location of the property involved.
7.	Premium:	$ 50,000.00 Layer Share.
8.	Minimum Earned Premium:	25.0 %
9.	Processed Date:	06/05/2015
10.	Cancellation:	Except for non-payment of premium, the Cancellation provision of the policy form is amended to allow 90 days for notifying you of our cancellation of the Policy.
11.	Policy Territory:	This Policy insures worldwide, except in any specific country where the Government of the United States of America and its agencies prohibits people or companies from doing business.
12.	Total Insured Value:	$ 3,478,540,400
13.	Perils Insured:	All Physical loss or damage due to the Peril Earthquake excluding Terrorism
14.	Property and Interest Insured:	Real Property, Personal Property and Rental Income
15.	Security:	This insurance is underwritten by Syndicate 3624 at Lloyd's of London.

HISCOX

DECLARATIONS

Effective with UNDERWRITERS AT LLOYD'S, LONDON

Hiscox Inc. 520 Madison Avenue 32nd floor, New York, NY 10022
(914) 273-7400

Policy Number: **URS2538351.15**

16. Policy Form: Excess Physical Damage Form/Follow Form

The Certificate terms and conditions contained herein or endorsed hereon and such other provisions, agreements or conditions as may be endorsed hereon or added hereto are hereby incorporated in this Certificate. No representative of the Underwriters shall have power to waive or be deemed to have waived any provision or condition of this Certificate unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this Certificate exist or be claimed by the Insured(s) unless so written or attached.

IN WITNESS WHEREOF this Certificate has been signed at New York, New York

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus line coverage pursuant to the Tennessee insurance statutes.

Hiscox Inc.

CR DEC (11/21)

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus lines coverage pursuant to the Tennessee insurance statutes.

HISCOX

ECONOMIC AND TRADE SANCTIONS POLICYHOLDER NOTICE

Hiscox is committed to complying with the U.S. Department of Treasury Office of Foreign Assets Control (OFAC) requirements. OFAC administers and enforces economic sanctions policy based on Presidential declarations of national emergency. OFAC has identified and listed numerous foreign agents, front organizations, terrorists, and narcotics traffickers as Specially Designated Nationals (SDN's) and Blocked Persons. OFAC has also identified Sanctioned Countries. A list of Specially Designated Nationals, Blocked Persons and Sanctioned Countries may be found on the United States Treasury's web site http://www.treas.gov/offices/enforcement/ofac/.

Economic sanctions prohibit all United States citizens (including corporations and other entities) and permanent resident aliens from engaging in transactions with Specially Designated Nationals, Blocked Persons and Sanctioned Countries. Hiscox may not accept premium from or issue a policy to insure property of or make a claim payment to a Specially Designated National or Blocked Person. Hiscox may not engage in business transactions with a Sanctioned Country.

A Specially Designated National or Blocked Person is any person who is determined as such by the Secretary of Treasury.

A Sanctioned Country is any country that is the subject of trade or economic embargoes imposed by the laws or regulations of the United States.

In accordance with laws and regulations of the United States concerning economic and trade embargoes, this policy may be rendered void from its inception with respect to any term or condition of this policy that violates any laws or regulations of the United States concerning economic and trade embargoes including, but not limited to the following:

(1) Any insured under this Policy, or any person or entity claiming the benefits of such insured, who is or becomes a Specially Designated National or Blocked Person or who is otherwise subject to US economic trade sanctions;

(2) Any claim or suit that is brought in a Sanctioned Country or by a Sanctioned Country government, where any action in connection with such claim or suit is prohibited by US economic or trade sanctions;

(3) Any claim or suit that is brought by any Specially Designated National or Blocked Person or any person or entity who is otherwise subject to US economic or trade sanctions;

(4) Property that is located in a Sanctioned Country or that is owned by, rented to or in the care, custody or control of a Sanctioned Country government, where any activities related to such property are prohibited by US economic or trade sanctions; or

(5) Property that is owned by, rented to or in the care, custody or control of a Specially Designated National or Blocked Person, or any person or entity who is otherwise subject to US economic or trade sanctions.

Please read your Policy carefully and discuss with your broker/agent or insurance professional. You may also visit the US Treasury's website at http://www.treas.gov/offices/enforcement/ofac/.

HISCOX

CLAIM REPORTING PROCEDURES

All claims for the **Hiscox – Property Claims**, regardless of location should be reported to the Hiscox Claims Team. The Hiscox Claims Team is ready to accept new losses and provides three ways for you to submit new loss reports:

1. **Email:** Property.firstparty@hiscox.com
2. **FAX:** +44 (0) 207 448 6292
3. **Telephone:** Per contact list below

Note: - email is the primary notification process and where you wish to provide documentation via an alternative method we kindly request that this is accompanied by an explanatory email.

To expedite the handling of your new claim, the following information must be provided when reporting a claim:

1. **Named Insured** _____.
2. **Policy Number** _____.
3. **Broker Contact** _____.

The Hiscox Claims Team will review all claims notices upon receipt and assign to the appropriate claims handler. A claim acknowledgement will then be transmitted to the designated individuals advising of the adjuster assigned to the claim.

Key Contacts:

Tony Rai, Head of London Market Claims +44 (0)207 448 6104
tony.rai@hiscox.com

Russell Hicklin, Senior Property Claims Underwriter +44 (0)207 448 6785
russell.hicklin@hiscox.com

HISCOX

Endorsement 1

NAMED INSURED: State Of Tennessee, Treasury Department

E400.1 Terrorism Exclusion Endorsement

Notwithstanding any provision to the contrary within this insurance or any endorsement thereto it is agreed that this insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

For the purpose of this endorsement an act of terrorism means an act, including but not limited to the use of force or violence and/or the threat thereof, of any person or group(s) of persons, whether acting alone or on behalf of or in connection with any organisation(s) or government(s), committed for political, religious, ideological or similar purposes including the intention to influence any government and/or to put the public, or any section of the public, in fear.

This endorsement also excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any action taken in controlling, preventing, suppressing or in any way relating to any act of terrorism.

If the Underwriters allege that by reason of this exclusion, any loss, damage, cost or expense is not covered by this insurance the burden of proving the contrary shall be upon the Assured.

In the event any portion of this endorsement is found to be invalid or unenforceable, the remainder shall remain in full force and effect.

NMA2920
08/10/2001

Endorsement effective: 07/01/2015
Endorsement No: 1

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 2

NAMED INSURED: State Of Tennessee, Treasury Department

E406.2 Terrorism Not Purchased

U.S. Terrorism Risk Insurance Act of 2002 as amended
Not Purchased Clause

This Clause is issued in accordance with the terms and conditions of the "U.S. Terrorism Risk Insurance Act of 2002" as amended as summarized in the disclosure notice.

It is hereby noted that the Underwriters have made available coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the "U.S. Terrorism Risk Insurance Act of 2002", as amended ("TRIA") and the Insured has declined or not confirmed to purchase this coverage.

This Insurance therefore affords no coverage for losses directly resulting from any "act of terrorism" as defined in TRIA except to the extent, if any, otherwise provided by this policy.

All other terms, conditions, insured coverage and exclusions of this Insurance including applicable limits and deductibles remain unchanged and apply in full force and effect to the coverage provided by this Insurance.

LMA5219

12 January 2015

Endorsement effective: 07/01/2015
Endorsement No: 2

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 3

NAMED INSURED: State Of Tennessee, Treasury Department

E401.1 Biological or Chemical Materials Exclusion

It is agreed that this Insurance excludes loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with the actual or threatened malicious use of pathogenic or poisonous biological or chemical materials regardless of any other cause or event contributing concurrently or in any other sequence thereto.
06/02/03
NMA2962

Endorsement effective: 07/01/2015
Endorsement No: 3

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 4

NAMED INSURED: State Of Tennessee, Treasury Department

E403.1 Asbestos Endorsement

A. This Policy only insures asbestos physically incorporated in an insured building or structure, and then only that part of the asbestos which has been physically damaged during the period of insurance by one of these Listed Perils:

fire; explosion; lightning; windstorm; hail; direct impact of vehicle, aircraft or vessel; riot or civil commotion, vandalism or malicious mischief; or accidental discharge of fire protective equipment.

This coverage is subject to each of the following specific limitations:

1. The said building or structure must be insured under this Policy for damage by that Listed Peril.

2. The Listed Peril must be the immediate, sole cause of the damage of the asbestos.

3. The Assured must report to Underwriters the existence and cost of the damage as soon as practicable after the Listed Peril first damaged the asbestos. However, this Policy does not insure any such damage first reported to the Underwriters more than 12 (twelve) months after the expiration, or termination, of the period of insurance.

4. Insurance under this Policy in respect of asbestos shall not include any sum relating to:

   (i) any faults in the design, manufacture or installation of the asbestos;

   (ii) asbestos not physically damaged by the Listed Peril including any governmental or regulatory authority direction or request of whatsoever nature relating to undamaged asbestos.

B. Except as set forth in the foregoing Section A, this Policy does not insure asbestos or any sum relating thereto.

14/09/2005
LMA5019
Form approved by Lloyd's Market Association

Endorsement effective: 07/01/2015 Certificate No.: URS2538351.15
Endorsement No: 4 Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 5

NAMED INSURED: State Of Tennessee, Treasury Department

E404.1 Microorganism Exclusion (Absolute)

This Policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

> mold, mildew, fungus, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health.

This Exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This Exclusion replaces and supersedes any provision in the Policy that provides insurance, in whole or in part, for these matters.

14/09/2005
LMA5018
Form approved by Lloyd's Market Association

Endorsement effective: 07/01/2015
Endorsement No: 5

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

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Endorsement 6

NAMED INSURED: State Of Tennessee, Treasury Department

E408.1 Electronic Data Endorsement B

1. Electronic Data Exclusion

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

(a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

(b) However, in the event that a peril listed below results from any of the matters described in paragraph (a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire
Explosion

HISCOX

Endorsement 6

NAMED INSURED: State Of Tennessee, Treasury Department

E408.1 Electronic Data Endorsement B

2. Electronic Data Processing Media Valuation

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

25/01/01
NMA2915

Endorsement effective: 07/01/2015
Endorsement No: 6

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 7

NAMED INSURED: State Of Tennessee, Treasury Department

E402.2 Service of Suit Clause (USA)

It is agreed that in the event of the failure of the Underwriters hereon to pay any amount claimed to be due hereunder, the Underwriters hereon, at the request of the Insured (or Reinsured), will submit to the jurisdiction of a Court of competent jurisdiction within the United States. Nothing in this Clause constitutes or should be understood to constitute a waiver of Underwriters' rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

It is further agreed that service of process in such suit may be made upon Hiscox Inc. 520 Madison Ave. - 32nd Floor, New York, NY 10022; Attn: Head of Claims and that in any suit instituted against any one of them upon this contract, Underwriters will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

The above-named are authorized and directed to accept service of process on behalf of Underwriters in any such suit and/or upon the request of the Insured (or Reinsured) to give a written undertaking to the Insured (or Reinsured) that they will enter a general appearance upon Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute, or his successor or successors in office, as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the Insured (or Reinsured) or any beneficiary hereunder arising out of this contract of insurance (or reinsurance), and hereby designate the above-named as the person to whom the said officer is authorized to mail such process or a true copy thereof.

24/4/86
NMA1998

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Endorsement effective: 07/01/2015
Endorsement No: 7

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 8

NAMED INSURED: State Of Tennessee, Treasury Department

E405.1 Applicable Law (USA)

This Insurance shall be subject to the applicable state law to be determined by the court of competent jurisdiction as determined by the provisions of the Service of Suit Clause (U.S.A.)

14/09/2005
LMA5021
Form approved by Lloyd's Market Association

Endorsement effective: 07/01/2015
Endorsement No: 8

Certificate No.: URS2538351.15
Processed Date: 06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 9

NAMED INSURED: State Of Tennessee, Treasury Department

E245.8 Lloyd's Syndicate

Proportion Percent: 100%
Syndicate: 3624
Contract #: B1234INCS362415
Registration Date: December 22, 2005

Endorsement effective: 07/01/2015
Endorsement No: 9

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

HISCOX

Endorsement 10

NAMED INSURED: State Of Tennessee, Treasury Department

E299.1 Form Schedule

Form
Excess Physical Damage Form/Follow Form

Endorsement #		Title
1	E400	Terrorism Exclusion
2	E406	Terrorism Not Purchased
3	E401	Biological or Chemical Materials Exclusion
4	E403	Asbestos Endorsement
5	E404	Microorganism Exclusion (Absolute)
6	E408	Electronic Data Endorsement B
7	E402	Service of Suit Clause (USA)
8	E405	Applicable Law (USA)
9	E245	Lloyd's Syndicate

Notices
Economic and Trade Sanctions Policyholder Notice

Endorsement effective: 07/01/2015
Endorsement No: 10

Certificate No.: URS2538351.15
Processed Date:06/05/2015

Hiscox Inc.

By : Carl Bach
(Authorized Representative)

PartnerRe

[redacted]

[redacted]

Commercial Property Insurance Policy

PartnerRe Ireland Insurance Limited
5th Floor, Block 1
The Oval
160 Shelbourne Road
Dublin 4
Ireland

Mail claims to:
One Greenwich Plaza
Greenwich CT 06830

Fax claims to: + 1 203 485 4657

Policy No.: F565884

Effective: 7/01/2015

PARTNERRE IRELAND INSURANCE LIMITED
POLICY NUMBER: F565884

Excess Commercial Property Policy
Declarations

1.	**Insured name:**	The State of Tennessee (and as shown in the underlying primary policy)
2.	**Mailing address:**	Division of Risk Management Andrew Jackson State Office Building 502 Deaderick Street, 9th Floor Nashville, TN 37243
3.	**Policy period:**	Effective date: 07/01/2015 12:01 AM Expiration date: 07/01/2016 12:01 AM
4.	**Perils Insured:**	**Excess Earth Movement only** as defined in the underlying primary policy
5.	**Interest and property covered:**	All Real and Business Personal Property and Business Interruption and as more fully defined in the underlying primary policy
6.	**Territory:**	United States of America excluding Virgin Islands and Puerto Rico
7.	**Policy Limit:**	$15,000,000 per occurrence part of $25,000,000 excess of $25,000,000 per occurrence which in turn is excess of applicable underlying primary policy deductibles
8.	**Underlying Primary Insurer and Policy:**	Lexington Insurance Co. Policy number: 017728109 Policy Period: 7/01/2015 –7/01/2016 Limit: $25,000,000
9.	**Premium:**	Commercial property: $150,000 part of $250,000 Terrorism: declined Total: $150,000

Authorized Representative

Date Issued: 09/14/2015

PartnerRe Connecticut, Inc
as authorized by PartnerRe Ireland Insurance Limited PRECT FF 001

Policy No.: F565884

Effective: 7/01/2015

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus lines coverage pursuant to the Tennessee insurance statutes.

Signature page

IN WITNESS WHEREOF, the insurer has caused this policy to be signed by its president and secretary and countersigned where required by law on the declarations page by it's duly authorized representative.

Secretary

President

Policy No.: F565884

Effective: 7/01/2015

Schedule of applicable forms

PRECT FF 001	Declarations
PRECT FF 002	Signature page
PRECT FF 003	Schedule of applicable forms
PRECT FF 004	Excess Earth Movement property coverage form
NMA 464	War
PRECT FF 006	Nuclear risks
PRECT FF 007	Nuclear, chemical, biological
PRECT FF 013	Exclusion - Pollution
PRECT FF 014	Exclusion - Data corruption
MAP	Microorganism exclusion
PRECT FF 018	Flood exclusion
PRECT FF 011	Terrorism rejection notice
PRECT FF 012	Terrorism exclusion

Policy No.: F565884

Effective: 7/01/2015

Excess Commercial Property Coverage Form

These common policy conditions, together with the application, declarations page(s), coverage form(s), and any endorsement(s) complete the policy. In return for the payment of the premium, and subject to all the terms and conditions of the policy, we agree to provide insurance as stated in this policy.

1. INSURING CLAUSE

Subject to the limitations, terms and conditions contained in this Policy or in any endorsements hereto, the Company agrees to indemnify the Insured named in the Declarations in respect of Direct Physical loss or damage to the property described in Item 5 of the Declarations, while located or contained as described in the Declarations, occurring during the policy period stated in item 3 of the Declarations and caused by any of such perils as are set forth in Item 4 of the Declarations and which are also covered by and defined in the Underlying Primary Policy/ies specified in Item 8 of the Declarations and issued by the Underlying Primary Insurers stated therein.

2. APPLICATION OF UNDERLYING PRIMARY POLICY PROVISIONS

In respect of the perils hereby insured against, this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the amount and Limits of Liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any, AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added by Endorsement supplied to and approved by Company to the Underlying Primary Policy/ies set forth in the Declarations prior to the happening of a loss for which a claim is made hereunder and should any alteration be made in the premium for the Primary Underlying Policy/ies , then the premium hereon may be adjusted accordingly.

3. LIMIT

Provided always that liability attaches to the Company only after the Underlying Primary and Underlying Excess Insurers have paid in full or have admitted liability for the full amount of their respective Policy Limit as set forth in Items 8 and 9 of the Declarations and the Underlying Primary and Underlying Excess Policies, then the Limits of the Company's Liability shall be those set forth in Item7 of the Declarations and the Company shall be liable to pay the ultimate net loss up to the full amount of such Policy Limit.

4. MAINTENANCE OF UNDERLYING PRIMARY AND UNDERLYING EXCESS POLICY/IES AND LIMITS

It is a condition precedent to any payment by Company under this Policy that the Policy/ies and Limit(s) of the Underlying Primary and Underlying Excess Insurers set forth in Items 8 and 9 of the Declarations shall be maintained in full force and effect, except for any reduction or exhaustion of any underlying aggregate Limits of Liability contained therein, solely by the amount of loss(es) paid or admitted during the policy year. Only losses which, except for the amount thereof, would have been payable under this Policy may contribute to the satisfaction, reduction or exhaustion of underlying Policy Limits and/or deductibles.

In the event of such reduction of the aggregate Limits of Liability of the Underlying Primary and Underlying Excess Insurances this Policy shall pay excess over the reduced aggregate limits of those Policies. In the event of exhaustion of the aggregate Limits of Liability of the Underlying Primary and Underlying Excess Insurances this Policy, subject to all its terms, conditions and endorsements, shall continue in force as Primary Insurance in respect of the peril for which the aggregate Limit of Liability has been so exhausted and the deductible or self-insured amount applicable to that peril, as set forth in the Underlying Primary and Excess Policies, shall apply to this Policy.

Policy No.: F565884

Effective: 7/01/2015

5. UNCOLLECTIBILITY OF OTHER INSURANCE

Notwithstanding any of the terms of this Policy that might be construed otherwise, the insurance provided by this Policy shall always be excess over the maximum policy limits set forth in Items 8 and 9 of the Declarations (reduced only by reduction of any underlying aggregate limits as provided for in Clause 4 herein) regardless of the uncollectibility (in whole or in part) of any Underlying Policy Limits for any reason, including, but not limited to, the financial impairment or insolvency of an Underlying Primary or Excess Insurer.

The risk of uncollectibility (in whole or in part) of Underlying or other insurance, whether because of financial impairment or insolvency of an Underlying Primary or Excess or other insurer or for any other reason whatsoever, is expressly borne by the Insured and is not in any way or under any circumstances insured or assumed by the Company.

6. DEFINITIONS

(a) **Loss:** The word "loss" shall have the same meaning as set forth in the Underlying Primary Policy.

(b) **Ultimate Net Loss:** The words "ultimate net loss" shall mean the loss sustained by the Insured as a result of the happening of the perils insured against by this Policy, limited by

(i) Any sub-limits contained within this Policy or the Underlying Primary or Excess Policy/ies and

(ii) Any deductions for all salvages, recoveries and other insurances (other than recoveries under the Underlying Primary or Excess Policy/ies) .

(C) POLICY PERIOD: **SHALL BE AS SET FORTH IN ITEM 3 OF THE DECLARATIONS.**

7. APPLICATION OF RECOVERIES

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Company, provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insureds ultimate net loss has been finally and fully ascertained.

8. CANCELLATION

This Insurance may be cancelled by the Insured at any time by written notice or by surrender of this Policy to the Company. This Insurance may also be cancelled by the Company by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insureds address as shown in the Declarations, written notice stating when, not less than Sixty (60) days, Ten (10) days for non payment of any premium or deductible, thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Insurance shall terminate at the date and hour specified in such notice.

If this Insurance shall be cancelled by the Insured, the Company shall retain the pro rata proportion of the premium hereon, except that if this Insurance is on an adjustable basis, the Insurers shall receive the earned premium hereon, or the pro rata proportion of any minimum premium stipulated herein, whichever is the greater.

If this Insurance shall be cancelled by or on behalf of the Company, the Company shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Company shall receive the earned premium hereon, or the pro rata proportion of any minimum premium stipulated herein, whichever is the greater.

Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any States law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such States law.

9. NOTIFICATION OF CLAIMS

The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written notice thereof to the Company at the address provided in the Declarations.

10. BUSINESS INTERRUPTION EXTENSION

It is understood and agreed that this Insurance extends to cover Business Interruption (including Contingent Business Interruption) as insured under the Underlying Primary and Excess Policy/ies consequent upon the loss of or damage to the Property insured hereby. The Underlying Primary and Underlying Excess Limit(s) and the Excess Limit(s) as set forth in Items 7, 8 and 9 of the Declarations are inclusive of Damage to Property and Business Interruption.

11. SUPERSEDES CLAUSE

The conditions contained in this policy and any endorsements hereto shall supersede any of those of the Underlying Primary policy wherever the same may conflict.

War and civil war exclusion endorsement

This endorsement changes the policy. Please read carefully.

Notwithstanding anything to the contrary contained herein or in any Underlying Primary or Excess policy listed in the Declarations, this Policy does not cover Loss or Damage directly or indirectly occasioned by, happening through or in consequence of war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military

or

Usurped power or confiscation or nationalism or requisition or destruction of or damage to property by or under the order of any government or public or local authority.

1/1/38

NMA 464

Policy No.: F565884

Effective: 7/01/2015

Nuclear risks exclusion

This endorsement changes the policy. Please read it carefully.

Notwithstanding any provision in the policy to which this endorsement is attached or any Underlying Primary or Excess policy listed in the Declarations, this policy does not insure against nuclear reaction, nuclear radiation, or radioactive contamination, all whether controlled or uncontrolled, and whether such loss be direct or indirect, proximate, or remote; or be in whole or in part caused by, contributed to, or aggravated by the peril(s) insured against in this policy

PRECT FF 006

Policy No.: F565884

Effective: 7/01/2015

Nuclear, chemical and biological exclusion endorsement

This endorsement changes the policy. Please read carefully.

The following exclusions are added to your Policy.

This insurance does not apply to:

A. Loss or damage arising directly or indirectly from nuclear detonation, reaction, nuclear radiation or radioactive contamination, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy, however such nuclear detonation, reaction, nuclear radiation or radioactive contamination may have been caused. This exclusion replaces any other nuclear detonation, nuclear reaction, nuclear radiation or radioactive contamination exclusions found elsewhere in this Policy or any Underlying Primary or Excess policy listed in the Declarations.

B. Loss or damage arising directly or indirectly from the dispersal, application or release of, or exposure to, chemical or biological materials or agents that are harmful to property or human health, all whether controlled or uncontrolled, or due to any act or condition incident to any of the foregoing, whether such loss be direct or indirect, proximate or remote, or be in whole or in part caused by, contributed to, or aggravated by, any physical loss or damage insured against by this Policy, however such dispersal, application, release or exposure may have been caused.

C. This exclusion applies to all coverage under the Policy notwithstanding any coverage extension or any other endorsement.

Policy No.: F565884

Effective: 7/01/2015

Pollution, contamination, debris removal exclusion endorsement

This endorsement changes the policy. Please read carefully.

1. Property Not Covered

This policy does not cover land, land values or water.

2. Pollution and Contamination Exclusion.

This policy does not cover loss or damage caused by, resulting from, contributed to or made worse by actual, alleged or threatened release, discharge, escape or dispersal of CONTAMINANTS or POLLUTANTS, all whether direct or indirect, proximate or remote or in whole or in part caused by, contributed to or aggravated by any physical damage insured by this policy.

Nevertheless, if fire is not excluded from this policy and a fire arises directly or indirectly from seepage or contamination or pollution, any toss or damage insured under this policy arising directly from that fire is insured, subject to the provisions of this policy.

CONTAMINANTS OR POLLUTANTS means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste, which after its release can cause or threaten damage to human health or human welfare or causes or threatens damage, deterioration, loss of value, marketability or loss of use to property insured hereunder, including, but not limited to, bacteria, fungi, virus, or hazardous substances as listed in the Federal Water, Pollution Control Act, Clean Air Act, Resource Conservation and Recovery Act of 1976, and Toxic Substances Control Act or as designated by the U. S. Environmental Protection Agency. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion shall not apply when loss or damage is directly caused by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm, hail, vandalism, malicious mischief. This exclusion shall also not apply when toss or damage is directly caused by leakage or accidental discharge from automatic fire protective systems.

2. Asbestos Exclusions
   This policy does not cover:

a) Asbestos, dioxin or polychlorinated biphenols (hereinafter all referred to as "Materials") removal from any good, product or structure unless the asbestos is itself damaged by fire, lightning, aircraft impact, explosion, riot, civil commotion, smoke, vehicle impact, windstorm or hail, vandalism, malicious mischief, leakage or accidental discharge from automatic fire protective system.
b) Demolition or increased cost of reconstruction, repair, debris removal or loss of use necessitated by the enforcement of any law or ordinance regulating such Materials;
c) Any governmental direction or request declaring that such Materials present in or part of or utilized on any undamaged portion of the insured's property can no longer be used for the purpose for which it was intended or installed and must be removed or

modified.

The coverage afforded does not apply to payment for the investigation or defense of any loss, damage or any cost, loss of use expense, fine or penalty or for any expense or claim or suit related to any of the above,

3. Debris Removal Exclusion

The Company will pay the expense within the sum insured to remove debris of insured property damaged or destroyed by an insured peril during the policy term.

The Company will not pay the expense to:

a) Extract contaminants or pollutants from the debris; or

b) Extract Contaminants or pollutants from land or water; or

c) Remove, restore or replace contaminated or polluted land or water; or

d) Remove or transport any property or debris to a site for storage or decontamination required because the property or debris is affected by pollutants or contaminants, whether or not such removal, transport, or decontamination is required by law or regulation.

It is a condition precedent to recovery under this extension that the Company shall have paid or agreed to pay for direct physical loss or damage to the property insured hereunder and that the Insured shall give written notice to the Company of intent to claim for cost of removal of debris or cost to clean up not later than 180 days after the date of such physical loss or damage.

5. Authorities Exclusion

Notwithstanding any of the provisions of this policy or any Underlying Primary or Excess policy listed in the Declarations, the Company shall not be liable for toss, damage, costs, expenses, fines or penalties incurred or sustained by or imposed on the insured at the order of any Government Agency, Court or other Authority arising from any cause whatsoever.

Data corruption exclusion

This endorsement changes the policy. Please read carefully.

Notwithstanding any provision in the policy to which this endorsement is attached or any Underlying Excess or Primary policy listed in the Declarations, this policy does not insure against Damage or Consequential loss directly or indirectly caused by, consisting of, or arising from:

1. Any functioning or malfunctioning of the Internet or similar facility, or of any intranet or private network or similar facility,
2. Any corruption, destruction, distortion, erasure or other loss or damage to data, software, or any kind of programming or instruction set,
3. Loss of use or functionality whether partial or entire of data, coding, program, software, any computer or computer system or other device dependent upon any microchip or embedded logic, and any ensuing liability or failure of the Insured to conduct business.

This Endorsement shall not exclude subsequent damage or Consequential loss, not otherwise excluded, which itself results from a Defined Peril. Defined Peril shall mean: Fire, Lightning, Earthquake, Explosion, Falling Aircraft, Flood, Smoke, Vehicle Impact, Windstorm or Tempest.

Such Damage or Consequential loss described in 1, 2, or 3 above is excluded regardless of any other cause that contributed concurrently or in any other sequence.

Policy No.: F565884

Effective: 7/01/2015

Microorganism exclusion

This endorsement changes the policy. Please read carefully.

This policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to:

mold, mildew, fungus, mycotoxins, spores or other microorganism of any type, nature, or description, including but not limited to any substance whose presence poses an actual or potential threat to human health. This exclusion applies regardless whether there is

(i) any physical loss or damage to insured property;

(ii) any insured peril or cause, whether or not contributing concurrently or in any sequence;

(iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in this policy that provides insurance, in whole or in part, for these matters

MAP

Policy No.: F565884

Effective: 7/01/2015

Flood Exclusion

This policy does not insure any loss, damage, claim, cost, expense or other sum directly or indirectly arising out of or relating to flood defined as a general and temporary condition of partial or complete inundation of normally dry land areas, including dewatered areas, whether by natural occurrences, act of omissions of man or any other causes, including:

a. The overflow of inland or tidal waters, waves or tidal waves, tsunami, or spray from any of the foregoing all whether driven by wind or not.

b. The unusual and rapid accumulation or runoff of surface waters from any source.

c. Mudslide or mudflow caused or precipitated by accumulation of water on or under the ground.

d. Release of water held by a dam, levee or dike or by water or flood control device.

e. Sewer backup resulting from flood.

However, any fire or explosion resulting from flood will not be considered to be loss by flood within the terms of this policy.

This exclusion applies regardless whether there is (i) any physical loss or damage to insured property; (ii) any insured peril or cause, whether or not contributing concurrently or in any sequence; (iii) any loss of use, occupancy, or functionality; or (iv) any action required, including but not limited to repair, replacement, removal, cleanup, abatement, disposal, relocation, or steps taken to address medical or legal concerns.

This exclusion replaces and supersedes any provision in the policy that provides insurance, in whole or in part, for these matters

PRECT FF 018

Policy No.: F565884

Effective: 7/01/2015

Notice - Rejection of terrorism coverage

This Notice is issued in accordance with the terms and conditions of the Terrorism Risk Insurance Act, as amended (the "Act"),

You are hereby notified that coverage for "insured losses" directly resulting from an "act of terrorism" as defined in the Act, as explained in the r Disclosure Notice Of Terrorism Insurance Coverage, (1) was made available to you; and (2) you declined or failed to confirm the purchase of such coverage. Therefore, this insurance does not provide coverage for losses directly resulting from any "act of terrorism" as defined by the Act except to the extent, if any, otherwise provided by this Policy.

PRECT FF 011

Policy No.: F565884

Effective: 7/01/2015

Exclusion of terrorism

This endorsement changes the policy. Please read carefully.

A. Definitions

1. "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. The criteria contained in that Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
   a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; 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 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.

2. "Other act of terrorism" means activities against persons, organizations or property of any nature:
   A. That involves the following or preparation for the following:

      1. Use or threat of force or violence; or

      2. Commission or threat of a dangerous act; or

      3.Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and

   B. When one or both of the following applies:

      1. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or

      2. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

   C. The act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act.

B. The following exclusion is added:

Exclusion of Certified Acts of Terrorism and the following Other Acts of Terrorism

The Company will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

PRECT FF 012

Policy No.: F565884

Effective: 7/01/2015

Commercial Insurance Protection

CLAIM OFFICE:

Mail claims to:
945 E. Paces Ferry Rd.
Suite 1800
Atlanta, GA 30326-1160

Fax claims to:
(404) 264-7239
(Attn: Claims Department)

COMMON POLICY DECLARATIONS

COMPANY NAME: RSUI Indemnity Company

BRANCH ADDRESS: 945 East Paces Ferry Road, Suite 1800, Atlanta, GA 30326-1160

POLICY NO.: NHD393007 **RENEWAL OF:** NHD388076

NAMED INSURED AND MAILING ADDRESS:

State of Tennessee
(Name Incomplete - refer to RSG 94037 1103)
Treasury Department Office of Risk Management
Andrew Jackson State Office Building
502 Deaderick Street, 9th Floor
Nashville, TN 37243

PRODUCER:

This insurance contract is with an insurer not licensed to transact insurance in this state and is issued and delivered as a surplus lines coverage pursuant to the Tennessee insurance statutes.

POLICY PERIOD: From 7/1/2015 To 7/1/2016 12:01 A.M. Standard Time at your Mailing Address above.

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY, WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

THIS POLICY CONSISTS OF THE FOLLOWING COVERAGE PARTS FOR WHICH A PREMIUM IS INDICATED. THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

COVERAGE PARTS	PREMIUM	COMM.
Commercial Property	$ 50,000.00	DO NOT WRITE IN THIS AREA
	$	
	$	
STATE ASSESSMENTS & FEES		
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
	$	
TOTAL	$ 50,000.00	

FORMS APPLICABLE TO ALL COVERAGE PARTS:

SEE SCHEDULE OF POLICY ATTACHMENTS AND FORMS, RSG 94106 1009

BUSINESS DESCRIPTION: State Government

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE FORMS(S) AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE CONTRACT OF INSURANCE.

Countersigned: July 31, 2015 (Date) SRG By: Authorized Representative

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Policy Number: NHD393007

Insurer: RSUI Indemnity Company

Named Insured: State of Tennessee

NOTICE - REJECTION OF TERRORISM COVERAGE

Coverage has been "rejected" by the Insured for all acts of terrorism including but not limited to "certified acts of terrorism" under the federal Terrorism Risk Insurance Act.

State Fraud Statements
Fraud Statements – Signature Required for New York Only

ARKANSAS, LOUISIANA, RHODE ISLAND, TEXAS AND WEST VIRGINIA FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

ALASKA FRAUD STATEMENT

A person who knowingly and with intent to injure, defraud, or deceive an insurance company files a claim containing false, incomplete, or misleading information may be prosecuted under state law.

ALABAMA FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or who knowingly presents false information in an application for insurance is guilty of a crime and may be subject to restitution fines or confinement in prison, or any combination thereof.

ARIZONA FRAUD STATEMENT

For your protection Arizona law requires the following statement to appear on this form. Any person who knowingly presents a false or fraudulent claim for payment of a loss is subject to criminal and civil penalties.

CALIFORNIA FRAUD STATEMENT

For your protection, California law requires that you be made aware of the following: Any person who knowingly presents false or fraudulent claim for the payment of a loss is guilty of a crime and may be subject to fines and confinement in state prison.

COLORADO FRAUD STATEMENT

It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable from insurance proceeds shall be reported to the Colorado division of insurance within the department of regulatory agencies.

DELAWARE FRAUD STATEMENT

Any person who knowingly, and with intent to injure, defraud or deceive any insurer, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

DISTRICT OF COLUMBIA FRAUD STATEMENT

WARNING: It is a crime to provide false, or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.

FLORIDA FRAUD STATEMENT

Any person who knowingly and with intent to injure, defraud or deceive any insurer, files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.

HAWAII FRAUD STATEMENT

For your protection, Hawaii law requires you to be informed that any person who presents a fraudulent claim for payment of a loss or benefit is guilty of a crime punishable by fines or imprisonment, or both.

IDAHO FRAUD STATEMENT

Any person who knowingly, and with intent to defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is guilty of a felony.

INDIANA FRAUD STATEMENT

Any person who knowingly and with intent to defraud an insurer files a statement of claim containing any false, incomplete, or misleading information commits a felony.

KANSAS FRAUD STATEMENT

Any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act.

KENTUCKY FRAUD STATEMENT

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.

MAINE FRAUD STATEMENT

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines or a denial of insurance benefits.

MARYLAND FRAUD STATEMENT

Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.

MINNESOTA FRAUD STATEMENT

Any person who files a claim with intent to defraud or helps commit a fraud against an insurer is guilty of a crime.

NEW HAMPSHIRE FRAUD STATEMENT

Any person who, with a purpose to injure, defraud or deceive any insurance company, files a statement of claim containing any false, incomplete or misleading information is subject to prosecution and punishment for insurance fraud, as provided in RSA 638:20.

NEW JERSEY FRAUD STATEMENT

Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.

NEW MEXICO FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to civil fines and criminal penalties.

OHIO FRAUD STATEMENT

Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.

OKLAHOMA FRAUD STATEMENT

WARNING: Any person who knowingly and with intent to injure, defraud, or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.

OREGON FRAUD STATEMENT

Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents materially false information in an application for insurance may be guilty of a crime and may be subject to fines and confinement in prison.

PENNSYLVANIA FRAUD STATEMENT

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.

PUERTO RICO FRAUD STATEMENT

Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars ($5,000) and not more than ten thousand dollars ($10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances be present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.

TENNESSEE, VIRGINIA, AND WASHINGTON FRAUD STATEMENT

It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.

SIGNATURE REQUIRED

NEW YORK FRAUD STATEMENT

Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.

_____
Insured/Applicant/Claimant

_____
By (Authorized Representative)

_____
Title

_____
Date

This Endorsement Changes The Policy. Please Read It Carefully.

SCHEDULE OF POLICY ATTACHMENTS AND FORMS

Form Number	Form Title
RSG 94062 1009	Excess Physical Damage Schedule
	Endorsement 1 - Earthquake Definition
RSG 91002 0614	Excess Physical Damage Coverage Form
RSG 94037 1103	Named Insured
RSG 93035 0405	Tennessee Changes - Cancellation and Nonrenewal
RSG 94056 0304	Cancellation Clause
RSG 94059 1005	Drop Down Clause
RSG 96004 0210	Exclusion And Limited Additional Coverage For Fungus
RSG 96005 0315	Exclusion Of Terrorism
RSG 96014 0504	Exclusion of Pathogenic or Poisonous Biological or Chemical Material
IL 0017 1198	Common Policy Conditions

This Endorsement Changes The Policy. Please Read It Carefully.

EXCESS PHYSICAL DAMAGE SCHEDULE

Item

1. Named Insured: State of Tennessee
   (Name Incomplete - Refer to RSG 94037 1103)

2. Addresses of Insured Premises: Various - per Statement of Values on file with Company, submitted 04/02/2015

3. Perils Covered: Earthquake
   Excluding Earthquake Sprinkler Leakage
   Excluding Terrorism

4. Property Covered: Building
   Personal Property
   Business Income with Extra Expense including "Rental Value"
   And as more fully described in the policy form

5. Primary Insurers and Policy Numbers: Lexington Insurance Company
   Policy No. 017728109

6. Primary Limits and Underlying Excess Limits: $25,000,000 Per Occurrence and Annual Aggregate Earthquake

7. Limit Insured: $5,000,000 Part of: $25,000,000 Per Occurrence and annual aggregate Earthquake

**Sublimits:*

**Sublimits are part of, not in addition to, the Limit Insured.*

8. Notification of Claims to: RSUI Group, Inc.
945 East Paces Ferry Road
Suite 1800
Atlanta, GA 30326
Attn: Claims Department

RSUI INDEMNITY COMPANY

This Endorsement Changes The Policy. Please Read It Carefully.

Amendatory Endorsement

It is hereby agreed the following is deleted from RSG 91002 0108 (Excess Physical Damage Coverage Form):

Item 3. DEFINITIONS

(d) Earthquake

The following Earthquake Definition is made part of this policy:

A quaking, trembling, vibratory or undulating movement of a portion of the earth's crust produced by underground volcanic forces o other pressures that produce a breaking, shifting or other movement of the earth's crust. Where ever used in this Policy, the term "Earthquake" shall be restricted exclusively to the actual, specific cracking, rupturing, shifting, toppling or collapse of property and shall not include loss, damage or destruction, if any, directly resulting from fire, explosion or sprinkler leakage.

If more than one "Earthquake" occurs within any period of 72 hours during the term of this Policy, such "Earthquakes" shall be deemed to be a single "occurrence" within the meaning of this Policy. The insured may determine the beginning of such 72-hour period.

Should any "Earthquake" commence prior to the expiration of this Policy and extend beyond the expiration date of this Policy, this Policy shall pay for all such losses occurring during such period as if such period fell entirely within the term of this Policy. But the Insurer shall not be liable for any loss commencing before the effective date and time or commencing after the expiration date and time of this Policy.

EXCESS PHYSICAL DAMAGE COVERAGE FORM

Notwithstanding any provision(s) contained within the primary or underlying policies to the contrary, this policy is amended as follows:

1. INSURING CLAUSE:

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Company agrees to indemnify the Insured named in the Excess Physical Damage Schedule ("Schedule") herein in respect of direct physical loss or damage to the property described in the Schedule while located or contained as described in the Schedule, occurring during the period stated in the Schedule and caused by any of such perils as are set forth in Item 3 of the Schedule, and which are also covered by and defined in the policy(ies) specified in the Schedule and issued by the "Primary Insurer(s)" stated therein.

2. LIMIT:

Provided always that liability attaches to the Company only after any self-insured retention and the primary and underlying excess insurer(s) have paid or have admitted liability for the full amount of their respective **ultimate net loss** liability as set forth in Item 6 of the Schedule and designated "Primary and Underlying Excess Limit(s)" and then the limits of the Company's liability shall be those set forth in Item 7 of the Schedule under the designation "Limit Insured" and the Company shall be liable to pay the **ultimate net loss** up to the full amount of such "Limit Insured."

The maximum recovery in any one occurrence for any coverage(s) or peril(s) subject to a sublimit shall be that sublimit provided by the primary and/or underlying excess policy(ies) and in no event shall the Company be liable for any amounts over the sublimit contained within the primary and/or underlying excess policy(ies) for the coverage(s) or peril(s) to which that sublimit applies.

In the event that any perils against which this Policy insures are subject to an aggregate limit in the primary and/or underlying excess policy(ies), liability attaches to the Company only in the event that:

1. The **Ultimate Net Loss** exceeds the "Primary and Underlying Excess Limit(s)" as a result of loss or damage arising out of a single occurrence, or
2. Item 6 of the Schedule specifies that the "Primary and Underlying Excess Limit(s)" apply on an aggregate basis for the peril which caused the loss or damage.

3. DEFINITIONS:

(a) **Loss:** The word **Loss** shall mean a loss or series of losses arising out of one event or occurrence.

(b) **Ultimate Net Loss:** The words **Ultimate Net Loss** shall mean the loss sustained by the Insured as a result of the happening of the perils covered by this Policy after making deductions for all salvages, recoveries, self-insured retentions and other valid and collectible insurance [other than recoveries under the policy(ies) of the primary and underlying excess insurer(s)].

(c) **Earth Movement**

1) **Earthquake**, including any earth sinking, rising or shifting related to such event;

2) Landslide, including any earth sinking, rising or shifting related to such event;

3) Mine subsidence, meaning subsidence of a man-made mine, whether or not mining activity has ceased;

4) Earth sinking (other than sinkhole collapse), rising or shifting including soil conditions which cause settling, cracking or other disarrangement of foundations or other parts of realty. Soil conditions include contraction, expansion, freezing, thawing, erosion, improperly compacted soil and the action of water under the ground surface.

5) Volcanic eruption, meaning the eruption, explosion or effusion of a volcano.

(d) **Earthquake**

1) Quaking, vibratory or undulating movement of a portion of the earth's crust, produced by tectonic or underground volcanic forces or by breaking, shaking, trembling or shifting of rock beneath the earth's crust. This definition of Earthquake does not include subsidence, landslide, rock slide, mudflow, earth rising, earth sinking, earth shifting or settling; unless, as a direct result of such Earthquake.

   Earthquake shock shall be defined as the sum total of all the Insured's losses attributable directly from the peril of Earthquake sustained during any period of seventy two (72) consecutive hours by reason of one Earthquake shock or a series of Earthquake shocks.

2) Volcanic eruption, meaning the eruption, explosion or effusion of a volcano. All volcanic eruptions that occur within any one hundred sixty eight (168) hour period will constitute a single occurrence.

(e) **Flood**

1) Flood, surface water, rising waters, waves, tides, tidal waves, storm surge, overflow of any body of water or their spray, all whether driven by wind or not;
2) Mudslide or mudflow;
3) Water that backs up or overflows from any sewer or drain;
4) Water that seeps, leaks or flows from below the surface of the ground;
5) The rising, overflowing or breaking of boundaries of natural or man-made bodies of water;
6) The release of water held by a dam, levee or dike or by a water or flood control device;
7) The release of water caused by the Acts, Errors or Omissions by you or others in the design, specifications, workmanship, repair, construction, or renovation of all or any part of a water or flood control device, levee, dam or dike;
8) Inundation of normally dry land by natural or man-made causes;
9) Water inundation from any cause whatsoever.

However, **Flood** does not include the accidental discharge or leakage of water as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance.

4. APPLICATION OF RECOVERIES:

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Company; provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insured's ultimate net loss has been fully ascertained.

There is no recovery under this excess policy as respects those coverage(s) or peril(s) which are sublimited within the primary and/or underlying excess policy(ies) to amounts less than or equal to the amount indicated in Item 6 of the Schedule; however, the Insurers to this excess policy recognize that the primary and underlying excess policy limits can be eroded or exhausted, wholly or partially, by application of said sublimits.

5. MAINTENANCE OF PRIMARY INSURANCE:

In respect of the perils hereby insured against, this Policy follows the form of and is subject to the same warranties, terms and conditions (except as regards the premium, the amount and limits of liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any; and EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added to the policy(ies) of the primary insurer(s) prior to the happening of a loss for which claim is made hereunder, and should any alteration be made in the premium for the policy(ies) of the primary insurer(s), then the premium hereon shall be adjusted accordingly.

It is a condition of this Policy that the policy(ies) of the primary insurer(s) and underlying excess insurer(s) shall be maintained in full effect during the currency of this Policy.

6. CANCELLATION:

This insurance may be cancelled by the Insured at any time by written notice or by surrender of this Policy.

This insurance may also be cancelled by or on behalf of the Company by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown on this insurance, written notice stating when, not less than 30 days (10 for non-payment of premium) thereafter, the cancellation shall be effective.

The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

If this insurance shall be cancelled by the Insured, the Company shall retain the customary short rate proportion of the premium hereon except that if this insurance is on an adjustable basis, the Company shall receive the earned premium hereon or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.

If this insurance shall be cancelled by or on behalf of the Company, the Company shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis, the Company shall receive the earned premium hereon or the pro rata proportion of any minimum stipulated therein, whichever is greater.

Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

7. NOTIFICATION OF CLAIMS:

The Insured, upon knowledge of any occurrence likely to give rise to a claim hereunder, shall give immediate written notice thereof to the person(s) or firm named for the purpose in the schedule.

8. EXCLUSIONS:

(a) Pollution

Notwithstanding any provision to contrary in any underlying policy whether primary or excess, this Policy does not cover loss or damage caused directly or indirectly by or resulting from release, discharge or dispersal of contaminants or pollutants or the cost of cleaning up polluting and contaminating substances. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

(b) Perils Excluded in Item 3 of the Schedule

Notwithstanding any provision to contrary in any underlying policy whether primary or excess, this Policy does not cover loss or damage caused directly or indirectly by the perils which are specifically excluded in Item 3 of the Schedule. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

This Endorsement Changes The Policy. Please Read It Carefully.

NAMED INSURED

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The State of Tennessee, including all its departments, agencies, institutions and divisions, including the University of Tennessee system and the Tennessee Board of Regents system, and other subsidiaries, and associated companies and/or corporations and the insured's interest in partnerships and joint ventures as now exist or may hereafter be constituted or acquired and any party in interest to which the insured is responsible to insure.

This Endorsement Changes The Policy. Please Read It Carefully.

TENNESSEE CHANGES – CANCELLATION AND NONRENEWAL

The following conditions are added and supersede any provisions to the contrary:

A. CANCELLATION

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If this policy is cancelled, we will send the first Named Insured any premium refund due.

   The refund will be pro rata if:

   a. We cancel; or
   b. The policy is cancelled at the request of a premium finance company that has financed this policy under a premium finance agreement.

   The refund may be less than pro rata if the first Named Insured cancels the policy.

   The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.
7. Cancellation of Policies in Effect for 60 Days or More

   If this policy has been in effect for 60 days or more, or if this policy is a renewal of a policy we issued, we may cancel this policy only for one or more of the following reasons:

   1. Nonpayment of premium, including any additional premium, calculated in accordance with our current rating manual, justified by a physical change in the insured property or a change in its occupancy or use;
   2. Your conviction of a crime increasing any hazard insured against;
   3. Discovery of fraud or material misrepresentation on the part of either of the following:
      a. You or your representative in obtaining this insurance; or
      b. You in pursuing a claim under this policy;
   4. Failure to comply with written loss control recommendations;
   5. Material change in the risk which increases the risk of loss after we issued or renewed insurance coverage;
   6. Determination by the insurance commissioner that the continuation of the policy would jeopardize our solvency or would place us in violation of the insurance laws of Tennessee or any other state;
   7. Your violation or breach of any policy terms or conditions; or
   8. Other reasons that are approved by the insurance commissioner.

   Notice of cancellation will state the reason for cancellation.

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B. NONRENEWAL

1. If we decide not to renew this policy, we will mail or deliver written notice of nonrenewal to the first Named Insured and agent, at least 60 days before the expiration date unless:
   a. We have offered to issue a renewal policy; or
   b. You have obtained replacement coverage or have agreed in writing to obtain replacement coverage.
2. Any notice of nonrenewal will be mailed or delivered to the first Named Insured's and agent's addresses shown in the policy. If notice is mailed, proof of mailing will be sufficient proof of notice.

C. The following is added to the **E. Premiums** section of the Common Policy Condition:

Whenever an insurance policy which is financed with a premium finance company is cancelled, the insurer shall return, within 30 days after the effective date of the cancellation, whatever gross unearned premiums are due under the insurance policy directly to the premium finance company for the account of the first Named Insured.

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This Endorsement Changes The Policy. Please Read It Carefully.

CANCELLATION CLAUSE

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

This policy may be cancelled by the Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. This policy may be cancelled by the Company by mailing to the Insured at the address shown in this policy or last known address, written notice, with or without tender of the excess or paid premium above the pro rata premium for the expired time, stating when, not less than ninety (90) days thereafter, or not less than ten (10) days in the event of non-payment of premiums, such cancellation shall be effective. The mailing of notice aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation stated in the notice, whether by the Insured or this Company, shall be equivalent to mailing. If the Insured cancels, earned premiums shall be computed in accordance with the customary short rate table and procedure. If the Company cancels, earned premiums shall be computed pro rata. Premium adjustment may be made as soon as practicable after cancellation becomes effective.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCESS LIMIT OF LIABILITY "DROP DOWN" CLAUSE

This endorsement modifies insurance provided under the following:

EXCESS PHYSICAL DAMAGE COVERAGE FORM

SCHEDULE

Earthquake	☒
Flood	☐
	☐

It is agreed that in the event of reduction or exhaustion of the underlying aggregate limit or limits, such insurance as is afforded by this Policy shall apply in excess of the reduced underlying limit, or if such limit is exhausted, shall apply as underlying insurance, notwithstanding anything to the contrary in the terms and conditions of this Policy. The coverages or perils to which this endorsement applies are shown and indicated by an "X" in the Schedule above.

It is further understood that, in the event of exhaustion of the underlying aggregate limit or limits, the deductible applicable to coverage provided by this Policy for the coverage(s) or peril(s) for which underlying limit(s) have been exhausted shall be the same as the deductible(s) stated in the primary policy.

In no event, however, shall this Company be liable for more than the limits of liability, as specified in Item 7 of the Excess Physical Damage Schedule.

It is a condition of this Policy that the Policy(ies) of the primary and underlying excess Insurers shall be maintained in full effect during the currency of this Policy except for any reduction or exhaustion of the aggregate limits contained therein solely by payment of losses during the Policy year.

It is further understood and agreed that sublimited coverages provided in the primary may contribute to the exhaustion of the primary limit of liability, but the excess layer does not drop down over or expand these sublimited amounts.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION AND LIMITED ADDITIONAL COVERAGE FOR FUNGUS

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

A. The following Exclusion is added:

EXCLUSION – "Fungus", Wet Rot, Dry Rot And Bacteria

We will not pay for loss or damage caused directly or indirectly by the presence, growth, proliferation, spread or any activity of "fungus", wet or dry rot or bacteria. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But if "fungus", wet or dry rot or bacteria results in a "specified covered cause of loss", we will pay for the loss or damage caused by that "specified covered cause of loss".

This exclusion does not apply:

1. When "fungus", wet or dry rot or bacteria results from fire or lightning; or
2. To the extent that coverage is provided in the Additional Coverage - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria with respect to loss or damage by a cause of loss other than fire or lightning.

B. The following Additional Coverage is added:

ADDITIONAL COVERAGE - Limited Coverage For "Fungus", Wet Rot, Dry Rot And Bacteria

1. This limited coverage applies only when the "fungus", wet or dry rot or bacteria is the result of one or more of the following causes that occurs during the policy period and only if all reasonable means were used to save and preserve the property from further damage at the time of and after that occurrence, and only if any loss resulting from the following is reported to us within 60 days of the occurrence.
   a. A "specified covered cause of loss" other than fire or lightning; or
   b. Flood, if the Flood Coverage Endorsement applies to the affected premises.
2. Under conditions described in item **B.1.** above, we will pay for loss or damage by "fungus", wet or dry rot or bacteria. As used in this Limited Coverage, the term loss or damage means:
   a. Direct physical loss or damage to Covered Property caused by "fungus", wet or dry rot or bacteria, including the cost of removal of the "fungus", wet or dry rot or bacteria;
   b. The cost to tear out and replace any part of the building or other property as needed to gain access to the "fungus", wet or dry rot or bacteria; and
   c. The cost of testing performed after removal, repair, replacement or restoration of the damaged property is completed, provided there is a reason to believe that "fungus", wet or dry rot or bacteria are present.
3. The coverage provided under this Limited Coverage is limited to $15,000. Regardless of the number of claims, this limit is the most we will pay for the total of all loss or damage arising out of all occurrences which take place in a 12-month period (starting with the beginning of the present annual policy period). With respect to a particular occurrence of loss which results in "fungus", wet or dry rot or bacteria, we will not pay more than a total of $15,000 even if the "fungus", wet or dry rot or bacteria continues to be present or active, or recurs, in a later policy period.
4. The coverage provided under this Limited Coverage does not increase the applicable Limit of Insurance on any Covered Property. If a particular occurrence results in loss or damage by "fungus", wet or dry rot or bacteria, and other loss or damage, we will not pay more, for the total of all loss or damage, than the applicable Limit of Insurance on the affected Covered Property.

Policy No.: NHD393007 Effective: 7/1/2015

If there is covered loss or damage to Covered Property, not caused by "fungus", wet or dry rot or bacteria, loss payment will not be limited by the terms of this Limited Coverage, except to the extent that "fungus", wet or dry rot or bacteria causes an increase in the loss. Any such increase in the loss will be subject to the terms of this Limited Coverage.

C. The following Definition is added:

1. "Fungus" means any type or form of fungus, including mold or mildew, and any mycotoxins, spores, scents or by-products produced or released by fungi.

2. "Specified covered cause of loss" means the following: Fire; lightning; explosion; windstorm or hail; smoke; aircraft or vehicles; riot or civil commotion; vandalism; leakage from fire extinguishing equipment; sinkhole collapse; volcanic action; falling objects; weight of snow, ice or sleet; water damage.

   a. Sinkhole collapse means the sudden sinking or collapse of land into underground empty spaces created by the action of water on limestone or dolomite. This cause of loss does not include:

      (1) The cost of filling sinkholes; or

      (2) Sinking or collapse of land into man-made underground cavities.

   b. Falling objects does not include loss or damage to:

      (1) Personal property in the open; or

      (2) The interior of a building or structure, or property inside a building or structure, unless the roof or an outside wall of the building or structure is first damaged by a falling object.

   c. Water damage means accidental discharge or leakage of water or steam as the direct result of the breaking apart or cracking of a plumbing, heating, air conditioning or other system or appliance (other than a sump system including its related equipment and parts), that is located on the described premises and contains water or steam.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION OF TERRORISM

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

A. Definitions

1. "Certified act of terrorism" means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in that Terrorism Risk Insurance Act for a "certified act of terrorism" include the following:
   a. The act resulted in insured losses in excess of $5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; 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 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.
2. "Other act of terrorism" means activities against persons, organizations or property of any nature:
   A. That involves the following or preparation for the following:
      1. Use or threat of force or violence; or
      2. Commission or threat of a dangerous act; or
      3. Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
   B. When one or both of the following applies:
      1. The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
      2. It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.
   C. The act is not certified as a terrorist act pursuant to the federal Terrorism Risk Insurance Act.

B. The following exclusion is added:

Exclusion of Certified Acts of Terrorism and the following Other Acts of Terrorism

We will not pay for loss or damage caused directly or indirectly by a "certified act of terrorism" or an "other act of terrorism". Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss. But with respect to an "other act of terrorism" which may be subject to any underlying policy exclusion, this exclusion applies only when one or more of the following are attributed to such act:

1. That involves the use, release or escape of nuclear materials, or that directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
2. That is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials, or
3. In which pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the terrorism was to release such materials.

This Endorsement Changes The Policy. Please Read It Carefully.

EXCLUSION OF PATHOGENIC OR POISONOUS BIOLOGICAL OR CHEMICAL MATERIALS

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

The following exclusion is added:

We will not pay for loss or damage caused directly or indirectly by the discharge, dispersal, seepage, migration, release, escape or application of any pathogenic or poisonous biological or chemical materials. Such loss or damage is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

However, if both A. and B. below apply, we will pay up to a maximum of $10,000 for any and all claims for such loss or damage arising out of events occurring within the term of this policy:

A. The pathogenic or poisonous biological or chemical materials are normally kept at or brought onto your premises, with your consent, for use in your business operations at your premises; and

B. The discharge, dispersal, seepage, migration, release, escape or application of the pathogenic or poisonous biological or chemical materials is accidental and is not the result of a willful or malicious act against any persons, organizations, or property of any nature.

COMMON POLICY CONDITIONS

All Coverage Parts included in this policy are subject to the following conditions.

A. Cancellation

1. The first Named Insured shown in the Declarations may cancel this policy by mailing or delivering to us advance written notice of cancellation.
2. We may cancel this policy by mailing or delivering to the first Named Insured written notice of cancellation at least:
   a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
   b. 30 days before the effective date of cancellation if we cancel for any other reason.
3. We will mail or deliver our notice to the first Named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
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, the refund may be less than pro rata. The cancellation will be effective even if we have not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

B. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with our consent. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

C. Examination Of Your Books And Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and up to three years afterward.

D. Inspections And Surveys

1. We have the right to:
   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions we find; and
   c. Recommend changes.
2. We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. And we do not warrant that conditions:
   a. Are safe or healthful; or
   b. Comply with laws, regulations, codes or standards.
3. Paragraphs **1.** and **2.** of this condition apply not only to us, but also to any rating, advisory, rate service or similar organization which makes insurance inspections, surveys, reports or recommendations.
4. Paragraph **2.** of this condition does not apply to any inspections, surveys, reports or recommendations we may make relative to certification, under state or municipal statutes, ordinances or regulations, of boilers, pressure vessels or elevators.

E. Premiums

The first Named Insured shown in the Declarations:

1. Is responsible for the payment of all premiums; and
2. Will be the payee for any return premiums we pay.

F. Transfer Of Your Rights And Duties Under This Policy

Your rights and duties under this policy may not be transferred without our written consent except in the case of death of an individual named insured.

If you die, your rights and duties will be transferred to your legal representative but only while acting within the scope of duties as your legal representative. Until your legal representative is appointed, anyone having proper temporary custody of your property will have your rights and duties but only with respect to that property.

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Your policy has been signed on our behalf by our President and by our Secretary. However, your policy will not be binding on us unless it is also countersigned by one of our duly authorized agents.

President

RSUI Indemnity Company
Landmark American Insurance Company
Covington Specialty Insurance Company

Secretary

RSUI Indemnity Company
Landmark American Insurance Company
Covington Specialty Insurance Company

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