



GREAT AMERICAN E & S INSURANCE COMPANY
 (hereinafter called "Company")

**EXCESS EDUCATORS PROFESSIONAL LIABILITY POLICY DECLARATION
 THIS POLICY PROVIDES CLAIMS-MADE COVERAGE. PLEASE READ THE ENTIRE
 POLICY CAREFULLY.**

Policy No.: 1114631-02

Renewal of: 1114631

Item 1. Named Insured: North Carolina Department of Public Instruction
Mailing Address: 301 N. Wilmington Street
 Raleigh, NC 27601-1058

Item 2. Policy Period: Inception Date: September 1, 2016
 Expiration Date: September 1, 2017

each at 12:01 a.m. Standard Time at the address of the Named Insured listed under Item 1.

Item 3. Limits of Liability:
Coverage A:
 1. Educational Professionals
 \$1,000,000 Per Insured per Wrongful Act
 \$1,000,000 Annual Aggregate per Insured
 2. Educational Non-Professionals
 \$1,000,000 Per Insured per Wrongful Act
 \$1,000,000 Annual Aggregate per Insured

Coverage B:
 1. Educational Professionals
 \$1,000,000 Per Insured per Wrongful Act
 \$1,000,000 Annual Aggregate per Insured
 2. Educational Non-Professionals
 \$1,000,000 Per Insured per Wrongful Act
 \$1,000,000 Annual Aggregate per Insured

Coverage A and B Annual Aggregate Limit:
\$100,000,000 Per Policy Period

Coverage C: \$50,000 Per Insured per Criminal Proceeding
\$50,000 Annual Aggregate per Insured

Coverage D: \$5,000 Aggregate per Insured

Coverage E: \$2,500 Aggregate per Insured

Item 4 - RETROACTIVE DATE APPLICABLE TO COVERAGES A, B, AND C:

This insurance does not apply to any Wrongful Act which occurs before the Retroactive Date, if any, shown here: 09/01/2014 (enter date or "none" if does not apply).

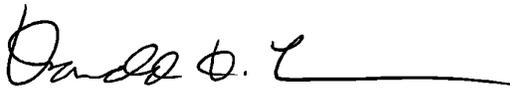
Item 5. Endorsements: Forms and Endorsements are attached at issuance:

- Excess Educators Professional Liability Policy
- Endorsement - Notice of Claim (Reporting By E-Mail)
- Endorsement - Accident Insurance Endorsement
- Endorsement - Attorney Reimbursement Coverage (Employment Related)

Item 6. Annual Premium: \$2,350,000

This Declarations Page is issued with, and forms a part of, the EXCESS EDUCATORS POLICY.

Authorized Signatory:



President- Great American E&S



Secretary

EXCESS EDUCATORS PROFESSIONAL LIABILITY POLICY

This policy provides claims-made coverage. This coverage, subject to its provisions, applies only to claims first made during the policy period or an extended reporting period, if applicable, and reported to us during the policy period or an extended reporting period, if applicable.

The Company agrees with the **Named Insured** set forth in **Item 1** of the Declarations made a part hereof, in consideration of payment of the premium and subject to the limits of liability, exclusions, conditions and other terms of this Policy;

SECTION I- INSURING AGREEMENTS

Coverage A: Excess Liability Coverage

- A. Subject to the applicable limit per **Insured** per **Wrongful Act** and in the aggregate as set forth in **Item 3** of the Declarations for Coverage A, the Company shall pay on behalf of any **Insured** all sums, in excess of an **Employer's**:
1. errors and omissions coverage,
 2. employment practices liability policies,
 3. commercial general liability, and
 4. any other valid and collectible insurance;

which such **Insured** shall become obligated to pay by reason of liability imposed by law for **Damages** and **Defense Expenses** because of a **Wrongful Act** committed by the **Insured** on or after the Retroactive Date and reported to the Company during the Policy Period set forth in **Item 2** of the Declarations or within any Extended Reporting Period that applies. Such **Wrongful Acts** must arise from such **Insured's Professional Activities**.

Coverage B: Primary Liability Coverage

Only in the event that none of the Coverages listed in **A.1-4**, above, other than any other applicable excess educators professional liability policy, affords or may afford valid and collectible coverage to a claim, subject to the applicable limit per **Insured** set forth in **Item 3** of the Declarations for Coverage B:

1. **Damages:** this Policy shall pay on behalf of any **Insured** all sums which such **Insured** shall become obligated to pay by reason of liability imposed by law for **Damages** because of a **Wrongful Act** committed by the **Insured** on or after the Retroactive Date and reported to the Company during the Policy Period set forth in **Item 2** of the Declarations or within any Extended Reporting Period that applies. Such **Wrongful Acts** must arise from such **Insured's Professional Activities**.
2. **Defense:** the Company has the right and duty to defend a suit brought against an **Insured** alleging a **Wrongful Act**, to which this Policy applies, even if the suit is groundless, false or fraudulent. The Company has the right to settle any claim or suit if the Company believes that it is proper to do so.

This insurance applies to **Damages** and **Defense Expenses**, described in **Coverage A and B** above, only if:

- 1) the **Wrongful Act** takes place in the Coverage Territory,
- 2) the **Wrongful Act** did not occur before the Retroactive Date, if any, shown in the Declarations, or after the end of the Policy Period, and
- 3) a claim for **Damages** because of the **Wrongful Act** is first made against any insured, in accordance with the paragraph below, during the Policy Period or any **Extended Reporting Period** we provide under **Section VII: EXTENDED REPORTING PERIODS**.

A claim by a person or organization seeking **Damages** will be deemed to have been made at the earlier of the following times:

- 1) when notice of such claim is received and recorded by any **Insured** or by us, whichever comes first; or
- 2) when we make settlement in accordance with **Coverage B** above.

The Company has the right to investigate any claim.

Defense Expenses are part of and subject to the Limit of Liability set forth in **Item 3** of the Declarations. The Company's duty to defend ends after the applicable Limit of Liability has been exhausted by payment of **Defense Expenses** or **Damages**.

In all events, the Company's maximum Limit of Liability for all **Damages** and **Defense Expenses** in the aggregate arising from all claims under **Coverage A or Coverage B** of the Policy which allege the same **Wrongful Act** or **Related Wrongful Acts**, shall be an amount no greater than the applicable limits set forth for each of Coverage A and Coverage B in **Item 3** of the Declarations.

Coverage C: Criminal Acts

The Company shall reimburse an **Insured**, subject to the applicable aggregate limit set forth in **Item 3** of the Declarations for Coverage C for reasonable and necessary attorney fees and costs incurred by such **Insured**, which costs arise directly from a **Criminal Proceeding**, which is reported to the Company during the Policy Period set forth in **Item 2** of the Declarations or within any Extended Reporting Period that applies, and which alleges that a **Criminal Act** was committed on or after the Retroactive Date and in the course of the **Professional Activities** of the **Insured**; provided

1. the **Insured** pleads not guilty to any charge or reduced or substituted charge;
2. the **Insured** is found not guilty of all criminal charges; or
3. the criminal charges are dismissed with prejudice. A plea of no contest will not qualify the **Insured** for payment under this provision.

Such reasonable and necessary attorney fees and costs exclude loss of income, salary charges or expenses of any **Insured** or any of their employees incurred in the defense of any **Criminal Proceeding**. Coverage as afforded by Coverage C does not apply to any costs incurred by an **Insured** which arise from any **Criminal Proceeding** which alleges that a **Criminal Act** occurred outside the course of the **Professional Activities** of the **Insured**. The Company does not assume any duty to defend under this Coverage C.

Provided further, notwithstanding the requirements set forth in subparagraphs 1. through 3. above, the Company shall pay an initial reimbursement of \$1,000 for a retainer, subject to the limit set forth in **Item 3** of the Declarations for Coverage C.

Coverage D: Bail Bonds

Subject to the aggregate limit set forth in **Item 3** of the Declarations for Coverage D, the Company shall reimburse an **Insured** for any premium for bail bonds required of an **Insured** because of a **Wrongful Act** committed by the **Insured** during the Policy Period and reported to the Company during the Policy Period set forth in **Item 2** of the Declarations. Such **Wrongful Acts** must arise from such **Insured's Professional Activities**. The Company shall not have any obligation to apply for or furnish any such bond.

Coverage E: Excess Assault-Related Personal Property Damage

Subject to the aggregate limit set forth in **Item 3** of the Declarations for Coverage E, the Company shall reimburse an **Insured** in excess of:

1. an **Employer's**
 - a. errors and omissions coverage,
 - b. employment practices liability policies,
 - c. commercial general liability, and

- d. any other valid and collectible insurance; and
- 2. such **Insured's**
 - a. homeowners,
 - b. personal property floaters, and
 - c. any other valid and collectible insurance

for damage to or destruction of an **Insured's** personal property that takes place during the Policy Period and is reported to the Company during the Policy Period set forth in **Item 2** of the Declarations. Such damage or destruction must be directly and proximately caused by an assault upon such **Insured** while such **Insured** is performing **Professional Activities**. This coverage does not apply to damage or destruction of a vehicle of any kind, or to damage to or destruction of leased or loaned property.

SECTION II- SUPPLEMENTARY PAYMENTS

We will pay, with respect to any claim we investigate or settle or any suit against the insured we defend:

1. all expenses incurred by the Company;
2. all costs taxed against the **Insured** in any suit defended by the Company;
3. all interest on that part of the judgment we pay which accrues after entry of the judgment and before the Company has paid or tendered or deposited in court that part of the judgment which does not exceed the limit of the Company's liability thereon ;
4. premiums on appeal bonds required in any such suit, premiums on bonds to release attachments in any such suit for an amount not in excess of any applicable limit of liability of this Policy, but the Company shall have no obligation to apply for or furnish any such bonds;
5. expenses incurred by the **Insured** for first aid to others at the time of an accident for bodily injury to which this Policy applies;
6. reasonable expenses incurred by the **Insured** at the Company's request in assisting the Company in the investigation or defense of any such claim or suit, including actual loss of earnings not to exceed \$50.00 per day.

These payments will not reduce the Limits of Insurance.

SECTION III - DEFINITIONS

- A. **Criminal Act** means any act that is the subject of a **Criminal Proceeding** except acts of corporal punishment administered by or at the direction of the **Insured** in their professional capacity in accordance with published policies of the **Educational Institution**.
- B. **Criminal Proceeding** means the criminal prosecution of an **Insured** for any **Criminal Act** and which prosecution is commenced by the return of an indictment, or receipt or filing of a notice of charges in a criminal court of law.
- C. **Damages** means any amount that an **Insured** shall be legally required to pay because of judgments, arbitration awards or the like rendered against such **Insured**, or for settlements negotiated by the company; provided that **Damages** shall not include any amounts for which such **Insured** is not financially liable or for which there is no legal recourse against such **Insured**, taxes, fines, the costs and expenses of complying with any injunctive or other form of equitable relief, or matters that may be deemed uninsurable under the law.
- D. **Defense Expenses** means all reasonable and necessary fees charged by an attorney approved by the Company in connection with any suit brought against an **Insured** alleging a **Wrongful Act**, as well as all other reasonable and necessary fees, costs and expenses incurred in the defense or investigation of a claim by the Company or by an **Insured** as provided herein. **Defense Expenses** does not include salary charges or expenses of any **Insured**.

- E. **Educational Institution** means a public school district, state education agency, or charter educational institution accredited by a nationally recognized accrediting organization or state agency.
- F. **Educational Non-Professional** means non-certified personnel including teacher assistants, student teachers, technicians, tutors, clerical and secretarial personnel, security resource officers, janitors, bus drivers. It is further agreed **Educational Non-Professionals** shall include volunteers acting at the direction of the **Educational Institution** subject to a sublimit of \$100,000 aggregate per volunteer worker.
- G. **Educational Professional** means certified personnel including central office administrators, principals, assistant principals, teachers and instructional support.
- H. **Employer** means the Local Education Agencies of the State of North Carolina ("LEA") or an **Educational Institution** located in North Carolina.
- I. **Insured** means any person who is employed by an **Employer** as an **Educational Professional** or **Educational Non-Professional** at an **Educational Institution** located in North Carolina.
- J. **Named Insured** means NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION.
- K. **Pollutants** include (but are not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste; and Waste includes (but is not limited to) materials to be recycled, reconditioned or reclaimed.
- L. **Professional Activities** means activities of an **Insured** in the course and scope of his or her duties as an employee of an **Employer** at an **Educational Institution**.
- M. **Related Wrongful Acts** shall mean **Wrongful Acts** which are the same, related or continuous, or **Wrongful Acts** which arise from common facts. Claims can allege **Related Wrongful Acts** regardless of whether such claims involve the same or different claimants, **Insureds** or legal causes of action.
- N. **Wrongful Act** means any negligent act, error, omission or breach of duty in the performance or failure to perform **Professional Activities**.

SECTION IV - AUTOMATIC COVERAGE EXTENSIONS

If, during the Policy Period, an **Employer** should hire a new **Educational Professional** or **Educational Non-Professional**, then coverage shall be automatically extended to such **Insured** but only for **Wrongful Acts** occurring while such **Insured** is employed by the **Employer** in such capacities. No coverage shall be afforded for **Wrongful Acts** by any such **Insured** prior to the **Insured's** official date of hire.

SECTION V - TERRITORY

This Policy applies to claims made anywhere in the world.

SECTION VI - EXCLUSIONS

This Policy does not apply to any claim alleging or arising out of:

- A. activities of an **Insured** that are not **Professional Activities**;
- B. activities of an **Insured** that are carried on in a private business, private professional endeavor or private school;
- C. the ownership, maintenance, operation, use, loading or unloading of vehicles of any kind other than farm tractors not operated on public highways, watercraft or aircraft; provided, however, this exclusion does not apply to:
 1. a driver training instructor while riding as a passenger in the course of duties as an employee of a school system,
 2. a vocational education or vocational agriculture instructor in the course of regular instruction provided by

the school, and

3. an **Insured** while supervising students entering or exiting a school bus;

provided further, however, any coverage afforded herein for the foregoing subparagraphs 1. through 3. does not apply when the **Insured** has any other insurance of any kind, whatsoever which affords coverage as to such liability;

- D. liability assumed by the **Insured** under any contract or agreement;
- E. injury, sickness, disease, death or destruction due to war or terrorism, whether or not declared, civil war, insurrection, rebellion, or revolution, or to any act or condition incidental to any of the foregoing;
- F. any obligation for which the **Insured** or any carrier may be held liable under worker's compensation, unemployment compensation, disability benefits or similar laws;
- G. the rendering or supervising of medical, surgical, dental, nursing, or other similar services or the omission thereof; except however, this exclusion does not apply to:
 1. psychological therapy or treatment rendered by a licensed practitioner employed for the purpose of rendering such services;
 2. psychological therapy or treatment provided during a practicum or internship required by and supervised by an **Educational Institution** as part of an advanced or specialized degree program, and provided in a clinical setting administered by the **Educational Institution**; or
 3. health care services performed by the **Insured** to students who are disabled within the meaning of the Individuals with Disabilities in Education Act , as amended, or within Section 504 of the Rehabilitation Act of 1973, when the rendering of such health care services is required by the **Insured's Employer**, provided the parent or guardian of the student has provided advance written approval for the rendering of such services.
 4. emergency first-aid services rendered by the **Insured** when a school nurse or other medically-trained person is not readily available;
 5. first aid and regular nursing services rendered by a school nurse employed for the purpose of rendering such services;
 6. first aid and regular nursing services rendered by a certified health aide employed for the purpose of rendering such services under the supervision of a school nurse;
 7. the administration of oral prescription medicine to a student by an **Insured**, provided the **Insured** has advance written authorization for such administration from the parent or guardian of the student;
 8. physical therapy or occupational therapy rendered by an appropriately licensed practitioner employed for the purpose of rendering such services;
- H. any dishonest, fraudulent, criminal or malicious acts other than corporal punishment, provided, however, that this exclusion does not apply to coverage afforded under Coverage C;
- I. claims brought by any employee or former employee of an **Employer**; provided, however, that this exclusion shall not apply to:
 1. any claim made or suit brought against an **Insured** by or on behalf of another employee of an institution of higher education if the claim or suit arises out of activities of the **Insured** in their professional capacity as a participant in the peer review system of an institution of higher education, but this exclusion shall apply to an assault upon an **Insured** by another employee of an institution of higher education if the assault arose out of the **Insured's** aforementioned peer review activity,
 2. any claim made or suit brought against an **Insured** by or on behalf of another employee of an **Employer** if such claim or suit arises out of a **Wrongful Act** as a member of a Board or Commission, established by the State of North Carolina, which has as its purposes the licensure or certification of educators, or the setting of standards for the licensure or certification of educators, and
 3. any claim made or suit brought against an **Insured** by or on behalf of a minor or incompetent child of an employee of an **Employer**, if such claim or suit arises out of a **Wrongful Act** ;

- J. any **Wrongful Act** whereby the **Insured** intentionally causes damage of any nature to another person or entity, except for claims arising from corporal punishment of any student or pupil administered by or at the direction of the **Insured** in their professional capacity in accordance with published policies of the **Educational Institution**;
- K. any action seeking declaratory judgments, injunctive relief, or other similar proceeding, unless the relief prayed for therein also seeks **Damages** which are covered under Coverages A or B;
- L. any activities of any **Insured** while acting as a member of any school board or similarly constituted body;
- M. any claims, accusations or charges brought against any **Insured**, and to any obligation or duty of the Company to afford defense for such claims, accusations or charges, which are made because of any **Damages** or injury arising out of Human Immune Deficiency Virus (HIV) Acquired Immune Deficiency Syndrome (AIDS), no matter how transmitted;
- N. bodily injury, property damage, personal injury or advertising injury arising out of, in connection with or relating to the existence, monitoring, removal, transport, storage, installation or use of, testing for or contamination from, asbestos, mold or any hazardous, illegal or infectious substances;
- O. based upon, attributable to or in any way involving, directly or indirectly:
 1. the purchase, sale, offer of or solicitation of an offer to purchase or sell securities;
 2. any violation of any securities law, including provisions of the Securities Act of 1933, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; or
 3. any violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated thereunder or any similar federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
- P. based upon, attributable to or in any way involving, directly or indirectly:
 1. the actual, alleged or threatened discharge, dispersal, release or escape of **Pollutants**, or
 2. any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize **Pollutants**,
 including but not limited to any claim alleging **Damages** to the **Employer**;
- Q. any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA) or amendments thereto, or similar statutory or common law of the United States of America or any state or jurisdiction therein;
- R. any misappropriation of trade secret or infringement of patent, trademark, trade dress or any other intellectual property right or any right of privacy; or
- S. any sexual misconduct or sexual harassment, except as may be provided under Coverage C.

SECTION VII - EXTENDED REPORTING PERIODS

- A. Only for Coverages A, B, or C above, we will provide one or more Extended Reporting Periods, as described below, if:
 1. this Policy is cancelled or not renewed, or
 2. we renew or replace this Policy with Insurance that:
 - a. has a Retroactive Date later than the date shown in the Declarations of this Policy; or
 - b. does not apply to a Wrongful Act on a claims-made basis.
- B. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to claims for Wrongful Acts committed before the end of the policy period but not before the

Retroactive Date, if any, shown in the Declarations.

Once in effect, Extended Reporting Periods may not be cancelled.

- C.** A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
1. Five years with respect to claims because of a Wrongful Act reported to us, not later than 90 days after the end of the policy period, in accordance with paragraph **2.e** of **SECTION VIII - CONDITIONS**.
 2. Ninety days with respect to claims arising out of a Wrongful Act not previously reported to us.

The Basic Extended Reporting Period does not apply to Claims that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such claims.

- D.** The Basic Extended Reporting period does not reinstate or increase the Limits of Insurance.
- E.** A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in paragraph **C.** above, ends.

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

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

- a. the exposures insured;
- b. previous types and amounts of insurance;
- c. other related factors

The additional premium will not exceed 200% of the annual premium for this Coverage Part.

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

- F.** If the **Supplemental Extended Reporting Period** is in effect, we will provide the supplemental aggregate Limits of Insurance described below, but only for claims first received and recorded during the Supplemental Extended Reporting Period.

The **Supplemental Aggregate Limits of Insurance** will be equal to the Aggregate Limit shown in the Declarations in effect at the end of the policy period.

SECTION VIII - CONDITIONS

A. Action Against Company

No action shall lie against the Company, unless as a condition precedent thereto, the **Insured** shall have fully complied with all terms of this Policy, or until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company. Any person or organization or the legal representative thereof who has accrued such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. Nothing contained in this Policy shall give any person or organization any right to join the Company as co-defendant in any action against the **Insured** to determine the **Insured's** liability. Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.

B. Cancellation

This Policy may be canceled by the **Named Insured** for any reason by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be canceled by the Company only for non-payment of premium by mailing to the **Named Insured** at the address shown on the Policy, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice shall be sufficient proof of notice. The time of surrender of the effective date and hour of cancellation stated in the notice shall become the end of the Policy Period. Delivery of such written notice either by the **Named Insured** or by the Company shall be equivalent to mailing.

If the **Named Insured** or the Company cancels the Policy, earned premium shall be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. Any other premium adjustment or return premium as would apply had cancellation not been affected shall be computed substituting the date of cancellation for the expiration date of this Policy.

C. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this Policy or estop the Company from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form a part of this Policy.

D. Limits of Liability

The Policy Limit of Liability stated in **Item 3** of the Declarations is the maximum limit of the Company's liability under this Policy for all **Damages, Defense Expenses**, or other attorney fees, charges, expenses, judgments, issuance of awards, settlements, and interest accrued on awards prior to the entry of judgment. The Limits of Liability for each **Insured per Wrongful Act** and in the aggregate applicable to Coverage A and Coverage B are as stated under 1. and 2. in **Item 3** of the Declarations, for **Educational Professionals** and **Educational Non-Professionals** respectively.

The aggregate Limits of Liability for each **Insured** applicable to Coverage C, Coverage D and Coverage E are as stated in **Item 3** of the Declarations. The per **Insured** per Criminal Proceeding limit applicable to Coverage C is as stated in **Item 3** of the Declarations.

E. Notice to the Company

1. Notice of a claim or suit shall be given in writing to the following

Address: Great American Insurance
301 East Fourth Street
Cincinnati, OH 45202

Via Email: publicsectorclaims@gaig.com

If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

2. An **Employer** or any **Insured** shall, as a condition precedent to the obligations of the Company under this Policy, give written notice to the Company of any claim made or suit brought against an **Insured** as soon as practicable, but in no event later than 90 days after the expiration of the Policy Period.

3. If written notice of a claim or suit has been given to the Company pursuant to Condition 2 above, then any claim or suit subsequently made or brought against the **Insureds** and reported to the Company alleging, arising out of, based upon or attributable to the facts alleged in that claim or suit for which such notice has been given shall be considered first made or brought at the time such prior claim or suit was first made or brought.
4. If during the Policy Period an **Insured** should become aware of any circumstances which may reasonably be expected to give rise to a claim being made against such **Insured**, they shall give written notice to the Company of the circumstances and the reasons for anticipating such a claim, with full particulars as to dates, persons and entities involved. Then any claim or suit which is subsequently made against an **Insured** and reported to the Company alleging, arising out of, based upon or attributable to such circumstances, shall be considered made at the time such notice of such circumstances was first given, provided that such claim or suit was reported to Company before the end of the Policy Period, as set forth in Item 2. of the Declarations or any Extended Reporting Period, if applicable.
5. Any involved **Insured** must:
 - a. immediately send us copies of any demands, notices, summonses, or legal papers received in connection with the claim or suit;
 - b. authorize us to obtain records and other information;
 - c. cooperate with us in the investigation, settlement, or defense of the claim or suit and
 - d. assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the **Insured** because of injury or damage to which this insurance may also apply.

F. Other Insurance and Non Stacking of Limits

If other insurance, excluding policies issued by the Company, is available to the **Insured** covering a loss also covered by this Policy, then this Policy shall apply in excess of, and shall not contribute with, such other insurance.

If any other policy issued by the Company or its affiliates also applies to a loss which would be covered by this Policy then this Policy will pay its share of the loss based on the percentage this Policy's Limit of Liability bears to the total limits of liability of all insurance available to pay the loss. In addition, the total amount payable under all such policies combined shall not be greater than the highest applicable limit of liability among all such policies, including without limitation, the applicable limit of liability for such other policy.

Other insurance includes but is not limited to:

1. insurance, coverage or benefits provided by school boards, school districts or any similar entity;
2. insurance, coverage or benefits provided by self-insurance, trusts, pools, risk retention groups, captive insurance companies, or any other insurance plan or agreement of risk assumption.

Notwithstanding the foregoing, subject to all its other terms and conditions, this Policy shall provide primary and noncontributory insurance for all claims also covered under any other applicable excess educators professional liability policy.

G. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefore against any person or organization and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after a loss to prejudice such rights.

H. Terms of Policy Conformed to Statute

Terms of this Policy, which are in conflict with the statutes of the state wherein this Policy is issued, are hereby amended to conform to such statutes.

I. Your Assistance and Cooperation

1. Each and every **Insured** agrees to cooperate with and help the Company

- a. in making settlements, subject to sub-paragraph 3. herein;
 - b. in enforcing any legal rights an **Insured** or the Company may have against anyone who may be liable to an **Insured**;
 - c. by attending depositions, hearings and trials; and
 - d. by securing and giving evidence, and obtaining the attendance of witnesses.
2. Each and every **Insured** shall take such actions which, in such **Insured's** judgment, are deemed necessary and practicable to prevent or limit **Damages** or **Defense Expenses** arising from such **Insured's Wrongful Acts**.
 3. **Insureds** shall not admit any liability, assume any financial obligation or pay out any money without the Company's prior written consent. If such **Insured** does so, such **Insured** shall have done so at his or her own expense. In addition, no **Insured** shall take any action, or fail to take any required action, without the Company's written consent, which prejudices the Company's rights under this Policy.

ENDORSEMENT #1

This endorsement, effective on September 1, 2016 at 12:01 am, forms a part of Policy No. 1114631-02 issued to North Carolina Department of Public Instruction by Great American Insurance.

ENDORSEMENT - NOTICE OF CLAIM (REPORTING BY E- MAIL)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Excess Educators Professional Liability Policy

In consideration of the premium charged, it is hereby understood and agreed as follows:

1. Email Reporting of Claims:

In addition to the postal address set forth for any **Notice of Claim Reporting** under this **Policy**, such notice may also be given in writing pursuant to the **Policy's** other terms and conditions to the **Insurer** by email at the following email address:

publicsectorclaims@gaig.com

Your email must reference the **Policy** number for this **Policy**. The date of the **Insurer's** receipt of the emailed notice shall constitute the date of notice.

In addition to **Notice of Claim Reporting** via email, notice may also be given to the **Insurer** by mailing such notice to:

Attn: Public Sector Division
Great American Insurance
301 East Fourth Street
Cincinnati, OH 45202

2. Definitions:

For this endorsement only, the following definitions shall apply:

- a. **Insurer** means the Insurer, Underwriter or Company or other name specifically ascribed in this **Policy** as the Insurance Company or Underwriter for this **Policy**.
- b. **Notice of Claim Reporting** means "notice of claim/circumstance", "notice of loss", or other reference in the **Policy** designated for reporting of claims, loss or occurrences, or situations that may give rise or result in loss under this **Policy**.
- c. **Policy** means the policy, bond or other insurance product to which this endorsement is attached.

All other provisions of this Policy remain unchanged.

ENDORSEMENT #2

This endorsement, effective on September 1, 2016 at 12:01 am, forms a part of Policy No. 1114631-02 issued to North Carolina Department of Public Instruction by Great American Insurance.

ENDORSEMENT – ACCIDENT INSURANCE COVERAGE

THIS ENDORSEMENT ADDS ACCIDENT INSURANCE TO THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Excess Educators Professional Liability Policy

The Policy is amended as follows:

PART I- ACCIDENT INSURANCE DECLARATIONS

The following declarations are added to the Policy and apply only with respect to the coverage provided by this endorsement:

- A. Accident Insurance Effective Date: Same as Policy Effective Date
- B. Classification of Eligible Persons: All active Educational Professional employees (full- or part-time) or Educational Non-Professional employees of the Named Insured.
- C. Principal Sum Amount (per Covered Person): \$10,000
- D. Accident Insurance Premiums: The premium is included in the premium reflected on the Declarations Page.

Words and phrases that appear in bold face print in this endorsement have special meaning within this endorsement. Refer to the Accident Insurance Declarations above and the definitions section below.

THIS ENDORSEMENT PROVIDES ACCIDENT ONLY COVERAGE. IT DOES NOT COVER SICKNESS OR DISEASE.

PART II- ACCIDENT INSURANCE

The following Accident Insurance Coverage is added to the Policy. The provisions hereunder apply only with respect to the Accident Insurance provided by this endorsement:

A. Accident Insurance Insuring Agreement

We will pay a benefit to the Covered Person (or, in the event of death, to the Covered Person's beneficiary) if that Covered Person suffers a loss covered under this endorsement arising from an Injury that results from an accident that occurs on or after the Accident Insurance Effective Date. The Principal Sum Amount applicable to each Covered Person is set out in the Schedule. The benefit amount payable is subject to the Accident Insurance Reduction Schedule found below.

Accidental Death & Dismemberment Benefit. If Injury to a Covered Person results, within three hundred sixty-five (365) days of the date of the accident that caused the Injury, in that Covered Person suffering any one of the losses specified below, the benefit we will pay will be based upon the indicated percentage of the Principal Sum Amount shown below for that loss:

For Loss of:	Percentage of Principal Sum Amount Payable
Life	100%
Both Hands or Both Feet	100%
Sight of Both Eyes	100%
One Hand and One Foot	100%
One Hand and Sight of One Eye	100%
One Foot and Sight of One Eye	100%
Speech and Hearing in Both Ears	100%
One Hand or One Foot	50%
Sight of One Eye	50%
Speech or Hearing in Both Ears	50%
Thumb and Index Finger Same Hand	25%

Loss of a hand or foot means complete severance through or above the wrist or ankle joint. Loss of sight of an eye means total and irrecoverable loss of the entire sight in that eye. Loss of hearing in an ear means total and irrecoverable loss of the entire ability to hear in that ear. Loss of speech means total and irrecoverable loss of the entire ability to speak. Loss of thumb and index finger means complete severance through or above the metatarsophalangeal joint of both digits.

If more than one loss is sustained by a **Covered Person** as a result of the same accident, only one amount, the largest, will be paid.

B. Accident Insurance Exclusions

No coverage shall be provided under this endorsement and no payment shall be made for any loss resulting in whole or in part from, or contributed to by, or as a natural and probable consequence of any of the following excluded risks even if the proximate or precipitating cause of the loss is an accidental bodily injury:

1. suicide or any attempt at suicide, while sane, or intentionally self inflicted injury or any attempt at intentionally self inflicted injury;
2. sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these;
3. travel or flight in or on (including getting in or out of, or on or off of) any vehicle used for aerial navigation, if the insured person is:
 - a. riding as a passenger in any aircraft not intended or licensed for the transportation of passengers;
 - b. performing, learning to perform or instructing others to perform as a pilot or crew member of any aircraft; or
 - c. riding as a passenger in an aircraft owned, leased or operated by the policyholder or the insured person's employer.
4. declared or undeclared war, or any act of declared or undeclared war ;
5. infections of any kind regardless of how contracted, except bacterial infections that are directly caused by botulism, ptomaine poisoning or an accidental cut or wound independent and in the absence of any underlying sickness, disease or condition including but not limited to diabetes;
6. full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded.);
7. the insured person being under the influence of intoxicants while operating any vehicle or means of transportation or conveyance;

8. the insured person being under the influence of drugs unless taken under the advice of and as specified by a **Physician**;
9. the insured person's commission of or attempt to commit a crime;
10. the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment;
11. stroke or cerebrovascular accident or event; cardiovascular accident or event; myocardial infarction or heart attack; coronary thrombosis; aneurysm.

C. Accident Insurance Limitations

Accident Insurance Reduction Schedule - The amount payable for a loss will be reduced if a **Covered Person** is age 70 or older on the date of the accident causing the loss. The amount payable for that **Covered Person's** loss is a percentage of the amount that would otherwise be payable, according to the following schedule:

<u>Age On Date Of Accident</u>	<u>Percentage Of Amount otherwise Payable</u>
70-74	65%
75-79	45%
80-84	30%
85 and older	15%

Premium for a **Covered Person** age seventy (70) or older is based on one hundred percent (100%) of the coverage that would be in effect if the **Covered Person** were under age seventy (70).

D. Accident Insurance Definitions

1. **Covered Person** means a person:
 - a. who is a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**;
 - b. for whom premium has been paid; and
 - c. while such person's coverage under this endorsement is in force.
2. **Immediate Family Member** means a person who is related to the **Covered Person** in any of the following ways: spouse, brother-in-law, sister-in-law, son-in-law, daughter-in-law, mother-in-law, father-in-law, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).
3. **Injury** - means an injury to the body:
 - a. which is sustained as a direct result of an unintended, unanticipated accident that is external to the body and that occurs while the injured person's accident coverage is in force; and
 - b. which directly (independent of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.
4. **Physician** means a licensed practitioner of the healing arts acting within the scope of his or her license who is not:
 - a. the **Covered Person**;
 - b. an **Immediate Family Member** ; or
 - c. retained by the **Named Insured**.
5. **Schedule** - means the Accident Insurance Declarations section of this endorsement.

E. Accident Insurance Claims Provisions

1. **Notice of Claim.** Written notice of a claim for benefits must be given to us within twenty (20) days after a **Covered Person's** loss, or as soon thereafter as reasonably possible. Notice given by or on behalf of the claimant to us at:

Attn: Public Sector Division
Great American Insurance
301 East Fourth Street
Cincinnati, OH 45202

with information sufficient to identify the **Covered Person**, is deemed notice to us. Notice of Claim may also be given to us by email at publicsectorclaims@gaig.com.

2. **Claim Forms.** We will send claim forms to the claimant upon receipt of a written notice of claim. If such forms are not sent within fifteen (15) days after the giving of notice of a claim, the claimant will be deemed to have met the proof of loss requirements upon submitting, within the time fixed herein for filing proof of loss, written proof covering the occurrence, the character and the extent of the loss for which claim is made. The notice should include the **Covered Person's** name, the **Named Insured's** name and the Policy number.
3. **Proof of Loss.** Written proof of loss must be furnished to us within ninety (90) days after the date of the loss. If the loss is one for which this endorsement requires continuing eligibility for periodic benefit payments, subsequent written proofs of eligibility must be furnished at such intervals as we may reasonably require. Failure to furnish proof within the time required neither invalidates nor reduces any claim if it was not reasonably possible to give proof within such time, provided such proof is furnished as soon as reasonably possible and in no event, except in the absence of legal capacity of the claimant, later than one year from the time proof is otherwise required.
4. **Payment of Claims.** Upon receipt of due written proof of death, payment for loss of life of a **Covered Person** will be made, in equal shares, to the person(s) specified in writing and sent by the **Covered Person** to the **Named Insured**. If a **Covered Person** has not designated a specific beneficiary, then payment for loss of a life of a **Covered Person** will be made, in equal shares, to the survivors in the first surviving class of those that follow: the **Covered Person's** (1) spouse; (2) children; (3) parents; or (4) brothers and sisters. If no class has a survivor, the beneficiary is the **Covered Person's** estate.

Upon receipt of due written proof of loss, payments for all losses, except loss of life, will be made to (or on behalf of, if applicable) the **Covered Person** suffering the loss. If a **Covered Person** dies before all payments due have been made, the amount still payable will be paid as described above for loss of life.

If any payee is a minor or is not competent to give a valid release for the payment, the payment will be made to the legal guardian of the payee's property. If the payee has no legal guardian for his or her property, a payment not exceeding \$1,000 may be made, at our option, to any relative by blood or connection by marriage of the payee, who, in our opinion, has assumed the custody and support of the minor or responsibility for the incompetent person's affairs.

Any payment we make in good faith fully discharges our liability to the extent of the payment made.

5. **Time of Payment of Claims.** Benefits payable under this Policy for any loss other than loss for which this Policy provides any periodic payment will be paid immediately upon the Company's receipt of due written proof of the loss. Subject to the Company's receipt of due written proof of loss, all accrued benefits for loss for which this Policy provides periodic payment will be paid at the expiration of each month during the continuance of the period for which the Company is liable and any balance remaining unpaid upon termination of liability will be paid immediately upon receipt of such proof.
6. **Physical Examination and Autopsy.** We at our own expense have the right and opportunity to examine the person of any individual whose loss is the basis of claim hereunder when and as often as we may reasonably require during the pendency of the claim and to make an autopsy in case of death where it is not forbidden by law.

F. Accident Insurance Additional Provisions

1. **Premiums.** The premium for this coverage is included in the premium reflected in **Item 5. Annual Premium** on the Declarations page of the Policy. We may change the required premiums as a condition of any renewal of the coverage under this endorsement. We may also change the required premiums at any time when any coverage change affecting premiums is made in the coverage provided by this endorsement.
2. **Accident Insurance Termination Date.** This coverage terminates automatically on the earlier of: (1) the date the Policy terminates; or (2) the premium due date if premiums for this coverage are not paid when due. Termination takes effect at 12:01 AM Standard Time at the address of the **Named Insured** on the date of termination.
3. **Covered Person's Effective Date. A Covered Person's** coverage under this endorsement begins on the latest of: (1) the **Accident Insurance Effective Date**; (2) the date the person becomes a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; or (3) the date the appropriate premium is paid for the **Covered Person**.
4. **Covered Person Termination Date. A Covered Person's** coverage under this endorsement ends on the earliest of: (1) the date the Policy is terminated; (2) the date this endorsement is terminated; (3) the premium due date if premiums for this coverage are not paid when due; or (4) the date the **Covered Person** ceases to be a member of any eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**.

Termination of coverage will not affect a claim for a covered loss that occurred while the **Covered Person's** coverage under this endorsement was in force.

All other provisions of this Policy remain unchanged.

ENDORSEMENT #3

This endorsement, effective on September 1, 2016 at 12:01 am, forms a part of Policy No. 1114631-02 issued to North Carolina Department of Public Instruction by Great American Insurance.

ENDORSEMENT - ATTORNEY REIMBURSEMENT COVERAGE (Employment Related)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Excess Educators Professional Liability Policy

It is hereby understood and agreed that:

- A Unless otherwise set forth herein, the terms, conditions and exclusions contained in this endorsement shall apply only with respect to the coverage afforded under this endorsement.
- B. Solely with respect to the coverage afforded under this endorsement, **SECTION I – INSURING AGREEMENTS** is amended by adding the following paragraphs to the end thereof:

Coverage AR: Reimbursement of Attorney Fees

To reimburse an **Insured** on account of such attorney fees for services as are reasonable and necessary which the **Insured** is legally obligated to pay to an attorney approved by the Company to whom the **Insured** has been referred by the **Named Insured** for the defense of any action brought against such **Insured** arising out of the following activities, but without obligation to furnish such attorney:

- 1. Incurred in the defense of any action or proceeding involving salary, dismissal, contract nonrenewal, change of assignment, tenure, leave of absence, resignation or other professional rights, duties and responsibilities, allegations of intentional or negligent sexual conduct and arising within the scope of employment; involving the issuance, suspension, cancellation, revocation of any credential, life diploma or certification document issued by the State Board of Education, State Board of Educator Certification or Commission on Credentials; based upon an alleged violation of any civil rights guaranteed by the Constitution or civil rights statutes of the United States or any state arising out of activities of an **Insured** in their professional capacity and not otherwise covered; as a result of an **Insured's** service on an appraisal and/or a career ladder select committee.
- 2. Incurred in the appeal of a decision by the governing board of a school district or the commissioner of education resulting from defense of an action or proceeding covered under paragraph A above, provided, however, final judgment is rendered in favor of the **Insured**.
- C. Solely with respect to the coverage afforded under this endorsement, **SECTION VII – CONDITIONS, Part D. Limits of Liability** is amended to include the following paragraph at the end thereof:

The coverage afforded under **Coverage AR – Reimbursement of Attorney Fees** is subject to the following Limits of Liability:

\$2,500	per Insured per claim
\$10,000	aggregate per Insured per policy
\$5,000,000	aggregate per policy

D. Solely with respect to the Coverage AR as afforded under this endorsement, **SECTION VI – EXCLUSIONS**

is amended such that the following exclusions shall not apply.

1. **I.** (claims brought by employee),
 2. **J.** (intentional damage),
 3. **K.** (declaratory judgments) ,
 4. **M.** (AIDS), and
 5. **S.** (sexual misconduct).
- E. If, during the **Policy Period**, an **Employer** should hire a new **Educational Professional or Educational Non-Professional**, then coverage shall be automatically extended to such **Insured** but only for **Wrongful Acts** occurring while such **Insured** is employed by the **Employer** in such capacities. No coverage shall be afforded for **Wrongful Acts** by any such **Insured** prior to the **Insured's** official date of hire.

All other provisions of this Policy remain unchanged.

ENDORSEMENT #4

This endorsement, effective on September 1, 2016 at 12:01 am, forms a part of Policy No. 1114631- 02 issued to North Carolina Department of Public Instruction by Great American Insurance.

ENDORSEMENT – NON-OWNED AUTO LIABILITY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

Excess Educators Professional Liability Policy

It is hereby understood and agreed that:

- A. Unless otherwise set forth herein, the terms, conditions and exclusions contained in this endorsement shall apply only with respect to the coverage afforded under this endorsement and to the following three residential schools:
 - a. Governor Morehead School for the Blind
 - b. North Carolina School for the Deaf at Morgantown
 - c. Eastern North Carolina School for the Deaf

- B. Solely with respect to coverage afforded under this endorsement, **SECTION I – INSURING AGREEMENTS, Coverage A: Excess Liability Coverage, A.3.** applies to **Bodily Injury** to a current residential student arising out of the use of a **Non-owned Auto** by an **Educational Professional** or volunteer while transporting a current residential student in a school sponsored event.

- C. Solely with respect to coverage afforded under this endorsement, **SECTION VI - EXCLUSIONS, C.** is deleted in its entirety and replaced with:

the ownership, maintenance, operation, use, loading or unloading of vehicles of any kind; provided, however, this exclusion does not apply to the maintenance, operation, use, loading or unloading of vehicles of any kind for:

- 1. An educational professional or volunteer, and
- 2. While transporting a current residential student, and
- 3. During a school sponsored event;

provided further, however, any coverage afforded herein for the foregoing subparagraphs 1. through 3. does not apply when the educational professional or volunteer has any other insurance of any kind, whatsoever which affords coverage as to such liability;

- D. Solely with respect to coverage afforded under this endorsement, **SECTION III - DEFINITIONS** is amended by the addition of the following:
 - a. **Bodily Injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these.
 - b. **Non-owned auto** means any “auto” you do not own, lease, hire, rent or borrow which is used in connection with your business. This includes “auto” owned by your educational professionals and volunteers, but only while transporting a current residential student during a school sponsored event.

- E. Solely with respect to the coverage afforded under this endorsement, **SECTION VIII – CONDITIONS, Part D. Limits of Liability** is amended to include the following paragraph at the end thereof:

The coverage afforded under **Coverage A: Excess Liability Coverage** is subject to the following Limits of Liability:

	<u>Non-owned Auto</u> per
\$100,000	occurrence
\$500,000	aggregate per policy

- F. Retroactive Date solely applicable to the coverage provided above: 9/01/2016

All other provisions of this Policy remain unchanged.