

## Executive Liability Value Proposition

### *Why Choose Chartis for your Executive Liability Coverage needs?*

#### **UNDERWRITING EXPERTISE & MARKET DEDICATION**

- Named the #1 provider of Directors & Officers insurance and Employment Practices Liability insurance <sup>1</sup>
- More than four decades of experience and commitment to the market, offering stable, high-limit capacity with a diverse appetite for risk
- Broad and innovative product offering, including unrivaled international capabilities via our Passport platform
- Ongoing pursuit of outstanding client service through continuous dialogue and client feedback response
- Over 350 dedicated underwriting professionals with an average of 10 years of industry experience
- A dedicated legal staff skilled in developing manuscript solutions tailored to client coverage needs
- Regional offices provide local underwriting presence and authority, delivering expertise and solutions across all lines of business
- Specialized underwriting and claims units focused on key segments, including Errors and Omissions, Financial Institutions, Fidelity and Private and Non-Profit
- Large geographic footprint that benefits companies doing business in multiple international jurisdictions
- Nearly 20,000 unique policyholders<sup>2</sup>

#### **SUPERIOR CLAIMS MANAGEMENT**

- We have a claims staff of 300 who manage 30,000 new claims per year, averaging 2,250 new claims per month
- Our claims management team has an average of 15 years of industry experience for management
- Total payments made by Executive Liability on behalf of its insureds in 2009 totaled more than \$1.9 billion
- Resolved claims exceeding \$9 million in value have increased over 850 percent since 1996 <sup>3</sup>
- The top 25 claims paid by Executive Liability in 2009 totaled over \$300 million

#### **CHARTIS FINANCIAL SNAP- SHOT**

- Chartis U.S. Policyholder Surplus is \$28 billion<sup>4</sup> (increased 58% from 12/31/05 to 12/31/09)
- In 2009, Chartis companies wrote in excess of \$40 billion gross written premiums worldwide
- Chartis has ample resources to pay policyholder claims, paying \$71 million in claims worldwide every business day in 2009
- Objective sources confirm our company's strong financial standing. From rating agencies to broker assessments, metrics in the insurance industry indicate that Chartis remains one of the most financially secure insurance organizations
- Our financial strength combined with our experience, global reach and broad range of product and service offerings, solve the insurance needs of 40 million clients worldwide

#### **STAYING POWER**

Our consistent market leadership and commitment has lasted for more than four decades, while other carriers shift their focus and support from year-to-year. Our global underwriting capacity, philosophy and expertise-coupled with our local presence-enables Executive Liability to assess the most complex risks and respond rapidly when unforeseen events occur.

<sup>1</sup> The Risk and Insurance Management Society 2009 Benchmark Survey <http://www.rims.org/resources/BenchmarkSurvey/Pages/default.aspx>.

<sup>2</sup> Does not include Programs or Small Business accounts.

<sup>3</sup> NERA Economic Consulting.

<sup>4</sup> Year ended December 31, 2009.

## INNOVATIVE SOLUTIONS

### Management Liability

**Executive Edge<sup>SM</sup>**: Primary public company D&O coverage with market leading features, including advancement of covered loss for directors and officers when the company fails or refuses to indemnify for any reason, worldwide investigation and inquiry coverage and a simplified "entity vs. insured" exclusion in place of the "insured vs. insured" exclusion.

**Executive Shield**: Follow form excess Side-A Directors & Officers Liability Insurance with Difference In Conditions coverage that is distinct from other Side-A DIC policies. The policy provides individual directors and officers with the coverage they need to protect themselves and their assets when facing a claim.

**PrivateEdge Plus**: A flexible modular package that offers market-leading management and professional liability coverage for private companies of any size. Choose one or combine multiple coverage options to customize a comprehensive program that meets specific business needs.

**Not-for-Profit-Risk-Protector<sup>®</sup>**: A flexible modular package policy designed to help non-profit organization clients manage their management liability and other liability risks. Choose one or combine multiple coverage options to customize a comprehensive program that meets specific business needs. The policy is available to all non-profit organizations regardless of revenue, asset size or employee count.

**Public Entity Plan and Trustee Protector**: A policy that protects individuals who manage governmental entity employee benefit plans from fiduciary liability exposures.

**Financial Institutions Risk Protector<sup>®</sup>**: A modular package of management and professional liability coverages for private and public financial institutions. Coverages can be bundled into one policy to provide flexible protection tailored for a financial institution's full spectrum of management and professional liability risks.

**Excess Edge<sup>SM</sup>**: Follow form excess management and professional liability coverage that reduces the administrative burden facing brokers and their clients when placing excess insurance for directors and officers liability, employment practices liability, fiduciary liability, errors and omissions liability, and other executive liability exposures.

### Professional Liability

**Specialty Risk Protector<sup>®</sup>**: A modular package of professional liability and data network security coverages for all types of businesses. Businesses can bundle multiple lines of coverage into one policy.

**Corporate Counsel Premier<sup>®</sup>**: Provides general counsel and other in-house attorneys employed by public and private companies with coverage for claims alleging professional malpractice.

**Lawyers Professional Liability Program**: This admitted program provides broad coverage for attorneys and includes crisis management coverage to help mitigate damage to a law firm's reputation.

**Personal Identity Coverage**: Enables organizations to extend expert assistance and financial relief to employees, customers or members who are victims of identity theft. This innovative program combines extensive recovery support as well as reimbursement of costs related to a theft incident.

### Value Added Services

**Passport**: State-of-the-market approach for multinationals to secure locally-admitted insurance that is in sync with local requirements and customs, and written in local language worldwide.

**EPL Pak<sup>®</sup> Premier**: The Employment Practices Liability Loss Prevention Pack offered through Jackson Lewis, LLP, helps insureds proactively mitigate employment practices exposures. The program includes both training programs that help instill proper employment practices within an organization and resources to keep employers informed of changing statutes, regulations and court decisions shaping the employment landscape.

**CrisisFund<sup>®</sup>**: Built-in crisis management enhancement provides policyholders with professional support, including a 24-hour hotline with access to claims specialists, and immediate funds in the event of a serious crisis. Up to \$250,000 of additional policy limits available to cover immediate expenses and an additional \$50,000 limit to retain the services of a public relations or crisis management firm.

**Fidelity Research and Investigative Settle Clause (FRISC)**: A unique provision in Fidelity policies that allows the insured to select an investigative specialist or forensic accountant to determine the facts of the case and quantify the loss. This sets the stage for an efficient, cooperative loss investigation and settlement process that can save the insured time and money. Even if the loss is ultimately determined to not be covered under the policy, the insurer still pays half of the investigation expenses.

**eDiscovery Solutions**: A litigation-management tool devised to create a strategy to handle the collection of electronically stored information throughout litigation.

**Panel Counsel**: Comprised of some of the nation's premier litigators who specialize in defending securities, employment practices, fiduciary liability and technology litigation. Participating law firms have a proven record of achieving litigation success while maximizing litigation efficiency. Consistent superior performance is required to maintain a position on the panel.

For more information about Executive Liability, please contact us at [executiveliability@chartisinsurance.com](mailto:executiveliability@chartisinsurance.com) or visit [www.chartisinsurance.com](http://www.chartisinsurance.com).



Chartis is a world leading property-casualty and general insurance organization serving more than 40 million clients in over 160 countries and jurisdictions. With a 90-year history, one of the industry's most extensive ranges of products and services, deep claims expertise and excellent financial strength, Chartis enables its commercial and personal insurance clients alike to manage virtually any risk with confidence.

Chartis is the marketing name for the worldwide property-casualty and general insurance operations of Chartis Inc. For additional information, please visit our website at [www.chartisinsurance.com](http://www.chartisinsurance.com). All products are written by insurance company subsidiaries or affiliates of Chartis Inc. Coverage may not be available in all jurisdictions and is subject to actual policy language. Non-insurance products and services may be provided by independent third parties. Certain coverage may be provided by a surplus lines insurer. Surplus lines insurers do not generally participate in state guaranty funds and insureds are therefore not protected by such funds.

## **POLICYHOLDER NOTICE**

Thank you for purchasing insurance from the Chartis companies. Chartis insurance companies generally pay compensation to brokers and independent agents, and may have paid compensation in connection with your policy. You can review and obtain information about the nature and range of compensation paid by Chartis insurance companies to brokers and independent agents in the United States by visiting our website at [www.chartisinsurance.com/producercompensation](http://www.chartisinsurance.com/producercompensation) or by calling 1-800-706-3102.



**Chartis Specialty Insurance Company**

A capital stock company

POLICY NUMBER: 01-001-09-95

REPLACEMENT OF POLICY NUMBER: N/A

**EXCESS EDUCATORS PROFESSIONAL LIABILITY INSURANCE**

**DECLARATIONS**

**POLICY NUMBER: 010010995**

**ITEM 1. NAMED INSURED: NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION  
MAILING ADDRESS: 301 N WILMINGTON STREET  
RALEIGH, NC 27601-1058**

**ITEM 2. POLICY PERIOD: From: 09/01/2011 To: 09/01/2012  
(12:01 A.M. standard time at the address stated in Item 1. above.)**

**ITEM 3. POLICY LIMIT OF LIABILITY:**

**Coverage A:**

|  |  |                                   |
|--|--|-----------------------------------|
| <b>(1) Educational Professionals</b>     | \$1,000,000 per Insured per occurrence | \$1,000,000 aggregate per Insured |
| <b>(2) Educational Non-Professionals</b> | \$1,000,000 per Insured per occurrence | \$1,000,000 aggregate per Insured |

**Coverage B:**

|  |  |                                   |
|--|--|-----------------------------------|
| <b>(1) Educational Professionals</b>     | \$1,000,000 per Insured per occurrence | \$1,000,000 aggregate per Insured |
| <b>(2) Educational Non-Professionals</b> | \$1,000,000 per Insured per occurrence | \$1,000,000 aggregate per Insured |

**Coverage C:** \$5,000 aggregate per Insured

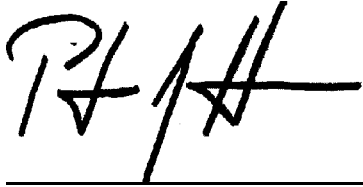
**Coverage D:** \$2,500 aggregate per Insured

**Coverage E:** \$50,000 per Insured per Criminal Proceeding \$50,000 aggregate per Insured

**ITEM 4. FORMS ATTACHED: EXCESS EDUCATORS PROFESSIONAL LIABILITY INSURANCE**

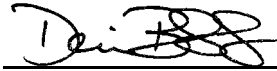
**ITEM 5. RATE AND PREMIUM:** \$22.00 per professional employee  
\$15.00 per non-professional employee  
**Deposit Premium:** \$3,045,000.

IN WITNESS WHEREOF, the Insurer has caused this policy to be signed on the Declarations by its President, a Secretary and its duly authorized representative.



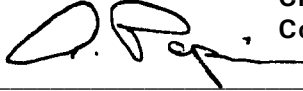
PRESIDENT

Chartis Specialty Insurance  
Company



SECRETARY

Chartis Specialty Insurance  
Company



AUTHORIZED REPRESENTATIVE

COUNTERSIGNED AT

DATE

COUNTERSIGNATURE

*CRC INSURANCE SERVICES INC  
3931 TINSLEY DRIVE  
SUITE 103  
HIGH POINT, NC 27265*

1380873

**CHARTIS SPECIALTY INSURANCE COMPANY**  
(the "Company")

175 Water Street  
NEW YORK, NY 10038

**NOTICE: THIS INSURER IS NOT LICENSED IN THE STATE OF NEW YORK AND IS NOT  
SUBJECT TO ITS SUPERVISION.**

**EDUCATORS PROFESSIONAL LIABILITY INSURANCE**

The Company agrees with the Named Insured set forth in 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;

**INSURING AGREEMENTS**

**Coverage A~~B~~ Excess Liability Coverage**

Subject to the applicable limit per Insured per occurrence 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. commercial general liability,
2. errors and omissions coverage,
3. employment practices liability policies, and
4. any other valid and collectible insurance;

(the "Listed Coverages") which such Insured shall become obligated to pay by reason of liability imposed by law for Damages and Defense Expenses resulting from any claim for a Wrongful Act by the Insured occurring during the Policy Period (as set forth in Item 2 of the Declarations) and reported to the Company in writing as provided in this policy. Such wrongful acts must arise from such Insured's Professional Activities.

Provided, however, 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.

**Coverage B~~B~~ Primary Liability Coverage**

Only in the event that no Listed Coverage, 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 per occurrence and in the aggregate as 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 resulting from any claim for a Wrongful Act by the Insured occurring during the Policy Period and reported to the Company in writing as provided in this policy. 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 even if the suit is groundless, false or fraudulent. The Company has the right to settle any suit if the Company believes that it is proper to do so.

The Company has the right to investigate any claim.

Claim expenses are part of and subject to our Limit of Liability. The Company's duty to defend ends after the applicable Limit of Liability has been exhausted by payment of claim expenses or damages.

In all events, the Company's maximum Limit of Liability for all Damages and Defense Costs 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 per Insured per occurrence and in the aggregate which are set forth for each of Coverage A and Coverage B in Item 3 of the Declarations.

#### **Coverage CBail Bonds**

Subject to the aggregate limit per Insured set forth in Item 3 of the Declarations for Coverage C, the Company shall reimburse an Insured for any premium for Bail Bonds required of an Insured arising out of a Wrongful Act by the Insured in the Insured's Professional Services occurring during the Policy Period. The Company shall not have any obligation to apply for or furnish any such bond.

#### **Coverage DExcess Assault-Related Personal Property Damage**

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

1. Employers'
  - (a) commercial general liability,

- (b) errors and omissions coverage,
- (c) employment practices liability policies, 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 occurring during the Policy Period that is 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.

**Coverage E - Criminal Acts**

The Company shall reimburse an Insured, subject to the aggregate limit per Insured set forth in Item 3 of the Declarations for Coverage E for reasonable and necessary attorney fees and costs incurred by such Insured, which costs arise directly from a Criminal Proceeding which alleges that a Criminal Act occurred in the course of the Professional Activities of the Insured during the Policy Period; provided (i) the Insured pleads not guilty to any charge or reduced or substituted charge; (ii) the Insured is found not guilty of all criminal charges; or (iii) 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 this Coverage E 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 E.

Provided further, notwithstanding the requirements set forth in subparagraphs (i) through (iii), the Company shall pay an initial reimbursement of \$1,000 for a retainer, subject to the limit per Criminal Proceeding and per Insured set forth in Item 3 of the Declarations for Coverage E.

**SUPPLEMENTARY PAYMENTS**

The Company will pay, in addition to the applicable limit of liability for Coverage A:

1. all expenses incurred by the Company, all costs taxed against the Insured in any suit defended by the Company and all interest on the entire amount of any judgment therein 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;
2. 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;
3. expenses incurred by the Insured for first aid to others at the time of an accident for bodily injury to which this policy applies;
4. 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.

#### **DEFINITIONS**

- a. "Criminal Act" means any act that has been the subject of a criminal proceeding in which the Insured was found guilty or in which the Insured entered a plea of nolo contendere, except acts of corporal punishment administered by or at the direction of the Insured in his/her professional capacity in accordance with published policies of the educational institution.
- b. "Criminal Proceeding" means the criminal proceeding of an Insured for any criminal act and which proceeding 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. "Named Insured" means NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION.
- j. "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; and
- k. "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.
- l. "Wrongful Act" means any negligent act, error, omission or breach of duty in the performance or failure to perform Professional Activities.
- m. "Related Wrongful Acts" shall mean Wrongful Acts which are the same, related or continuous, or Wrongful Acts which arise from a common nucleus of facts. Claims can allege Related Wrongful Acts regardless of whether such claims involve the same or different claimants, Insureds or legal causes of action.

#### **BLANKET 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.

## **TERRITORY**

This policy applies to claims made anywhere in the world.

## **EXCLUSIONS**

This policy does not apply any claim:

- (a) alleging or arising out of activities of an Insured that are not Professional Activities;
- (b) alleging or arising out of activities of an Insured that are carried on in a private business, private professional endeavor or private school;
- (c) alleging or arising out of 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) alleging or arising out of liability assumed by the Insured under any contract or agreement;
- (e) alleging or arising out of 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) alleging or arising out of 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) alleging or arising out of the rendering, teaching or supervising of medical, surgical, dental, nursing, or other similar services or the omission thereof; except however, this exclusion does not apply to:
1. First aid and regular nursing services rendered by a school nurse employed for the purpose of rendering such services;
  2. 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;
  3. Physical therapy or occupational therapy rendered by an appropriately licensed practitioner employed for the purpose of rendering such services;
  4. 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;
  5. Emergency first-aid services rendered by the Insured when a school nurse or other medically-trained person is not readily available;
  6. Psychological therapy or treatment rendered by a licensed practitioner employed for the purpose of rendering such services;
  7. 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
  8. 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.
- (h) alleging or arising out of any dishonest, fraudulent, criminal or malicious acts other than corporal punishment, provided, however, that this exclusion does not apply to coverage afforded under Insuring Agreement E;

- (i) alleging or arising out of claims brought by any employee or former employee of an Employer; provided, however, that this exclusion shall not apply to: (i) 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 an occurrence in the course of activities of the Insured in his/her 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 an occurrence in the Insured's aforementioned peer review activity, (ii) 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 (iii) 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) alleging or arising out of 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 his/her professional capacity in accordance with published policies of the educational institution;
- (k) alleging or arising out of 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) alleging or arising out of any activities of any Insured while acting as a member of any school board or similarly constituted body.
- (m) arising out of any sexual misconduct or sexual harassment, except as may be provided under Coverage E.
- (n) alleging or arising out of 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;
- (o) alleging or arising out of 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;

- (p) alleging or arising out of:
- (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;
- (q) alleging, arising out of common, based upon, attributable 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;
- "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; or
- (r) alleging or arising out of 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; or
- (s) alleging or arising out of any misappropriation of trade secret or infringement of patent, trademark, trade dress or any other intellectual property right or any right of privacy.

## **CONDITIONS**

### **1. 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 occurrence and in the aggregate applicable to Coverage A and Coverage B are as stated under (1) and (2) in Item 3, for Educational Professionals and Educational Non-Professionals respectively.

The aggregate limit 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 E is as stated in Item 3 of the Declarations.

### **2. Notice to the Company**

(a) Notice of a claim shall be given in writing to to the following address:

Chartis  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225

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.

A claim shall be considered to have been first made against an Insured when written notice of such claim is received by any Insured, by an Employer on the behalf of any Insured or by the Company, whichever comes first.

(b) 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 against an Insured as soon as practicable.

(c) If written notice of a claim has been given to the Company pursuant to Condition 2(b) above, then any claim subsequently made against the Insureds and reported to the Company alleging, arising out of, based upon or attributable to the facts alleged in that claim for which such notice has been given shall be considered first made at the time such prior claim was first made.

(d) If during the Policy Period the Company or an Insured shall become aware of any circumstances which may reasonably be expected to give rise to a claim being made against such Insureds, and 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 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.

### **3. Your Assistance and Cooperation**

(a) Each and every Insured agrees to cooperate with and help the Company

1. in making settlements, subject to sub-paragraph (3) herein;
2. in enforcing any legal rights an Insured or the Company may have against anyone who may be liable to an Insured;
3. by attending depositions, hearings and trials; and
4. by securing and giving evidence, and obtaining the attendance of witnesses.
  - a. 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.
  - b. 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 our written consent, which prejudices the Company's rights under this policy.

### **4. 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.

## **5. 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 any affiliate of the Company 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:

- (a) Insurance, coverage or benefits provided by school boards, school districts or any similar entity;
- (b) 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.

Provided, however, 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.

## **6. Subrogation**

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's right of recovery therefor 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.

**7. 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 estopp 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.

**8. Cancellation**

This policy may be canceled by the Named Insured for any reason by surrender thereof to the Company or any of its authorized agents or 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 days thereafter such cancellation shall be effective. The mailing of notice as aforesaid 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.

**9. 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.

**11. Adjustment**

The premium specified in Item 5 of the Declarations is a provisional estimate based on the number of Insureds anticipated by the Named Insured at the inception of this policy. The Named Insured agrees to maintain, and shall maintain, a record of the number of Insureds, on an annual basis, and to report changes in the number of Insureds to the Company on an annual basis. At the end of the policy period, the annual premium will be adjusted according to the total number of Insureds under the policy.

**IN WITNESS WHEREOF**, the Company has caused this policy to be signed by its president and secretary and countersigned where required by law on the Declarations page by a duly authorized representative of the Company.

**ENDORSEMENT# 1**

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

by *Chartis Specialty Insurance Company*

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

**COVERAGE TERRITORY ENDORSEMENT**

Payment of loss under this policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including, but not limited to, sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").



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AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 001**

**ENDORSEMENT# 2**

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

by *Chartis Specialty Insurance Company*

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

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:

c- claim@chartisinsurance.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: Chartis, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225 or faxing such notice to (866) 227-1750.

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.
3. This endorsement does not apply to any Kidnap & Ransom/Extortion Coverage Section, if any, provided by this policy.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



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AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 002**

**ENDORSEMENT# 3**

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

by *Chartis Specialty Insurance Company*

**PERSONAL IDENTITY COVERAGE**

In consideration of the additional premium calculated pursuant to the schedule at the end of this endorsement, and in reliance upon the statements in the application made a part hereof, it is hereby understood and agreed that this endorsement shall provide PERSONAL IDENTITY COVERAGE pursuant to the terms and conditions contained in this endorsement.

**I. POLICY PROVISIONS INCORPORATED**

All the terms and conditions of the policy are hereby incorporated herein and shall apply to coverage as is afforded by this endorsement unless specifically stated otherwise herein or in an endorsement(s) attached hereto.

**II. DECLARATIONS**

Solely with respect to the coverage provided by this endorsement, the Declarations are amended as follows:

Item 3 is deleted in its entirety and replaced with the following:

|         |   |          |  |
|---------|---|----------|--|
| ITEM 3. | LIMITS OF INSURANCE                                   | \$10,000 | aggregate per Insured for all Loss combined (including Legal Defense Fees and Expenses) incurred by such Insured |
| (a)     | Sublimit for Initial Legal Consultation:              | \$250    |  |
| (b)     | Sublimit for Lost Wages Per Week (For Up To 5 Weeks): | \$1,000  |  |
| (c)     | Sublimit for Travel Expenses:                         | \$500    |  |
| (d)     | Sublimit for Elder Care and Child Care:               | \$1,000  |  |
| Item 4. | DEDUCTIBLE:   | \$0      | per Insured  |

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### III. INSURING AGREEMENT

Solely with respect to the coverage provided by this endorsement, the "INSURING AGREEMENTS" Section is deleted in its entirety and replaced with the following:

#### **INSURING AGREEMENTS**

##### Coverage A

The Company shall pay the Insured for Loss, excess of any applicable deductible, resulting from Stolen Identity Events first occurring during the Policy Period and reported to the Company within 6 months of a Stolen Identity Event.

##### Coverage B

The Company shall provide the Insured with Restoration Services after a Stolen Identity Event first occurring during the policy period and reported to us within 6 months of a Stolen Identity Event.

### IV. DEFINITIONS

Solely with respect to the coverage provided by this endorsement, the "DEFINITIONS" Section is deleted in its entirety and replaced with the following:

- a. "Business" means any employment, trade, hobby, profession or occupation.
- b. "Company" means the Named Insured designated in Item 1 of the Declarations and any Subsidiary thereof.
- c. "Computer Attack" means transmission of malicious code, Unauthorized Computer Access or Unauthorized Computer Use, whether intentional or unintentional, hostile or otherwise and regardless of whether the perpetrator is motivated for profit, which results in copying or misappropriation of identity information pertaining to an Insured.
- d. "Computer System" means computer hardware, software and firmware and data stored thereon, which are linked together through a network of two or more computers, or accessible through the Internet, including network infrastructure, input, output, processing, storage and off-line media libraries. Computer System shall also include those written policies and procedures applicable to the security of a computer network.
- e. "Costs" means the following reasonable and necessary costs incurred by the Insured as a result of a Stolen Identity Event:
  1. cost of re-filing rejected applications for loans, grants or other credit instruments;

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2. cost of notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of the Insured's efforts to report a Stolen Identity Event and/or amend or rectify records as to the Insured's true name or identity;
  3. cost of up to six credit reports from established credit bureaus (with no more than two reports from any one credit bureau);
  4. costs approved by the Company, for providing periodic reports on changes, inquiries or activities of the Insured's personal information contained in credit reports or public databases (including, but not limited to credit monitoring services);
  5. cost of travel within the United States incurred as a result of the Insured's efforts to amend or rectify records as to the Insured's true name or identity; and
  6. costs for elder care or child care expenses incurred as a result of the Insured's efforts to amend or rectify records as to the Insured's true name or identity.
- f. "Educational Non-Professional" means non-certified personnel including teacher assistants, technicians, tutors, clerical and secretarial personnel, janitors, bus drivers and volunteers.
- 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. "Legal Defense Fees and Expenses" means the reasonable and necessary fees and expenses incurred by the Insured with the Company's consent for an attorney approved by the Company for:
- a. An initial consultation with a lawyer to determine the severity of and appropriate response to a Stolen Identity Event,
  - b. Defending any civil suit brought against the Insured by a creditor, collection agency or other entity acting on behalf of a creditor for non-payment for goods or services or default on a loan solely as a result of a Stolen Identity Event,
  - c. Removing any civil judgment wrongfully entered against the Insured solely as a result of a Stolen Identity Event, and

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- d. Defending criminal charges brought against the Insured as a result of the Stolen Identity Event. However, the Company will only pay for this after it has been established by acquittal or dropping of charges because the Insured was not in fact the perpetrator.
- k. "Loss" means the reasonable and necessary Costs, Lost Wages, Legal Defense Fees and Expenses incurred within twelve months of an Insured's discovery of a Stolen Identity Event and incurred within the United States of America.
- l. "Lost Wages" means actual Lost Wages that would have been earned in the United States, whether partial or whole days, for time reasonably and necessarily taken off work and away from the Insured's work premises solely as a result of the Insured's efforts to amend or rectify records as to the Insured's true name or identity as a result of a Stolen Identity Event. Actual Lost Wages includes remuneration for vacation days, discretionary days, floating holidays, and paid personal days Lost Wages but not for sick days or any cost arising from time taken from self-employment. Coverage is limited to wages lost within 12 months after the Insured's discovery of a Stolen Identity Event.
- m. "Named Insured" means NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION.
- n. "Policy Period" means the period commencing on the effective date specified in Item 2 of the Declarations. This period ends on the expiration date specified in Item 2 of the Declarations or, in the event of cancellation or non-renewal of this policy, then the date specified in such cancellation or non-renewal notice.
- o. Restoration Services means the services described below. These services shall be performed on the Insured's behalf in response to a Stolen Identity Event, only after receipt of appropriate authorization from the insured. Upon receipt of appropriate authorization, the Company shall:
  - 1. Provide Insured with a package of information which includes a description of the resolution process, educational articles, and guidance for avoiding future complications;
  - 2. Notify the three major credit bureaus and provide assistance with requesting that a fraud alert be placed on the Insured's credit files and affected credit accounts;
  - 3. Compile and organize the paperwork to help Insured document the Stolen Identity Event and providing information to appropriate government agencies.
  - 4. Review the Insured's credit files with the Insured to determine the accuracy of the file and potential areas of fraud;

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5. Research and investigate potential damage to the Insured's identity;
6. Notify as needed, the Insured's affected creditors, financial institutions, credit card companies, utility providers, and merchants of the identity fraud;
7. Provide information to the Federal Trade Commission (FTC), and to other government agencies as appropriate;
8. When appropriate, provide assistance with obtaining and reviewing the insured's Social Security Personal Earnings and Benefits Statement;
9. Create and maintain a case file to document the identity fraud; and
10. When appropriate, provide other assistance we might reasonably be able to offer may be provided to the insured on a case by case basis, as determined by our sole and absolute discretion.

REIMBURSEMENT OF LEGAL EXPENSES ARE SUBJECT TO THE TERMS OF THE POLICY. Additionally, we reserve the right to refuse or terminate cases where the Insured is deemed to be committing fraud or other illegal acts, making untrue statements, or failing to perform his/her portion of the recovery plan.

- p. "Stolen Identity Event" means the theft of the Insured's personal identification, social security number, or other method of identifying the Insured, which has or could reasonably result in the wrongful use of such information. All Loss resulting from Stolen Identity Event(s) and arising from the same, continuous, related or repeated acts shall be treated as arising out of a single Stolen Identity Event occurring at the time of the first such Stolen Identity Event. Stolen Identity Event shall not include the theft or wrongful use of the Insured's Business name, d/b/a or any other method of identifying any Business activity of the Insured.
- q. "Suit" means a civil proceeding seeking money damages that is commenced by the service of a complaint or similar pleading.
- r. "Unauthorized Computer Access" means the gaining of access to a Computer System by an unauthorized person(s) or by an authorized person(s) in an unauthorized manner.
- s. "Unauthorized Computer Use" means the use of a Computer System by an unauthorized person(s) or by an authorized person(s) in an unauthorized manner.

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**V. OBLIGATIONS OF THE NAMED INSURED**

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

**OBLIGATIONS OF THE NAMED INSURED**

As a condition precedent to coverage under this policy, the Named Insured shall at all times have the duties and obligations set forth in this section. These duties and obligations are in addition to any obligations of the Insured otherwise provided for under this policy. The Named Insured shall:

- A.** allow the Company to examine and audit all of the Named Insured's records that relate to this policy. The Company may conduct the audits during regular business hours during the Policy Period and within three years after the Policy Period ends;
- B.** promptly advise the Company and any potentially affected Insured of a Computer Attack that may have resulted in the Unauthorized Computer Access of personal identity information pertaining to an Insured;
- C.** take all reasonable steps to use, design, maintain and upgrade its network and Computer System security and to minimize Computer Attacks of its network and Computer System;
- D.** reasonably inform the Insured of its rights and obligations under this policy;
- E.** submit to us for our review and approval any informational materials developed by the Named Insured with respect to this endorsement or the coverage provided by this endorsement. This shall specifically include but not be limited to any such materials that refer to us or Chartis or similar references, whether directly or indirectly, or the existence of the policy issued to the Named Insured ;
- F.** comply with all applicable privacy laws and regulations; and
- G.** not charge any Insured an itemized, separate fee for receiving the coverage provided by this endorsement.

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**VI. OBLIGATIONS OF THE INSURED**

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

**OBLIGATIONS OF THE INSURED**

As a condition precedent to coverage under this policy, the Insured shall have the following duties and obligations at all times. These duties and obligations are in addition to any obligations of the Named Insured otherwise provided for under this policy:

**A. If a Stolen Identity Event occurs, the Insured shall:**

Promptly, but no later than 6 months after a Stolen Identity Event occurs, notify the Company of a Stolen Identity Event by contacting the Company at Chartis, Financial Lines Claims, P.O. Box 25947, Shawnee Mission, KS 66225. The Insured shall also follow the Company's written instructions to mitigate potential Loss, which will be provided to the Insured in a claims kit and which will include the prompt notification of the major credit bureaus, the Federal Trade Commission's Identity Theft Hotline and appropriate law enforcement agencies.

**B. If a Loss occurs, the Insured shall also:**

1. Promptly notify the Company of the Loss, submit to the Company the written proof of Loss provided to the Insured in a claims kit, and provide any other reasonable information or documentation that the Company may request;
2. Take all reasonable steps to mitigate Loss resulting from a Stolen Identity Event including, but not limited to, requesting a waiver for any applicable fees, loan application fees or credit bureau fees;
3. File a report with the appropriate police authority, and
4. Provide all assistance and cooperation the Company may require in the investigation and determination of any Loss, including but not limited to:
  - a. Immediately forwarding to the Company any notices, summons or legal papers received by the Insured in connection with a Loss or the identity theft and authorizing the Company to obtain records and other information with regard to any Loss;
  - b. Cooperating with and helping the Company to enforce any legal rights the Insured or the Company may have against anyone who may be liable to the Insured;

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- c. Attending depositions, hearings and trials, securing and giving evidence, and obtaining the attendance of witnesses with regard to any Loss; or
- d. Answering the Company's questions under oath at such times as may be reasonably required about any matter relating to this insurance or the Insured's Loss, as well as permitting the Company to inspect the Insured's books and records. In such event, the Insured's answers under oath shall be signed.

**VII. COVERAGE TERRITORY**

Solely in regard to the coverage provided by this endorsement, the "TERRITORY" Section is deleted in its entirety and replaced by the following:

Subject to its terms, conditions and exclusions, this policy applies to a Stolen Identity Event occurring anywhere in the world, but the Company shall only pay for Loss incurred in the United States.

**VIII. EXCLUSIONS**

Solely in regard to the coverage provided by this endorsement, the "EXCLUSIONS" Section is deleted in its entirety and replaced by the following:

**EXCLUSIONS**

This policy shall not apply to any Loss arising directly or indirectly out of the following:

**A. Dishonest Acts**

Any dishonest, criminal, malicious or fraudulent acts if the Insured that suffered a Loss personally participated in, directed, or had knowledge of such acts.

**B. Bodily Injury**

Any physical injury, sickness, disease, disability, shock, mental anguish, and mental injury, including, required care, Loss of services or death at any time resulting there from.

**C. War**

Strikes or similar labor action, war (whether declared or not), or any act or condition incident to war. War includes civil war, insurrection, act of foreign enemy, civil commotion, factional civil commotion, military or usurped power, rebellion, revolution, invasion, hostilities or warlike operations or mutiny.

**D. Pollution**

Claims alleging or arising out of the presence of or the actual, alleged or threatened discharge, dispersal, release or escape of pollutants (including nuclear materials), or

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any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants, or in any way respond to or assess the effects of pollutants.

**E. Late Reporting**

Any Loss reported to us more than six months after a Stolen Identity Event occurs.

**IX. LIMITS OF INSURANCE**

Solely in regard to the coverage provided by this endorsement, in the "CONDITIONS" Section, paragraph 1., "Limits of Liability," is deleted in its entirety and replaced with the following:

**1. LIMITS OF INSURANCE**

- A.** The aggregate Limit of Insurance specified in Item 3 of the endorsement Declarations is the most we shall pay the Insured for Loss, excess of any applicable deductible, resulting from all Stolen Identity Events combined first occurring during the Policy Period.
- B.** The aggregate Limit of Insurance stated in Item 3 of the endorsement Declarations is solely for the coverage provided under this endorsement for **PERSONAL IDENTITY COVERAGE**, and is IN ADDITION TO the aggregate Limit of Liability stated in Item 3 of the policy Declarations which is for all coverages provided by this policy combined.
- C.** All Loss arising out of the same, continuous, related or repeated Stolen Identity Events shall be subject to the terms, conditions, exclusions and single aggregate Limit of Insurance in effect at the time the first such Stolen Identity Event occurs.
- D.** The maximum the Company shall pay per Insured for an initial consultation with a lawyer shall not exceed the amount for Initial Legal Consultation as specified in Item 3(a) of the Declarations. ALL LEGAL DEFENSE FEES AND EXPENSES ARE PART OF, AND NOT IN ADDITION TO, THE AGGREGATE LIMIT OF INSURANCE FOR EACH INSURED.
- E.** The maximum the Company shall pay per Insured for Lost Wages shall not exceed the amount per week for Lost Wages in any week or the maximum number of weeks as specified in Item 3(b) of the Declarations. The amount per week for Lost Wages is a sublimit of the aggregate Limit of Insurance for each Insured and, as such, is part of, and not in addition, to the aggregate Limit of Insurance for each Insured.

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- F. The maximum the Company shall pay per Insured for travel shall not exceed the amount for Travel Expenses as specified in Item 3(c) of the Declarations. The amount for travel is a sublimit of aggregate Limit of Insurance for each Insured and, as such, is part of and not in addition, to the aggregate Limit of Insurance for each Insured.
- G. The maximum the Company shall pay per Insured for elder care and child care shall not exceed the amount for elder care and child care as specified in Item 3(d) of the Declarations. This amount is a sublimit of Aggregate Limit of Insurance for each Insured and, as such, is part of and not in addition, to the Aggregated Limit of Insurance for each Insured.

X. DEDUCTIBLE

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

**DEDUCTIBLE**

- A. The Insured shall be responsible for the applicable Deductible amount shown in Item 4. of the Declarations and the Insured may not insure against it.
- B. Regardless of the number of covered Stolen Identity Events first occurring during the Policy Period each Insured shall be responsible for only a single Deductible during any one Policy Period.

XI. OTHER INSURANCE

Solely with respect to the coverage provided by this endorsement, in the "CONDITIONS" Section, paragraph 5., "Other Insurance and Non Stacking of Limits," is deleted in its entirety and replaced with the following:

**5. OTHER INSURANCE**

We shall be excess over any other insurance (including, without limitation, homeowner's or renter's insurance), product warranty, extended services agreement or contract. If the Insured has other insurance that applies to a Loss under this policy, the other insurance shall pay first. This policy applies to the amount of Loss that is in excess of:

- a. The limit of insurance of the Insured's other insurance; and
- b. The total of all the Insured's deductibles and self-insured amounts under all such other insurance.

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In all events, the Company shall not pay more than the Limit of Insurance specified in Item 3 of the endorsement Declarations.

**XII. LEGAL ACTION AGAINST US**

Solely with respect to the coverage provided by this endorsement, in the "CONDITIONS" Section, paragraph 4., "Action Against Company," is deleted in its entirety and replaced with the following:

**4. ACTION AGAINST COMPANY**

No legal action may be brought or made against the Company under this policy unless:

1. There has been full compliance with all of the terms of this policy; and
2. The action is brought within two (2) years after the date on which a Stolen Identity Event occurred.

**XIII. PERSONAL IDENTITY COVERAGE POLICY CONDITIONS**

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

**PERSONAL IDENTITY COVERAGE POLICY CONDITIONS**

**A. Concealment, Misrepresentation or Fraud**

This policy shall be void if the Named Insured intentionally conceals or misrepresents a material fact concerning this policy. In addition, this policy shall also be void for any one Insured if that Insured intentionally conceals or misrepresents a material fact concerning:

1. A Stolen Identity Event;
2. The Insured's interest in any property involved in a Loss; or
3. A Loss under this policy.

**B. Bankruptcy**

The bankruptcy or insolvency of the Insured or the Insured's estate shall not relieve the Company of any obligation under this policy.

**C. Duplicate Coverages**

Should the Insured be insured by the Company or any of the Company's affiliates, subject to the applicable deductibles and limits of insurance of the Insured, the Company will

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reimburse the Insured under each coverage, but in no event shall the total amount reimbursed to the Insured under all insurance exceed the actual amount of Loss.

**D. Conformance to Statute**

To the extent a term of this Policy conflicts with a statute of the State within which this Policy is issued, the term shall be deemed amended so as to conform to the statute.

**E. Changes**

Changes to the provisions of this policy shall be made only by endorsement issued by the Company and made a part of this policy.

**F. Litigation**

The Named Insured shall promptly advise the Company of the material facts of (i) any pending or threatened investigation with respect to the policy by a governmental agency or authority, (ii) any complaint filed against the parties with respect to the policy by any governmental agency or authority or (iii) any pending or threatened litigation against the Named Insured or us with respect to the policy. The Named Insured shall also promptly advise the Company of the material facts of any pending or threatened litigation, or the existence of any criminal indictment or conviction against the Named Insured or its senior management, which in each case could adversely affect the policy or either the Named Insured's or the Company's ability to perform obligations under this policy.

**XIV. CANCELLATION CLAUSE**

Solely with respect to the coverage provided by this endorsement, in the "CONDITIONS" Section, paragraph 8., "Cancellation," is amended by adding the following paragraph to the end thereof:

There shall be no coverage for any Stolen Identity Event occurring after the effective date and time of such expiration, cancellation or non-renewal. Termination of this policy shall not reduce or eliminate the 6 month period in which the Insured must report to the Company a Stolen Identity Event.

**XV. CANCELLATION OF INSURED (PERSONAL IDENTITY COVERAGE)**

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

by *Chartis Specialty Insurance Company*

**CANCELLATION OF INSURED (PERSONAL IDENTITY COVERAGE)**

After the cancellation, termination or expiration of the Insured's employment with the Named Insured, any coverage under this policy for that Insured is terminated and there shall be no coverage for that Insured for any Stolen Identity Event occurring after the effective date and time of such termination.

**XVI. NOTICE AND AUTHORITY (PERSONAL IDENTITY COVERAGE)**

Solely with respect to the coverage provided by this endorsement, the following Section is added to the policy:

**NOTICE AND AUTHORITY (PERSONAL IDENTITY COVERAGE)**

It is agreed that the Named Insured shall act on behalf all Insureds with respect to the giving and receiving of notice of cancellation, the payment of premiums and the receiving of any return premiums that may become due under this policy and the receipt and acceptance of any endorsements issued to form a part of this policy.

**XVII. INAPPLICABLE CLAUSES**

The following Sections and paragraphs do not apply to the coverage provided by this endorsement:

The "SUPPLEMENTAL PAYMENTS" Section.

In the CONDITIONS CLAUSE, the following Paragraphs:

Paragraph 2. Notice to the Company

**ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.**



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 3**

**ENDORSEMENT# 4**

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

by *Chartis Specialty Insurance Company*

**ACCIDENT INSURANCE ENDORSEMENT**

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

The Policy is amended as follows:

**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 non-professional employees of the Named Insured.

**(c) Principal Sum Amount (per Covered Person):** \$10,000

**(d) Accident Insurance Premiums:** The premium amounts and the manner in which  
premiums are due and payable are as follows:

\$1.00 per \$10,000 coverage per year, with a Minimum Premium of  
\$180,470 due and payable.

**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.**

**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

**ENDORSEMENT# 4      (Continued)**

This endorsement, effective *12:01 AM      September 1, 2011* forms a part of  
policy number *01-001-09-95*  
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the **Accident Insurance Effective Date**. The **Principal Sum Amount** applicable to each **Covered Person** are 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 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:

| <u>For Loss of:</u>                 | <u>percentage of Principal Sum Amount payable</u> |
|-------------------------------------|---|
| Life                                | 100%  |
| Both Hands or Both Feet             | 100%  |
| Sight of Both Eyes                  | 100%  |
| One Hand and One Foot               | 100%  |
| One Hand and the Sight of One Eye   | 100%  |
| One Foot and the 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 of 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 metacarpophalangeal 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:

**ENDORSEMENT# 4 (Continued)**

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- suicide or any attempt at suicide, while sane, or intentionally self inflicted injury or any attempt at intentionally self inflicted injury;
- sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from any of these;
- 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.
- declared or undeclared war, or any act of declared or undeclared war.
- 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.
- full-time active duty in the armed forces, National Guard or organized reserve corps of any country or international authority. (Unearned premium for any period for which the Insured Person is not covered due to his or her active duty status will be refunded.) (Loss caused while on short-term National Guard or reserve duty for regularly scheduled training purposes is not excluded.).
- the Insured Person being under the influence of intoxicants while operating any vehicle or means of transportation or conveyance.
- the Insured Person being under the influence of drugs unless taken under the advice of and as specified by a Physician.
- the Insured Person's commission of or attempt to commit a crime.

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- the medical or surgical treatment of sickness, disease, mental incapacity or bodily infirmity whether the loss results directly or indirectly from the treatment.
- 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:

| AGE ON DATE OF ACCIDENT | PERCENTAGE OF AMOUNT OTHERWISE PAYABLE |
|-------------------------|--|
| 70-74                   | 65%                                    |
| 75-79                   | 45%                                    |
| 80-84                   | 30%                                    |
| 85 and older            | 15%                                    |

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

**D. ACCIDENT INSURANCE DEFINITIONS**

**Covered Person** means a person: (1) who is a member of an eligible class of persons as described in the **Classification of Eligible Persons** section of the **Schedule**; (2) for whom premium has been paid; and (3) while such person's coverage under this endorsement is in force.

**Immediate Family Member** means a person who is related to the **Covered Person** in any of the following ways: spouse, brotherinlaw, sisterinlaw, soninlaw, daughterinlaw, motherinlaw, fatherinlaw, parent (includes stepparent), brother or sister (includes stepbrother or stepsister), or child (includes legally adopted or stepchild).

**Injury** - means an injury to the body: (1) 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 (2) which directly (independent

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of sickness, disease, mental incapacity, bodily infirmity or any other cause) causes a covered loss under this endorsement.

**Physician** means a licensed practitioner of the healing arts acting within the scope of his or her license who is not: (1) the **Covered Person**; (2) an **Immediate Family Member**; or (3) retained by the Named Insured.

**Schedule** - means the Accident Insurance Declarations section of this endorsement.

#### **E. ACCIDENT INSURANCE CLAIMS PROVISIONS**

**Notice of Claim.** Written notice of a claim for benefits must be given to us within 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 Accident & Health Claims Department, P.O. Box 25987, Shawnee Mission, KS 66225-5987, with information sufficient to identify the **Covered Person**, is deemed notice to us. Notice of Claim may also be given to us by telephone within the time period above by calling 1-800-551-0824.

**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 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.

**Proof of Loss.** Written proof of loss must be furnished to us within 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.

**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**

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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.

**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.

**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**

**Premiums.** Premiums are payable to us at the rates and in the manner described in the **Schedule**. We may change the required premiums due on any premium due date by giving the Named Insured at least 45 days advance written notice. We may change the required premiums as a condition of any renewal of the coverage under this

**ENDORSEMENT# 4** (Continued)

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
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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.

**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 .

**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**.

**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 terms, conditions, and exclusions of the Policy shall remain unchanged.



AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 4**

**ENDORSEMENT# 5**

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
policy number *01-001-09-95*  
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**ATTORNEY REIMBURSEMENT COVERAGE ENDORSEMENT  
(Employment Related)**

In consideration of premium charged, and in reliance on the statements in the application(s) attached hereto and made part hereof, it is hereby understood and agreed that:

1. 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.
2. Solely with respect to the coverage afforded under this endorsement, the "INSURING AGREEMENTS" Section 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 his/her 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 (1) above, provided, however, final judgment is rendered in favor of the Insured.
3. Solely with respect to the coverage afforded under this endorsement, the "CONDITIONS" Section, Clause 1. "Limits of Liability" is amended to include the following paragraph at the end thereof:

**Coverage AR**

The coverage afforded under Coverage AR is subject to the following limits of liability:

**ENDORSEMENT# 5** (Continued)

This endorsement, effective *12:01 AM September 1, 2011* forms a part of  
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\$2,500 per Insured per claim  
\$5,000 aggregate per Insured per policy  
\$5,000,000 aggregate per policy.

4. In the EFFECTIVE DATES OF INSURANCE Section, paragraph 2. is deleted in its entirety and replaced with the following:
  2. As respects new members who join after the policy effective date and who were otherwise eligible for membership, the effective date of coverage under this policy shall be the "membership date", but only for actions resulting from activities of an Insured which first occurred on or after the "membership date".
5. Solely with respect to the Coverage AR as afforded under this endorsement, in the EXCLUSIONS Section, paragraphs j. (claims brought by employee), l. (intentional damage), m. (declaratory judgments), o. (sexual misconduct), and p. (AIDS) shall not apply.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE

Or Countersignature (In states where applicable)

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**END 5**

**ENDORSEMENT# 6**

This endorsement, effective *12:01 AM September 1, 2011*  
policy number *01-001-09-95*  
issued to *NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION*

forms a part of


by *Chartis Specialty Insurance Company*

**FORMS INDEX ENDORSEMENT**

The contents of the Policy is comprised of the following forms:

| FORM NUMBER | EDITION<br>DATE | FORM TITLE                                  |
|-------------|-----------------|---|
| MNSCPT      |                 | EXCESS EDUCATORS DEC PAGE                   |
| MNSCPT      |                 | GENERAL TERMS & CONDITIONS                  |
| 89644       | 07/05           | COVERAGE TERRITORY ENDORSEMENT (OFAC)       |
| 99758       | 08/08           | NOTICE OF CLAIM (REPORTING BY E-MAIL)       |
| MNSCPT      |                 | PERSONAL IDENTITY COVERAGE                  |
| MNSCPT      |                 | ACCIDENT INSURANCE ENDORSEMENT              |
| MNSCPT      |                 | ATTORNEY REIMBURSEMENT COVERAGE ENDORSEMENT |
| 78859       | 10/01           | FORMS INDEX ENDORSEMENT                     |

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



\_\_\_\_\_  
AUTHORIZED REPRESENTATIVE  
Or Countersignature (In states where applicable)

**END 006**

### CLAIM REPORTING FORM

Issuing Company: *Chartis Specialty Insurance Company*

Reported under Policy/Bond Number: 01-001-09-95 Date: \_\_\_\_\_

Type of Coverage: D&O \_\_\_\_\_ E&O \_\_\_\_\_ Fidelity \_\_\_\_\_ (complete the Fidelity Supplemental on the next page)

Insured's Name, as given on Policy Declarations (Face Page):

NORTH CAROLINA DEPARTMENT OF PUBLIC INSTRUCTION  
\_\_\_\_\_  
\_\_\_\_\_

Contact Person: \_\_\_\_\_

Title: \_\_\_\_\_

Phone: (\_\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ Ext \_\_\_\_\_

eMail: \_\_\_\_\_ @ \_\_\_\_\_

Case or Claimant Name: \_\_\_\_\_  
\_\_\_\_\_

If the party involved is different from "Insured" Name (as given on Policy Declarations) state relationship:

\_\_\_\_\_  
\_\_\_\_\_

Insurance Broker/Agent: CRC INSURANCE SERVICES INC

Address: 3931 TINSLEY DRIVE, SUITE 103

Address: HIGH POINT, NC 27265

Contact: TAMMY LITTLE Phone: \_\_\_\_\_

eMail: tlittle@crcins.com

Send Notice of Claims to: Chartis  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225  
Phone: (888) 602- 5246  
Fax: (866) 227- 1750  
Email: [c- Claim@chartisinsurance.com](mailto:c-Claim@chartisinsurance.com)

**CLAIM REPORTING FORM  
FIDELITY SUPPLEMENTAL**

**(Only complete this supplemental if the Claim is being reported under Fidelity Coverage)**

Issuing Company: *Chartis Specialty Insurance Company*

Reported under Policy/Bond Number: 01-001-09-95

---

Date of Discovery: \_\_\_\_\_ Estimated Amount of loss: \_\_\_\_\_

|                |                     |       |                     |       |
|----------------|---------------------|-------|---------------------|-------|
| Cause of Loss: | Employee Dishonesty | _____ | Computer Fraud      | _____ |
|                | Funds Transfer      | _____ | Robbery/Burglary    | _____ |
|                | ID Theft            | _____ | Forgery             | _____ |
|                | Client Property     | _____ | In Transit          | _____ |
|                | ERISA               | _____ | Credit Card Forgery | _____ |
|                | Other               | _____ | if Other, describe: | _____ |

---

Send Notice Of Claims To: Chartis  
Financial Lines Claims  
P.O. Box 25947  
Shawnee Mission, KS 66225

Phone: (888) 602- 5246  
Fax: (866) 227- 1750  
Email: [c- Claim@chartisinsurance.com](mailto:c-Claim@chartisinsurance.com)