

PROFESSIONAL LIABILITY POLICY FORM



**TOKIO MARINE
SPECIALTY**

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Tokio Marine Specialty Insurance Company

Commercial Lines Policy

THIS POLICY CONSISTS OF:

- **DECLARATIONS**
 - **COMMON POLICY CONDITIONS**
 - **ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:**
 - **ONE OR MORE COVERAGE FORMS**
 - **APPLICABLE FORMS AND ENDORSEMENTS**
-

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless signed by our authorized representative.



President & CEO



Secretary

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

MISCELLANEOUS PROFESSIONAL COVERAGE FORM - CLAIMS MADE

THIS IS CLAIMS-MADE COVERAGE. PLEASE READ IT CAREFULLY.

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we" and "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under the SECTION II - WHO IS AN INSURED.

Other words and phrases that appear in the quotation marks have special meaning. Refer to SECTION V - DEFINITIONS.

SECTION I - COVERAGE

1. Insuring Agreement

A. We will pay those sums that the insured becomes legally obligated to pay as damages because of any "occurrence" that is a result of any negligent act, error or omission in the rendering or failure to render "professional services" of the type described in ITEM 5 of the Declarations, whether committed by the Insured or by any person for those negligent acts, errors or omissions the insured is legally responsible. No other obligations or liability to pay sums or perform acts or services is covered unless explicitly provided for under SECTION 1 (3) Supplementary Payments. The "occurrence" must take place within the "coverage territory" during the "coverage period". We will have the right and duty to defend any "suit" seeking those damages, but we will have no duty to defend the insured against any "suit" seeking "damages" for a negligent act, error or omission to which this insurance does not apply. However,

(1) The amount we will pay for damages is limited as described in limits of Insurance (Section III);

(2) We may investigate and settle any claim or "suit" at our

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discretion and we shall have the exclusive rights to contest or settle any claim or suit; and

- (3) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements.

B. This insurance applies to "damages" only if:

- (1) The occurrence resulting from any negligent act, error or omission did not occur before the Retroactive Date, if any in the declarations or after the end of the policy period; and
- (2) A claim for damages because of the rendering or failure to render "professional services" is first made against any Insured, in accordance with paragraph c below, during the policy period or any Extended Reporting Period we provide under SECTION VI(B).

C. A claim by a person or organization seeking "damages" will be deemed to have been made at the earlier of the following times:

- (1) When notice of such claim or "occurrence" is received and recorded by any insured or by us, whichever comes first; or
- (2) When we make settlement in accordance with paragraph A above.

All claims made during the "coverage period" and arising out of an "occurrence" that results from a single act, error or omission or that results from a series of related acts, errors or omissions, shall be considered first made during the policy period or extended reported period in which the earliest claim arising out of an "occurrence" that results from such acts, errors or omissions or related acts, errors or omissions was first made, and all such claims shall be subject to the limit of liability stated in ITEM 3 of the declarations of the policy which applies to such earliest claims.

2. Exclusions:

All other terms and conditions of this Policy remain unchanged.

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This insurance does not apply to:

- A. "Bodily injury", "property damage", "advertising injury" or "personal injury" except arising out of a negligent act, error or omission in the rendering or failure to render "professional services" by an insured.
- B. Any dishonest, fraudulent, criminal or malicious act or omission of any insured.
- C. The conduct of any business enterprise (including the ownership, maintenance or use of any property in connection therewith) owned by the insured or in which any insured is a partner, or which is directly or indirectly controlled, operated or managed by any insured either individually or in a fiduciary capacity; but this exclusion does not apply to the practice of "professional services" as described in the description of professional hazards section of the Professional Liability Coverage Part Declarations.
- D. Actions for libel, slander, invasion of privacy, assault or battery or conversion;
- E. The assumption of liability in a contract or agreement;
- F. Any obligation of the insured under a workers compensation, disability benefits or unemployment compensation law or similar law;
- G. Bodily Injury, Personal Injury and or Advertising Injury:
 - (1) An employee of the insured arising out of and in the course of employment by the insured; or
 - (2) The spouse, child, parent, brother or sister of that employee as a consequence of (1) above.

This exclusion applies;

- (1) Whether the insured may be liable as an employer or in any

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other capacity; and

- (2) To any obligation to share damages with or repay someone else who must pay damage because of the injury.

H. Any claims arising from the performance of a criminal act or caused by a person while under the influence of intoxicants or narcotics.

I. Liability arising out of the insured's services and/or capacity as:

- (1) an officer, director, partner, trustee, or employee of a business enterprise not named in the declarations;
- (2) an officer, director, partner, trustee, or employee of a charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust;
- (3) a fiduciary under the Employment Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto or any other employee benefit plan.

J. To "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, loading or unloading of any automobile, aircraft or watercraft. However, this exclusion shall not apply to the ingress and/or egress from any watercraft while any diver is under the insured certificate holder's supervision and/or instruction.

K. To "property damage" to:

- (1) Property owned or occupied by or rented to the insured;
- (2) Property used by the insured; or
- (3) Property in the care, custody or control of the insured or as to which the insured is for any purpose exercising physical control. This exclusion does not apply to swimming pools rented by, used by, or occupied by the named insured.

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- L. To liability arising from the acts other than those that have been approved and sanctioned for aquatic organizational instruction, orientation, or supervision.
- M. To "bodily injury" or "property damage" resulting from the use, supplying, rental or sale of any equipment, including but not limited to regulators, gauges, compressed air, buoyancy compensation devices, air cylinders, dive tables, or decompression computers. However, this exclusion not shall apply to individual certificate holders if and only if:
- (1) The scheduled Equipment Liability premium has been paid by the specified individual certificate holder;
 - (2) The certificate of Insurance provides for Equipment Liability Coverage; and
 - (3) The equipment is used under the insured's supervision and not rented. Leased or sold to others for a fee.
- N. Any civil, criminal or administrative fines or penalties levied against an insured or anyone working on behalf of the insured.
- O. Any claim or indemnification for punitive, multiple, or exemplary damages.
- P. Any claims arising out of knowingly non-complying with Federal, State and/or local statutes.
- Q. Any claim based upon or arising out of discrimination by the insured on the basis of age, color, race, sex, creed, national origin, marital status, sexual orientation, handicap status or disability. However, this exclusion does not apply if instruction is denied for valid safety reasons. Valid safety reasons include, but are not limited to, concern over medical history of student, disability of student or determination that student lacks physical aptitude to dive.

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R. Any claim arising out of the insured's inability to complete jobs as a result of its bankruptcy or insolvency.

S. "Personal Injury" to any employee of the insured arising out of and in the course of employment by the insured.

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

T. "Bodily Injury" and "Personal Injury" arising out of any:

- (1) Refusal to employ;
- (2) Termination of employment;
- (3) Coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination or other employment related practices, policies, acts or omissions;
or
- (4) Consequential "bodily injury" as a result of (1) through (3) above.

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

U. Any arising out of the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of pollutants.

- (1) At or from any premises, site or location which is or was at any time owned or occupied by or rented or loaned to any insured;
- (2) At or from any premises, site or location which is or was at any time used by or for any insured or others for the handling,

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storage, disposal, processing or treatment of waste;

- (3) Which are or were at any time transported, handled, stored, treated, disposed of, or processed as waste by or for any insured or any person or organization for whom you may be legally responsible; or
- (4) At or from any premises, site or location on which any insured or any contractors or subcontractors working directly or indirectly on any insured's behalf are performing operations:
 - a. if the pollutants are brought on or to the premises, site or location in connection with such operations by such insured's, contractors or subcontractors; or
 - b. if the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of pollutants.

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

V. Asbestos Exclusion

- (1) "Damages" arising out of resulting from, caused or contributed by asbestos or exposure to asbestos; or
- (2) The costs of abatement, mitigation, removal or disposal of asbestos.

This exclusion also includes:

- a. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- b. Any obligation to share damages with or repay someone else

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who must pay damages because of such injury or damage.

W. "Damages" arising out of an act, error or omission:

- (1) Disclosed in your application of insurance or any accompanying documents provided to us; or
- (2) You had knowledge of or information on, prior to the first inception date of continuous claims-made coverage with us, and which may result in a claim.

X. Any claim arising out of any "occurrence" in which the insured knowingly permitted the uncertified student involved in the claim to leave the immediate area during in-water instruction without supervision and the attendance of an instructor or a certified assistant.

Y. Any claim arising out of any "occurrence" in which the insured left or permitted the uncertified student involved in the claim to be unattended during in-water instruction and/or testing.

Z. Any claim arising out of any "occurrence" involving a recreational training or supervisory dive conducted by an insured that is planned for depths greater than 40 meters/130 feet; planned with mandatory stage decompression (safety stops are acceptable); or planned using gas mixes other than compressed air, or enriched air unless all students are previously certified divers or are participating in an open water diver course with an enriched air training option.

This exclusion (Z) does not apply to any insured who has secured the Tec Endorsement available under this policy and so indicated on the Certificate of Insurance.

AA) Any claim arising out of any "occurrence" involving a technical training or supervisory dive conducted by an insured that is planned for depths greater than 100 meters/330 feet; or planned using gas mixes other than compressed air, enriched air, oxygen, helium or trimix.

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- BB) Any claim arising out of any "occurrence" in which the insured failed to obtain a medical history form completed by the student involved in the claim, prior to in-water instruction, and in the case of a minor, the failure to have obtained the minor's parent's or guardian's signature on the medical history form. Furthermore, this insurance does not apply if the medical history form indicated any condition contrary to safe participation in diving activities, and the insured failed to require the student to obtain medical approval (based on a medical examination) by a licensed physician, who is not the student, prior to in-water instruction.

- CC) Any claim arising out of any "occurrence" during a training dive in which the insured had not first obtained from the student involved in the claim a signed release of liability/assumption of risk form developed or approved by the certification organization through which the training was offered; and in the case of a minor, the failure to have the minor's parent's or guardian's signature on the form.

- DD) Any claim arising out of any "occurrence" during a technical training dive in which the insured had not first obtained from the student involved in the claim a signed release of liability/assumption of risk form developed or approved by the certification organization through which the technical training was offered, specifically stating that the student acknowledges that the training involves technical dive training.

- EE) Any claim arising out of any "occurrence" involving scuba instruction provided by the insured to a student under the age of ten (10), except for courses taught in confined water (e.g. swimming pools), which may be offered to anyone age eight (8) and older.

- FF) Any claim arising out of any "occurrence" involving instruction in which the insured instructor and/or Dive Center/Resort Operator has not maintained records for the purpose of recording the progress of the student involved in the claim.

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GG) Any claim arising out of any "occurrence" involving instruction in which the insured instructor and/or Dive Center/Resort Operator has not maintained records for the purpose of evaluating the understanding of the instructional material by the student involved in the claim.

HH) Any claim arising out of any "occurrence" involving instruction in which the insured instructor and/or Dive Center/Resort Operator has not retained all records relating to the individual student involved in a claim, for a minimum of five (5) years.

II) Any claim arising out of any "occurrence" involving the insured's conduct of an introductory experience program (any program designed to introduce uncertified divers to recreational scuba diving via a supervised, controlled open water dive experience) that was not in accordance with Recreational Scuba Training Council (RSTC) standards. This exclusion does not apply to confined water-only experiences being conducted by properly certified divemasters, assistant instructors and instructors.

3. Supplementary Payments

We will pay with respect to any claim or "suit" we defend:

1. All expenses we incur.
2. The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
3. All reasonable expenses incurred by the insured at our request to assist us in the investigation or defense of the claim or "suit", including actual loss of earnings up to \$100 a day because of time off from work.
4. All costs taxed against the insured in the "suit".
5. Pre-judgment interest awarded against the insured on that part of the judgment we pay. If we make and offer to pay the applicable

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limit of insurance, we will not pay any pre-judgment interest based on that period of time after the offer.

6. All interest on the full amount of any judgment that accrues after entry of the judgment and before we have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable limit of insurance.

THESE PAYMENTS WILL NOT REDUCE THE LIMITS OF INSURANCE

SECTION II - WHO IS AN INSURED

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

- A. The named insured shall be the organization stated in the declarations of the policy; and
- B. Anyone to whom a certificate of insurance has been issued under this policy; including any dive master in training while assisting an instructor.
- C. Any additional insured named by endorsement or certificate to this policy. It is hereby understood and agreed that this policy is extended to include the interest of additional insured's, solely, however, with respect to their interest in activities conducted by the named insured hereunder, but shall not operate to increase the limit of liability hereunder.
- D. The following are not insured unless said person or entity is a certificate holder or an additional named insured under the policy.
 - (1) The employer of an insured.
 - (2) The employee of an insured.
 - (3) Any corporation, partnership or joint venture of which the insured is an officer, partner, joint venture or employee.

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SECTION III - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Professional Liability Coverage Part Declarations and the rules below fix the most we will pay regardless of the number of:
 - A. Insured's;
 - B. Claims made or "suit" brought; or
 - C. Persons or organizations making claims or bringing "suit"
2. The Professional Liability Aggregate Limit is the most we will pay for the sum of all damages to which this insurance applies. However, this aggregate limit applies separately to each certificate holder, and the named organization.
3. Subject to the Professional Liability Aggregate Limit, the Professional Liability Each Occurrence Limit is the most we will pay for the sum of all damages arising out of any negligent act, error or omission. However, the Professional Liability Occurrence Claim Limit applies separately to each certificate holder, and the named organization.

SECTION IV - PROFESSIONAL LIABILITY CONDITIONS

1. Bankruptcy

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

2. Duties in the Event of a Negligent Act. Error or Omission or Claim or "Suit"

- A. You must notify us promptly of a negligent act, error or omission which may result in a claim. Notice should include:

- (1) How, when and where the negligent act, error or omission took place; and

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- (2) The names and addresses of any injured persons or witnesses.
- B. If a claim or "suit" is brought against any insured, you must see to it that receive prompt written notice of the claim or "suit".
- C. You and any other involved insured must:
 - (1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or "suit";
 - (2) Authorize us to obtain records and other information;
 - (3) Assist us, upon our request, in the enforcement of any right against any person or organization which may be liable to the insured because of injury to which this insurance may also apply.
- D. No insured's will, except at their own cost, voluntarily make a payment, assume any obligation, or incur any expense, settle any claim, admit any liability without our consent.

3. Legal Action Against Us

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

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

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

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are

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limited as follows:

A. Primary Insurance

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

B. Excess Insurance

This Insurance is excess over any other insurance, whether primary, excess, contingent or on any other basis:

- (1) That is effective prior to the beginning of the policy period shown in the Declarations of this insurance and applies to "bodily injury" or "property damage" on other than a "claims made" basis if:

A. No Retroactive Date is shown in the Declarations of this insurance; or

B. The other insurance has a policy period which continues after the Retroactive Date shown in the Declarations of this insurance:

- (2) That is Fire, Extended Coverage, Builders Risk, Installation Risk or similar coverage for "your work"; or
- (3) That is Fire insurance for premises rented to you; or
- (4) If the loss arises out of the maintenance or use of aircraft, "autos" or watercraft to the extent not subject to Section I Exclusion J.

When this insurance is excess we will have no duty under this coverage part to defend the insured against any "suit" if any other insurer has the duty to defend the insured against that "suit". If no other insurer defends, we will undertake to

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do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount or the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductibles and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in the Excess Insurance provision and was not bought specifically to apply excess of the Limits of Insurance shown in the Declarations of the Coverage Part.

C. Method of Sharing

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

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

5. Premium Audit

- A. We will compute all premiums for this Coverage Part in accordance with our rules and Rates.
- B. Premium shown in this Coverage Part as advance premium is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured. It is expressly agreed that

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the premium shown is a minimum premium and fully earned upon the issuance of this coverage. This premium is not subject to return premium adjustment unless the policy is canceled by the Company or it is considered null and void as a result of any breach of a policy warranty.

- C. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such time as we may request.

6. Representations

By accepting this policy you agree:

- A. The statements in the Declarations are accurate and complete;
- B. Those statements are based upon representation you made to us; and
- C. We have issued this policy in reliance upon your representations.

7. Separation of Insured's

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

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

8. Transfer of Rights of Recovery Against Others to Us

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

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9. Service of Suit

In the event of any lawful process in any action, suit or proceeding arising out of this contract of insurance, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Tokio Marine Specialty Insurance Company, One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004 or his or her representative, and that in any suit instituted against us upon this Policy, we will abide by the final decision of such court or any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, we hereby designate the Commissioner of Insurance for the State of California or other officer specified for that purpose in the statute, or his or her successors in office, as our true and lawful attorney upon whom may be served any lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by you or your behalf or any beneficiary hereunder arising out of this Policy of Insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

SECTION V - DEFINITIONS

1. "Advertising Injury" means

- A. Oral or written publication of material that slanders or libels a person or organization or disparages a person's, or organization's goods, products or services;
- B. Oral or written publication of material that violates a person's right of privacy;

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- C. Misappropriation of advertising ideas or style of doing business;
or
 - D. Infringement of copyright, title or slogan.
- 2. "Bodily Injury" means bodily injury, sickness or disease sustained by a person, including death or mental anguish resulting from any of these at any time.
 - 3. "Coverage Period" means the time from the inception of the first policy of this type written for you to the expiration for the last such policy written for you including any Retroactive Dates and/or Extended Reporting Periods in such policy.
 - 4. "Coverage Territory" means: Anywhere in the World.
 - 5. "Damages" means any compensatory amount which an insured is legally obligated to pay for any claim to which this insurance applies, but does not include injunctive or equitable relief or the return of fees or charges for services rendered.
 - 6. "Named Insured" means in addition to Section II (Who is an Insured):
Named Insured means a person in whose name the Certificate of Insurance is issued. The Named Insured shall not mean any Additional Insured listed on the certificate.
 - 7. "Occurrence" means an accident neither expected nor intended by the named insured which occurs while the claimant or decedent is in the water, entering, exiting or preparing to enter the water in connection with SCUBA, snorkeling, swimming or freediving activities. It also includes an accident occurring in a pool or natural body of water and/or classroom, and or an accident which occurs while the claimant or decedent is receiving emergency first aid or swimming instruction.
 - 8. "Personal Injury" means injury, other than "Bodily Injury", arising out of one or more of the following offenses:
 - A. False arrest, detention or imprisonment;

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- B. Malicious prosecution;
 - C. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies by or on behalf of its Owner, landlord or lessor;
 - D. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
 - E. Oral or written publication of material that violates a person's right to privacy .
9. "Professional Services" mean:
- Those services rendered by certified instructors, assistant instructors, dive masters, snorkel, swim or freedive instructors, dive control specialists (divecon) including emergency first aid training services and cylinder instruction / inspection Services.
10. "Property Damage" means:
- A. Physical injury to tangible property including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it: or
 - B. Loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of "occurrence" that caused it.
11. "Pollutants" means any solid, gaseous, liquid or thermal irritant or contaminant, including smoke, vapor or soot, fumes, acids, alkalis or chemicals and waste.
12. "Suit" means a civil proceeding in which damages because of an act, error or omission to which this insurance applies are alleged.

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"Suit" includes an arbitration proceeding alleging such damages to which you must submit or submit with our consent.

SECTION VI - BASIS OF CLAIM - CLAIMS MADE CLAUSE

- A. This policy applies to claims first made against the Insured and/or Certificate Holder insured during the policy period, but in no event will coverage apply with respect to occurrences taking place prior to 6/30/1992 or the effective date of the first certificate issued to the certificate holder insured hereunder whichever is later. Notwithstanding the foregoing, it is a condition precedent that the retroactive coverage described above applies only if coverage has been continuous; in the event of non-continuity, coverage shall only apply with respect to occurrences taking place on or after the date from which coverage has been continuous.

It is further agreed that this policy does not apply to "Bodily Injury", "Personal Injury", or "Property Damage" arising out of an "occurrence"

- i) disclosed in your application of insurance or any accompanying documents provided to us, or
 - ii) you had knowledge of, or information on, prior to the first inception date of coverage with us, and which may result in a claim.
8. Following the end of the policy period hereunder there shall be a further ninety (90) day period to report claims and/or "occurrences" made against the certificate holder insured for "occurrences" taking place during the period the certificate issued under this policy and such claims shall be treated as if made during the policy period; the extended reporting period shall also apply to terminated certificates, unless terminated due to non-payment of premium.

SECTION VII - NOTICE OF CANCELLATION

This policy, or any certificate, may be cancelled by the Company by mailing to the named insured at the address shown in this policy, or certificate,

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-written notice stating when not less than forty-five (45) days thereafter such cancellation shall be effective. Except in the case of cancellation for non-payment of premium, for which written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice of aforesaid shall be sufficient proof of notice.

The time of surrender or 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.

IN WITNESS WHEREOF, the Company has caused the policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by a duly authorized representative of the Company.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

ADDITIONAL INSURED - BLANKET FORM

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

In consideration of the premium charged, it is understood and agreed that:

1.) Additional insured coverage is included for any retail dive store (including its owners or partners), dive boat, Cruise Line, educational institution, marina, government entity or municipality, swimming pool facility, landlord, property owner, dive resort, hotel or motel from which an instructor, assistant instructor or dive master operates. However, this additional insured protection shall in all cases be limited in scope to apply only with respect to occurrences that result from the negligent acts, errors or omissions of the Named Insured in connection with the teaching and/or supervising of scuba, snorkeling, swimming or freediving activities sanctioned and approved by the Named Insured.

2.) Other than those entities described in paragraph 1 above, entities are added as an additional insured if named on a certificate of insurance issued to an insured. However, this additional insured protection shall in all cases be limited in scope to apply only with respect to occurrences that result from the negligent acts, errors or omissions of the Named Insured in connection with the teaching and/or supervising of scuba, snorkeling, swimming or freediving activities sanctioned and approved by the Named Insured.

3.) However, the insurance provided to the additional insured does not apply to: "Bodily Injury" or "property damage" arising out of a scuba diving training agency's rendering or failure to render:

1. Training or educational standards or educational materials to any insured.
2. Supervision of scuba instructors, dive masters, or assistant instructors.

4.) It is further understood and agreed that this policy shall not provide coverage for any occurrence that results from the independent negligent acts, errors or omissions of any additional insured described in this

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endorsement.

All other terms and conditions of this Policy remain unchanged.

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ECONOMIC SANCTIONS ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

The Insurer shall not be deemed to provide cover and the Insurer shall not be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose the Insurer, its parent company or its ultimate controlling entity to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union or the United States of America.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

EMERGENCY FIRST AID TRAINING ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

In consideration of the premium charged, it is understood and agreed that the policy is amended as follows for certificate holders who solely provide emergency first aid training:

Section 2 Exclusions, is amended to read as follows :

J. To bodily injury or property damage arising out of the ownership, maintenance, operation, use, loading or unloading of any automobile, aircraft or watercraft.

L. Delete in its entirety.

M. Delete in its entirety.

Section V - Definitions is amended to read as follows :

7. "Occurrence" means an accident (an event unintended by the insured) which occurs while the claimant or decedent is receiving or received emergency first aid or emergency first aid training.

9. "Professional Services" means:

Those services rendered by certified first aid instructors.

Section 2 - EXCLUSIONS (X) through (Z) including subset (AA) through (II) are deleted in their entirety, but only as it pertains to emergency first aid training as described within this endorsement.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

LIMITS OF LIABILITY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

Subject to the provisions set forth in the Declarations and Section - LIMITS OF LIABILITY AND DEDUCTIBLE, it is agreed and understood that:

- A. The Limit of Liability for Each Occurrence applies separately to each certificate holder.
- B. The Limit of Liability Annual Aggregate applies separately to each certificate holder who purchases individual instructor coverage.
- C. Insureds who are covered under a Group Professional Certificate of Insurance shall all share one per occurrence and one annual aggregate with all other Insureds listed on the same certificate.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

OTHER INSURANCE PROVISION AMENDED

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE FORM

In consideration of the premium charged, it is hereby understood and agreed that in Section IV - PROFESSIONAL LIABILITY CONDITIONS, part 4. Other Insurance, subpart B. Excess Insurance, the following additional paragraph is added to the end thereof:

(5) Notwithstanding the foregoing, such insurance as is provided by this policy shall be excess of any other valid and collectible insurance available to any person or entity that is an insured under this policy, as described in Section II-WHO IS INSURED.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

This insurance does not apply to loss, injury, damage, claim or "suit", arising directly or indirectly as a result of, in connection with, or relating to "terrorism" including but not limited to:

1. Any action taken in hindering or defending against an actual or expected incident of "terrorism" regardless of any other cause or event that contributes concurrently or in any sequence to the injury or damage; and
2. Any contemporaneous or ensuing loss caused by explosion, fire, heat, vandalism, looting, theft, civil commotion, rebellion or insurrection.

Multiple incidents of "terrorism" that occur within a seventy-two hour period and appear to be carried out in concert or to have a related purpose or common leadership will be considered to be one incident.

As used in this exclusion, "terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- a. A government;
- b. The civilian population of a country, state or community; or
- c. To disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002 (the "Act") is in effect, "terrorism" includes an act of terrorism as defined by Section 102. Definitions of the Act and any revisions or amendments thereto.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

This insurance does not apply to any loss, cost, damage, expense, injury, claim or suit, caused by, arising out of, or resulting directly or indirectly, in whole or in part from war, including but not limited to:

- a. War, including undeclared or civil war; or
- b. Warlike action by a military force, including action in hindering or defending against an actual or expected attack, by any government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power, or action taken by government authority in hindering or defending against any of these.

However, this exclusion does not apply to "terrorism".

As used in this exclusion, "terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm:

- a. A government;
- b. The civilian population of a country, state or community; or
- c. To disrupt the economy of a country, state or community.

So long as the Terrorism Risk Insurance Act of 2002 (the "Act") is in effect, "terrorism" includes an act of terrorism as defined by Section 102. Definitions of the Act and any revisions or amendments thereto.

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

PRIOR AND PENDING LITIGATION EXCLUSION

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

This insurance does not apply to and we shall have no obligation or duty to defend you for:

1. Any litigation, demand, legal action, claim, "suit" or other judicial or administrative proceeding which has commenced or is pending against you on or before the date set forth below, or the same or essentially the same facts as alleged in such prior litigation;
2. Any "professional incident," claim, fact, circumstance or situation which has been the subject of any prior written notice given under any other policy of insurance providing a similar type of coverage; or
3. Any "professional incident," fact, circumstance or situation as of the date set forth below of which you had knowledge and from which you could reasonably expect a claim for damages or a "suit" to arise.

Prior and Pending Litigation Date: 06/30/2017

All other terms and conditions of this Policy remain unchanged.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

DESIGNATED SERVICES EXCLUSION

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERARGE PART

This insurance does not apply to any damages arising out of any "occurrence" that is a result of any negligent act, error or omission in the rendering or failure to render "professional services" caused by, arising out of, or resulting directly or indirectly, in whole or in part from any excluded designated operation(s) shown on the Certificate of Insurance.

All other terms and conditions of this Policy remain unchanged.

SERVICE OF SUIT

In the event of any lawful process in any action, suit or proceeding arising out of this contract of insurance, we, at your request, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of our rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Tokio Marine Specialty Insurance Company, One Bala Plaza, Suite 100, Bala Cynwyd, Pennsylvania 19004 or his or her representative, and that in any suit instituted against us upon this Policy, we will abide by the final decision of such court or any appellate court in the event of any appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefore, we hereby designate the Commissioner of Insurance for the State of California or other officer specified for that purpose in the statute, or his or her successors in office, as our true and lawful attorney upon whom may be served any lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by you or your behalf or any beneficiary hereunder arising out of this Policy of Insurance, and hereby designates the above named Counsel as the person to whom the said officer is authorized to mail such process or a true copy thereof.

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

BINDING ARBITRATION

Wherever, used in this endorsement: 1) "we", "us", "our", and "insurer" mean the insurance company which issued this policy; and 2) "you", "your", "named insured", "first named insured", and "insured" mean the Named Corporation, the Named Organization, Named Sponsor, Named Insured, or Insured stated in the declarations page; and 3) "other insured(s)" means all other persons or entities afforded coverage under this policy.

This endorsement modifies coverage provided under the Coverage Part to which it is attached.

If we and the insured do not agree whether coverage is provided under this Coverage Part for a claim made against the Insured, then either party may make a written demand for arbitration.

When this demand is made, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within 30 days, either may request that selection be made by a judge of a court having jurisdiction. Each party will:

1. Pay the expenses it incurs; and
2. Bear the expenses of the third arbitrator equally.

Unless both parties agree otherwise, arbitration will take place in the county in which the address shown in the Declarations is located. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will be binding.

All other terms of the policy remain unchanged.

PHILADELPHIA INSURANCE COMPANIES PRIVACY POLICY NOTICE

Tokio Marine Specialty Insurance Company

The Philadelphia Insurance Companies value your privacy and we are committed to protecting personal information that we collect during the course of our business relationship with you. The collection, use and disclosure of certain nonpublic personal information are regulated by law.

This notice is for your information only and requires no action on your part. It will inform you about the types of information that we collect and how it may be used or disclosed. This does not reflect a change in the way we do business or handle your information.

Information We Collect:

We collect personal information about you from the following sources:

- Applications or other forms such as claims forms or underwriting questionnaires completed by you;
- Information about your transactions with us, our affiliates or others; and
- Depending on the type of transaction you are conducting with us, information may be collected from consumer reporting agencies, health care providers, employers and other third parties.

Information We Disclose:

We will only disclose the information described above to our affiliates and non-affiliated third parties, as permitted by law, and when necessary to conduct our normal business activities.

For example, we may make disclosures to the following types of third parties:

- Your agent or broker (producer);
- Parties who perform a business, professional or insurance function for our company, including our reinsurance companies;
- Independent claims adjusters, investigators, attorneys, other insurers or medical care providers who need information to investigate, defend or settle a claim involving you;
- Regulatory agencies in connection with the regulation of our business; and
- Lienholders, mortgagees, lessors or other persons shown on our records as having a legal or beneficial interest in your policy.

We do not sell your information to others for marketing purposes. We do not disclose the personal information of persons who have ceased to be our customers.

Protection of Information:

The Philadelphia Insurance Companies maintain physical, electronic and procedural safeguards that comply with state and federal regulations to protect the confidentiality of your personal information. We also limit employee access to personally identifiable information to those with a business reason for knowing such information.

Use of Cookies and Opt-Out:

We may place electronic "cookies" in the browser files of your computer when you access our website. Cookies are text files placed on your computer to enable our systems to recognize your browser and so that we may tailor information on our website to your interests. We or our third party service providers or business partners may place cookies on your computer's hard drive to enable us to match personal information that we maintain about you so that we are able to pre-populate on-line forms with your information. We also use cookies to help us analyze traffic on our website to better understand your interests. Although we do not use your non-public personal information for this purpose, you may opt-out of cookies and advertising features through one of the available options including but not limited to

Ads Settings in Google.com or the Network Advertising Initiative (NAI) Consumer Opt-out. Opting out does not mean you will no longer receive online advertising. It does mean that companies from which you opted out will no longer customize ads based on your interests and web usage patterns using cookies.

How to Contact Us: Philadelphia Insurance Companies, One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 Attention: Chief Privacy Officer