

Personal - Business Owner's Umbrella Liability Policy  
**MASSACHUSETTS**

Various provisions in this policy may restrict coverage. Read the entire policy carefully to determine **your** rights and duties, and what is and is not covered. **We** will not pay sums or perform acts or services unless specially provided for in this policy.

As used in this policy, the words **you** and **your** mean any person or organization who is shown as the Named Insured on the Declarations of this policy. Other persons or organizations may also be **covered persons** within this policy. **We, us, and our** refers to Navigators Insurance Company.

Other words or phrases that are **boldfaced** in this policy or that are **boldfaced** in endorsements to this policy have special meaning. These are explained in the Definitions section of this policy or in the endorsement if necessary.

If **you** have any concerns about this policy, ask **your** agent or broker who will be happy to answer your questions.

**SAMPLE POLICY**

**We** agree to provide the insurance described in this policy in return for the premium paid. **You** agree to comply with all terms and conditions of this policy.

DEFINITIONS

Certain words in **your** policy and its endorsements are printed in **bold** type. This is to let **you** know these words have a defined meaning. Carefully read these definitions below or in the endorsement if one is included.

1. **Covered person** means:

- a. **Individual.** If this policy is in **your** name as an individual: **you**, any **business** described on the Declarations and Schedule of which **you** are a sole proprietor, **your** spouse if a resident of the same household, any relative, ward or foster child who lives in **your** household, or any person under the age of 21 who lives in **your** household and who is under **your** care or the care of a relative who lives in **your** household;
- b. **Partnership-joint venture.** If this policy is in the name of a partnership or joint venture: that organization, any individual partners or co-venturers and their spouses, but only for their liability as members of the named organization and with respect to the conduct of such **partnership** or **joint venture**.
- c. **Corporation.** If this policy is in the name of a corporation or other type of **business** organization: the organization, its executive officers, directors and stockholders while acting within the scope of their duties for the named organization;
- d. **Employees.** **Your** employees while they are acting within the scope of their employment by **you** or while performing duties related to the conduct of **your business**;
- e. **Real estate manager.** Any person or organization, other than **your employees**, while acting as a real estate manager for **you**;
- f. **Limited Liability Company.** **You**, if this policy is in the name of a Limited Liability Company. It also means **your** members but only with respect to the conduct of **your** business and **your** managers but only with respect to their duties as **your** managers;
- g. **Trust.** **You**, if this policy is in the name of a Trust. It also means **your** trustees but only with respect to their duties as **your** trustees;
- h. Those covered under **your primary insurance.** Any other person or organization who is covered, other than a person or organization that is a named insured, under **your primary insurance**, subject to the same coverage limitations contained in **your primary insurance**.

2. **Advertising injury** means the following offenses committed in the course of **your** advertising activities and while **your** policy is in effect:
  - 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;
  - c. Misappropriation of advertising ideas or style of doing **business**;
  - d. Infringement of copyright, title or slogan.
3. **Auto** means a motorized land vehicle, which requires motor vehicle registration and/or operator licensing, including attached trailers, travel trailers, motor homes and motorcycles.
4. **Bodily Injury** means bodily injury, sickness or disease sustained by a person. This includes resulting death from any of these at any time.
5. **Business** includes any trade, profession or occupation. It does not include a farm.
6. **Business** property includes:
  - a. Property on which a **business** is conducted;
  - b. Property (other than residential premises covered under **your** personal liability policy, or the liability section of **your** homeowner's policy), which is rented or held to be rented to others.
7. **Fungus** includes, but is not limited to, any form or type of mold, mushroom or mildew.
8. **Loss** means:
  - a. An accident, including continuous or repeated exposure to substantially the same general harmful conditions, which results in **bodily injury** or **property damage** during the policy period;
  - b. An offense, including a series of similar or related offenses, committed during the policy period, which results in **personal injury** or **advertising injury**.
9. **Net loss** means:
  - a. The amount the **covered person** is legally obligated to pay as damages as a result of a **loss**; and
  - b. All reasonable expenses the **covered person** incurs in the investigation, settlement, and defense of any claim or **suit at our** request. This does not include expenses covered by **primary insurance** or **other insurance**, expenses **we** incur under the Defense and Settlement Section of this policy, or salaries of **employees** of the **covered person**.
  - c. As used in this definition, damages include **prejudgment interest** awarded against the **covered person**.
10. **Other insurance** means insurance available to any **covered person** that covers a **loss** to which this policy applies, other than either **primary insurance** or insurance specifically purchased by **you** to be excess of the insurance afforded by this policy.
11. **Personal injury** means injury arising out of one or more of the following offenses:
  - a. False arrest, false imprisonment, wrongful entry, wrongful eviction, wrongful detention or malicious prosecution;
  - b. Libel, slander, defamation of character unless the libel, slander or defamation was made in the course of **your** advertising activities.
12. **Prejudgment interest** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment whether or not made part of the settlement, verdict, award or judgment.
13. **Primary insurance** means the policies listed in this policy's Schedule (including renewal or replacement policies thereof).
14. **Primary Insurer** means any insurer that issues a policy of **primary insurance**.
15. **Property damage** means:
  - a. Physical injury to or destruction of 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 accident, defined in part a. of the definition of **loss**, that caused it.



16. **Recreational vehicle** means a motorized land vehicle, which does not require motor vehicle registration or operator licensing and which is not intended for use on public highways. Recreational vehicles include, but are not limited to, snowmobiles, all-terrain vehicles, dirt bikes, and golf carts. A **recreational vehicle** does not include:
- A motor home or travel trailer which requires motor vehicle registration; or
  - An unlicensed motor vehicle not intended for recreational use such as a bulldozer, farm machinery, power crane, or similar equipment.
17. **Retained limit** means the greater of:
- The sum of the applicable limit of liability of **your primary insurance** as it is shown in this policy's Schedule and the actual amount collectible under any **other insurance** which applies; or
  - If this policy applies but **your** required **primary insurance** does not provide coverage for the **loss**, the amount shown on this policy's Declaration Page as the Self Insured Retention.
18. **Spore** means any reproductive body produced by or arising out of any **fungus**.
19. **Suit** means any civil proceeding which alleges damages because of **loss**. In addition to civil litigation, **suit** includes:
- An arbitration proceeding alleging such damages and to which a **covered person** must submit or submits with **our** consent; or
  - Any other alternative dispute resolution proceeding alleging such damages and to which the **covered person** submits with **our** consent.
20. **Terrorism** means activities against persons, organizations or property of any nature:
- That involve the following or preparation for the following;
    - Use or threat of force or violence; or
    - Commission or threat of a dangerous act; or
    - Commission or threat of an act that interferes with or disrupts an electronic, communication, information or mechanical system; and
  - When one or both of the following applies;
    - The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
    - It appears that the intent of any action or activity described in a., i., ii., or iii. described above is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) any philosophy or ideology of others.
21. **Watercraft** means a boat or craft for water transport.

## WHAT THIS POLICY COVERS

### **Coverage A-** Bodily Injury, Personal Injury, Advertising Injury and Property Damage Liability.

1. This policy covers a **covered person's** legal obligation to pay damages for a covered **loss** over and above the **retained limit**. If a **covered person** is legally obligated to pay damages for a **loss** to which this policy applies, **we** will pay the **net loss** minus the **retained limit**.

2. The **Limit of Liability** as shown in this policy's Declarations for Coverage A is the most **we** will pay for any one **loss**, regardless of the number of **covered persons**, persons or organizations injured, claims made or **suits** brought or organizations making claims or bringing **suits**.

3. The **Policy Total Limit** shown in this policy's Declarations for Coverage A is the most **we** will pay for all **losses** during each policy period. This policy total limit applies separately to the policy period shown on the Declarations Page and to each subsequent consecutive annual period unless the policy period is extended after issuance for an additional period of less than 12 months. In that case the additional period will be deemed part of the last preceding period for purposes of determining the policy total limit.

### **Coverage B-** Excess Uninsured Motorists Insurance,

1. The terms, conditions and exclusions of the Uninsured Motorists Insurance (including Underinsured Motorists) of the Automobile Liability Policy scheduled within this policy also applies to this coverage.

2. We will pay those sums which a **covered person** or their legal representative shall become legally entitled to recover as damages because of **bodily injury** which is covered by the Uninsured Motorists Insurance (including Underinsured Motorists) of the Automobile Liability policy scheduled within this policy, less the applicable limit of liability of such Underinsured Motorists Insurance.



3. The **Limit of Liability** as shown in this policy's Declarations for Coverage B is the most **we** will pay for any one **loss**, regardless of the number of **covered persons**, persons or organizations injured, claims made, **autos** covered under this policy, **autos** involved in an accident, coverages under this policy, exposures or premiums charged in the declarations or persons or organizations making claims or bringing **suits**.

4. The **Policy Total Limit** as shown in this policy's Declarations for Coverage B is the most **we** will pay for all **losses** during each policy period. The policy total limit applies separately to the policy period shown on the Declarations Page and to each subsequent consecutive annual period unless the policy period is extended after issuance for an additional period of less than 12 months. In that case the additional period will be deemed part of the last preceding period for purposes of determining the policy total limit.

## POLICY TERRITORY

1. **Coverage A-** This insurance applies anywhere in the world.
2. **Coverage B-** Applies to **bodily injury** which is sustained during the policy period within the policy territory defined in the Uninsured Motorists Insurance of the Automobile Liability Policy scheduled within this policy.

## DEFENSE AND SETTLEMENT

### **Coverage A-**

1. If a claim is made or a **suit** is brought against a **covered person** for damages because of a **loss** to which this insurance applies:
  - a. At **our** discretion, **we** may investigate any **loss** and settle any claim or **suit**. **We** have a duty to provide a defense at **our** expense by counsel of **our** choice unless the **loss** is covered by **your primary insurance** or **other insurance**.
  - b. **We** have the right but not the duty to join, at **our** expense, with the **covered person** or any **primary insurer** in the investigation, defense, or settlement of any claim or **suit**, which we believe, may require a payment under this policy. When we have no duty to provide a defense, **we** will not contribute to costs and expenses incurred by the **covered person** or any **primary insurer**, or which any **primary insurer** is obligated to provide.
  - c. **Our** duty to defend any claim or **suit** arising out of a single **loss** ends when the applicable limit of liability is exhausted.
  - d. In any country where **we** are prevented from defending a **covered person** because of laws or other reasons, **we** will pay any expense incurred with **our** written consent for that defense.
2. When **we** have the duty to defend a claim or **suit** under this policy, **we** will:
  - a. Pay premiums on bonds to release attachments up to the limit of this policy. **We** will also pay premiums on appeal bonds and the cost of bail bonds but **we** will not apply for or furnish such bonds.
  - b. Pay interest, which accrues after the date of judgment and before **we** pay or tender, or deposit in court, that part of any judgment within this policy's limit of liability.
  - c. Pay all reasonable expenses incurred at **our** request. **We** will pay the **covered person** up to \$200 per day, but not to exceed \$10,000 in total for loss of earnings for attending hearings or trials at **our** request.
  - d. Pay all settlement and defense expenses in any claim **we** defend.
3. When **we** settle a claim, **we** will pay all settlement expenses **we** have agreed to pay.

### **Coverage B-**

1. **We** have no duty or obligation to assume the responsibility for the investigation, settlement or defense of any claim made or any **suit** brought by or on behalf of any **covered person**,
2. But **we** shall have the right and shall be given the opportunity to investigate and to be associated in the control of any claim or suit, which may, in **our** opinion, create liability on **our** part under the terms of this policy.



## WHAT IS EXCLUDED UNDER COVERAGE A

1. **WE DO NOT PROVIDE COVERAGE UNLESS COVERED BY YOUR PRIMARY INSURANCE LISTED IN THE SCHEDULE OF PRIMARY INSURANCE FOR:**
  - a. **Loss** arising out of **business** operations or **business property**, which are not described in the Schedule.
  - b. **Loss** arising out of:
    - i. **Autos** which are owned by or leased to or rented to or provided for the regular use of a **covered person** that are not described in the Schedule; or
    - ii. **Recreational vehicles** which are owned by or leased to or rented to or provided for the regular use of a **covered person** that are not described in the Schedule; or
    - iii. **Watercraft** of the following types if under 27 feet in overall length;
      - Without motors,
      - Rented inboard and inboard/outdrive of 50 horsepower or less,
      - Owned of 25 horsepower or less, and
      - Owned or rented sailboats; or
    - iv. **Watercraft** other than those stated above which are owned by or leased to or rented to or provided for the regular use of a **covered person** that are not described in the Schedule; or
    - v. Residential property (including occasional residences) which are not described in the Schedule.

This exclusion does not apply if they are newly acquired or leased or rented during the policy period and are covered by the **primary insurance** listed in the Schedule.

- c. **Personal Injury** or **Advertising injury**
  - d. Vicarious parental liability whether or not statutorily imposed, for the actions of a child or minor.
  - e. **Loss** that results because **you** or any **covered person** is engaged in the **business** of manufacturing, distribution, selling or serving alcoholic beverages if liability is imposed by reason of:
    - i. Causing or contributing to the intoxication of any person; or
    - ii. The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
    - iii. Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.
  - f. **Loss** by reason of the assumption of liability in any contract or agreement. This exclusion does not apply to liability for damages, which would have been covered in the absence of the contract or agreement.
  - g. **Loss** arising out of, resulting from, caused by or contributed to by any animal.
2. **WE DO NOT PROVIDE COVERAGE EXCEPT UNDER EXPLICITLY STATED CONDITIONS FOR:**
    - a. **Loss** or resulting damage either expected or intended by the **covered person**. This exclusion does not apply to **bodily injury** resulting from the use of reasonable force to protect persons or property.
    - b. **Loss** arising out of any **covered person's** act, error or omission as a member of an organization's board of directors or as an officer of an organization. This exclusion does not apply if **you** are an individual and the organization:
      - i. Was formed as a not-for-profit organization;
      - ii. Does not involve the **business** of any **covered person**; and
      - iii. Such **covered person** serves without remuneration.
    - c. **Loss** arising out of the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of pollutants or any **loss**, cost or expense arising out of any:
      - i. Request, demand or order that any **covered person** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of pollutants; or
      - ii. Claim or **suit** by or on behalf of a governmental authority or others for damages because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way responding to or assessing the effects of pollutants.

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

This exclusion does not apply to **loss** arising out of heat, smoke, or fumes from a hostile fire if such **loss** is covered by **your primary insurance**. Hostile fire means one which becomes uncontrollable or breaks out from where it was intended to be.



- d. **Loss** arising out of the use, sale, manufacture, delivery, transfer or possession of a controlled substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. sections 811 and 812. Controlled substances include, but are not limited to, cocaine, LSD, marijuana and all narcotic drugs. However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.
3. **WE NEVER PROVIDE COVERAGE OR DEFENSE FOR:**
- a. Liability that is payable or must be provided under:
- Any workers' or unemployment compensation, disability benefits or similar law; or
  - The Employees Retirement Income Security Act (ERISA) of 1974 as now written or as it may be amended in the future.
- b. Claims for **personal injury** or **bodily injury** to a **covered person**, except that this exclusion does not apply to **bodily injury** to an **employee** of a **covered person** who is injured in the course of his or her employment by such **covered person**.
- c. Any person or organization for their liability arising from membership in a **partnership** or **joint venture** or **limited liability company** or **trust** which is not named as an insured on the Declarations or Schedule Pages.
- d. **Property damage** to any:
- Property owned by, rented to or occupied by any **covered person**; or
  - Property which a **covered person** uses, has custody of, controls or manages; or
  - Premises any **covered person** sells, gives away, or abandons, if the **property damage** arises out of any part of those premises.
- e. Ownership, chartering, renting or leasing, maintenance, use, operation (including loading or unloading), entrustment or supervision of any aircraft.
- f. Providing or failing to provide any professional service by or on behalf of any **covered person**.
- g. **Loss** which is covered by a nuclear energy liability policy issued by a group such as one of those listed below, or would have been covered by such a policy, if such policy had been acquired or if its limits had not been exhausted:
- The American Nuclear Insurers; or
  - The Mutual Atomic Energy Liability Underwriters; or
  - The Nuclear Insurance Association of Canada
- h. **Losses** arising out of:
- The toxic or pathological properties of lead, lead compounds or lead contained in any materials; or
  - Any cost or expense to abate, mitigate, remove or dispose of lead, lead compounds or materials containing lead; or
  - Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with i or ii above; or
  - Any obligation to share damages with or repay someone else who must pay damages in connection with i, ii or iii above.
- i. **Losses** arising out of:
- The toxic or pathological properties of asbestos, asbestos compounds or asbestos contained in any materials; or
  - Any cost or expense to abate, mitigate, remove or dispose of asbestos, asbestos compounds or materials containing asbestos; or
  - Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with i or ii above; or
  - Any obligation to share damages with or repay someone else who must pay damages in connection with i, ii or iii above.
- j. **Loss** arising, directly or indirectly, out of:
- War, including undeclared or civil war; or
  - 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
  - Insurrection, rebellion, revolution, usurped power, or action taken by governmental authority in hindering or defending against any of these; or
  - Terrorism**, including 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.



However, with respect to **terrorism**, this exclusion only applies if one or more of the following are attributable to an incident of **terrorism**:

- i. The total of insured damage to all types of property exceeds \$25,000,000. In determining whether the \$25,000,000 threshold is exceeded, **we** will include all insured damage sustained by owners or occupants of the damaged property. For the purpose of this provision, insured damage means damage that is covered by any insurance plus damage that would be covered by any insurance but for the application of any terrorism exclusions; or
- ii. Fifty or more persons sustain death or serious physical injury. For the purposes of this provision, serious physical injury means:
  - (a) Physical injury that involves a substantial risk of death; or
  - (b) Protracted and obvious physical disfigurement; or
  - (c) Protracted loss of or impairment of the function of a bodily member or organ; or
- iii. The **terrorism** involves the use, release or escape of nuclear materials, or directly or indirectly results in nuclear reaction or radiation or radioactive contamination; or
- iv. The **terrorism** is carried out by means of the dispersal or application of pathogenic or poisonous biological or chemical materials; or
- v. Pathogenic or poisonous biological or chemical materials are released, and it appears that one purpose of the **terrorism** was to release such materials.

Paragraphs i. and ii. immediately preceding, describe the thresholds used to measure the magnitude of an incident of **terrorism** and the circumstances in which the threshold will apply for the purpose of determining whether the Terrorism Exclusion will apply to that incident. When the Terrorism Exclusion applies to an incident of **terrorism**, there is no coverage under this policy.

In the event of any incident of **terrorism** that is not subject to the Terrorism Exclusion, coverage does not apply to any loss or damage that is otherwise excluded under this policy.

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

- k. **Loss** arising out of discrimination including, but not limited to sexual preference, pregnancy, marital status, color, race, sex, age, disability, religion or national origin.
- l. **Loss** arising out of employment related practices, policies, acts or omissions, such as coercion, demotion, termination, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination.
- m. Transmission or alleged transmission by any **covered person** of a communicable sickness or disease.
- n. Actual or threatened abuse or molestation including, but not limited to mental, physical or sexual abuse or molestation of any person while in the care, custody or control of any **covered person**.
- o. Ownership or operation of a farm.
- p. Any **covered person's** share of any loss assessments charged against all members of an association, corporation, or community of property owners.
- q. **Loss** arising out of any contracting or property development operations of vacant land by or on behalf of any **covered person**.
- r. Fines, penalties, punitive or exemplary damages of any kind.
- s. **Loss** arising out of any:
  - i. First party automobile personal injury protection or no-fault automobile coverage or any similar coverage.
  - ii. Medical payments as provided under any **primary insurance**.
  - iii. Uninsured or underinsured motorists coverage or any similar coverage.
- t. **Loss** sustained by an **employee**, prospective **employee**, former **employee** (or the beneficiaries or legal representatives of any of them) of any **covered person** caused by or arising out of improperly administering or failing to administer any employee benefit program.



- u. **Loss** arising out of, resulting from, caused or contributed to, directly or indirectly by:
  - i. Any **fungus** or **spore**;
  - ii. Any substance, vapor or gas produced by or arising out of any **fungus** or **spore**. This includes, but is not limited to, any metabolite such as a mycotoxin or a volatile organic compound; or
  - iii. Any:
    - 1. Material, product, building or structure, including components thereof; or
    - 2. Concentration of water, moisture, humidity or other liquids on or within such items in iii. (1) above that contains, harbors, nurtures or acts as a medium for growth of any **fungus** or **spore**. This only applies to the extent that any of the items in iii.(1) or iii.(2) above result in, cause or contribute concurrently or in any sequence to such injury or damage described in i. or ii above;

Costs of testing for, monitoring, abatement, mitigation, removal, remediation or disposal of any of the items described in above;

Other cause or event to the extent that it contributed concurrently or in any sequence to such injury, damage or costs described in items above;

Supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with items above; and

Obligation to share damages with or repay someone else who must pay damages because of such injury or damage.

This exclusion does not apply to **bodily injury** as the result of the ingestion of goods intended for human consumption.

- v. Any **loss** or claim for damages arising out of or related to **bodily injury** or **property damage**, whether known or unknown by any **covered person**, any claimant or **us** if:
  - i. Such **bodily injury** or **property damage** first occurred prior to the inception date of this policy; or
  - ii. Such **bodily injury** or **property damage** is, or is alleged to be, in the process of occurring as of the inception date of this policy.
- w. Any **loss** or claim for damages arising out of or related to **bodily injury** or **property damage**, whether known or unknown by any **covered person**, any claimant or **us**, which is in the process of settlement, adjustment or a civil proceeding in which damages because of **bodily injury** or **property damage** to which this policy applies are alleged.
- x. Employers' liability. If an **employee** of any **covered person** suffers a **loss** arising out of and in the course of their employment, **we** will not cover or defend against:
  - i. Claims made against a **covered person** as an employer or in any other capacity; or
  - ii. Claims made against a **covered person** by a spouse, child, parent, brother or sister of a **covered person's employee** as a consequence of a **loss** sustained by the **employee**; or
  - iii. Any obligation to share damages with or indemnify someone else for damages that arise from the **loss**; or
  - iv. Any damages claimed for care or **loss** of services.

#### **WHAT IS EXCLUDED UNDER COVERAGE B**

##### **WE NEVER PROVIDE COVERAGE FOR:**

1. **Loss** occurring at any time during which **you** do not maintain uninsured motorists **primary insurance**.
2. **Loss**, which is not covered or collectible for any reason under **your** uninsured motorists **primary insurance**.
3. Fines, penalties, punitive damages or exemplary damages of any kind.
4. **Loss** arising out of any:
  - a. First party automobile personal injury protection or no-fault automobile coverage or any similar coverage.
  - b. Medical payments as described in your **primary insurance**.



## YOUR RESPONSIBILITIES

### 1. **Primary insurance** requirements:

- a. **You** agree that all **primary insurance** described in this Policy or Schedule, is in force for any:
  - i. Personal residence or rental property owned, rented or leased by **you** or any **covered person**.
  - ii. **Business** operations or **business property** owned, rented or leased by **you** or any **covered person**; and
  - iii. **Auto, watercraft or recreational vehicle** owned, leased, rented or provided for the regular use of any **covered person**.
- b. **You** agree that all **your primary insurance** will be maintained with the coverages and at the limits declared and described in the Schedule. If **your primary insurance** does not provide the limits indicated, the **covered person** will be responsible for the amount of the **net loss** up to the indicated limits of the **primary insurance** as described in the Schedule.
- c. If the insurer of such required **primary insurance** becomes bankrupt or insolvent, or is placed in receivership, the **covered person** will also be responsible for the amount of **net loss** up to the **retained limit**.

### 2. After a **loss**:

- a. If a **loss** seems likely to involve this policy, **you** and any involved **covered person** must:
  - i. Notify **your** broker, **your** agent or **us** as soon as possible. **We** may subsequently require a detailed written notice of **loss**. **We** should be given a full description of the **loss**, including the names and addresses of any persons injured and any witnesses.
  - ii. Promptly send **us** copies of any notices, legal papers or other documents received or sent in connection with the **loss**.
  - iii. Cooperate with **us** in the investigation, settlement and defense of any claim or **suit**. **We** do not have to provide coverage if **you** or any **covered person** involved refuses to assist **us**.
  - iv. Obtain **our** written consent before making any payments, assuming any obligations or incurring any expenses with respect to a **loss** covered by this policy. Any **covered person** who makes any payment, assumes any obligation or incurs any expense with respect to a **loss** covered by this policy without **our** prior written consent undertakes such actions voluntarily and at such **covered person's** own cost.
- b. If the insurer of any **primary insurance** denies coverage for any reason, the **covered person** must immediately notify **us** in writing and tell **us** the reason for such denial as stated by the primary insurer. Before making a claim under this policy, if **we** request it, the **covered person** must start legal proceedings at **our** expense against the primary insurer to determine, by final judgment, the legality of its position.
- c. If the **covered person** breaches a **primary insurance** policy condition, and if such breach is not a breach of a condition of this policy, the insurance afforded by this policy shall apply as if the **primary insurance** had not been breached.



## GENERAL CONDITIONS

1. **Changing Your Policy:** Any change to this policy must be made by endorsement issued by **us**. **We** will adjust the premium if necessary. If **we** broaden the coverage in **our** umbrella liability program without increasing the premium, **we** will also apply the broadened coverage to **your** policy. The broadened coverage will apply only to **loss** that occurs after the date the coverage is added.
2. **Premium:** The premium for this policy is a flat charge determined in advance and is based on the exposures declared in the application. Changes which occur after the inception of the policy in driving records or the number of drivers, **autos**, **recreational vehicles**, **watercraft** or residential premises covered by the policy will not affect the premium.
3. **Cancelling Your Policy:** **We** can cancel this policy by giving **you** not less than 30 days advance written notice that states when the policy coverage will end. If **we** cancel for non-payment of premium or **your** material misrepresentation of facts in obtaining this policy or in presenting a claim, **we** will give **you** 10 days advance written notice that states when the policy coverage will end. **We** will give **you our** reason for canceling **your** policy at the same time **we** send **you** notice of cancellation.
  - i. **You** can cancel this policy at any time by returning it to **us** or **your** agent or broker telling **us**, in writing, at what future time **you** want coverage to end.
  - ii. If **we** cancel this policy, **we** will compute unearned premium due **you** as soon as possible following cancellation of **your** policy. If **you** cancel this policy, **we** will compute unearned premium at 90% of pro-rata and return any premium due **you** as soon as possible following cancellation of **your** policy. If the result of computing unearned premium shows that **you** owe **us** unpaid premium, **you** agree to pay **us** as soon as **you** receive **our** bill for premium due.
4. **Non-Renewal of Your Policy:** **We** may choose not to renew **your** policy for another year. **We** will give **you** not less than 60 days advance written notice before **your** policy coverage is due to end. **We** will give **you our** reason for non-renewal of **your** policy at the same time **we** send **you our** notice of non-renewal.
5. **Transferring Your Policy:** **You** agree not to transfer or assign any of **your** rights under this policy without **our** written approval.
6. **Bankruptcy, Insolvency or Death:** This policy's coverage is not affected by **your** bankruptcy or insolvency. If **you** die or are declared bankrupt or insolvent, **your** estate and **your** legal representatives will be covered until the end of the policy period.
7. **Legal Action Against Us:** No **covered person** may bring legal action against **us** concerning this policy unless such **covered person** has fully complied with all of its terms and conditions. No legal action may be brought against **us** until judgment against such **covered person** has been finally determined after trial or by agreement between the claimant or the claimant's legal representative and **us**. This policy does not give anyone the right to make **us** a party to any action to determine the liability of a **covered person**.
8. **Our Right to Recover from Others:** After **we** have made payment under this policy, **we** have the right to recover the payment from anyone, other than **you** who may be held responsible for the **loss**. A **covered person** will be required to sign any papers and do whatever else is necessary to transfer this right to **us**. Neither **you** nor anyone else **we** insure in this policy has the right to do anything after a **loss** to prejudice **our** right.
9. **Sole Agent:** The named insured first shown of the Declarations Page is authorized to act on behalf of all **covered persons** with respect to giving notice of cancellation or non-renewal, receiving refunds and agreeing to any changes in this policy.
10. **Other Insurance:** If **other insurance** applies to a **loss** covered by this policy, the insurance under this policy is excess and **we** will not make any payments until such **other insurance** is used up. This condition does not apply if the **other insurance** is specifically written to be excess over this policy.
11. **Representations:** By accepting this policy, **you** agree that the statements made in the application for the policy and on the Declarations and Schedule pages are accurate and complete and those statements are based upon representations **you** made to **us** through **your** agent or brokers, and **we** have issued this policy in reliance upon **your** representations.

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 countersigned by **our** authorized representative.

Bradley J. Gable, Secretary

Stanley A. Gajanski, President

**SAMPLE POLICY**  
**W** Navigators

## **THIS ENDORSEMENT CHANGES THE POLICY- PLEASE READ IT CAREFULLY**

### **MASSACHUSETTS - CHANGES**

This endorsement modifies insurance provided under the following:  
**PERSONAL-BUSINESS OWNER'S UMBRELLA LIABILITY POLICY**

#### **I. EXCEPTION TO TERRORISM EXCLUSION FOR CERTIFIED ACTS OF TERRORISM**

1. Solely as respects **loss** from **business** exclusion 3. J. iv. "**terrorism**" of this policy does not apply to a "certified act of terrorism".

That exclusion also does not apply to an act which meets the criteria set forth in Paragraph b. of the definition of "certified act of terrorism", when such act resulted in aggregate losses of \$5 million or less.

2. With respect to any one of more "certified acts of terrorism", **we** will not pay any amount for which **we** are not responsible under the terms of the federal Terrorism Risk Insurance Act of 2002 (including subsequent acts of Congress pursuant to the Act) due to the application of any clause which results in a cap on **our** liability for payments for losses.
3. "Certified acts of terrorism" means an act that is certified by the Secretary of the Treasury, in concurrence with the Secretary of State and the Attorney General of the United States, to be an act of terrorism pursuant to the federal Terrorism Risk Insurance Act of 2002. The federal Terrorism Risk Insurance Act of 2002 sets forth the following criteria for "certified act of terrorism":

(a) The act resulted in aggregate losses in excess of \$5 million; and

(b) The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

Such coverage as is afforded by this endorsement for **terrorism** will terminate December 31, 2005. Provided however that if the federal Terrorism Risk Insurance Act of 2002 is renewed, extended or otherwise continued such coverage as is afforded by this policy will not terminate but continue as constituted by the federal government at that time.

- II. Solely as respects **loss** from **business** this policy's definition 17. **Retained limit**, is deleted and replaced by:

17. **Retained limit** means the greater of:

- a. The sum of the applicable limit of liability of **your primary insurance** as it is shown in this policy's schedule and the actual amount collectible under any **other insurance** which applies; or
- b. If this policy applies but **your** required **primary insurance** does not provide coverage for the **loss**, the amount shown on this policy's Declaration Page as the Self Insured Retention; and
- c. Solely as respects a "certified act of terrorism", if you elect not to purchase such **primary insurance**, the applicable limit of liability of **your primary insurance** had you purchased such coverage.

III. Paragraph 3. Canceling **Your** Policy and 4. Non-Renewal of **Your** Policy of **GENERAL CONDITIONS** are deleted and replaced by the following:

3. Canceling **Your** Policy:

a. **We** may cancel this policy only for the reasons stated below by letting **you** know in writing of the date cancellation takes effect. **We** may cancel this policy by registered or certified mail, with a certificate of mailing, written notice to **you** at **your** mailing address shown in the Declarations or at **your** last address known to **us**.

(1) When **you** have not paid the premium **we** may cancel at any time by letting **you** know at least 10 days before the date cancellation takes effect. **We** will provide the reason for cancellation within **our** notice to **you**.

(2) When this policy has been in effect for less than 60 days and is not a renewal with **us**, **we** may cancel for any reason by letting you know at least 30 days before the date cancellation takes effect. **We** will provide the reason for cancellation within **our** notice to **you**.

(3) When this policy has been in effect for 60 days or more, or at any time if it is a renewal with **us**, **we** may cancel:

(a) If there has been a material misrepresentation of fact which if known to **us** would have caused **us** not to issue the policy;

(b) If the risk has changed substantially since the policy was issued;

(c) When motor vehicle insurance is provided, if **your** driver's license or that of:

(i) Any driver who lives with **you**; or

(ii) Any driver who customarily uses any **auto we** insure;

has been suspended or revoked. This must have occurred:

(i) During the policy period if this is not a renewal; or

(ii) If this is a renewal, during the policy period or the 180 days immediately preceding this policy's effective date.

(d) For fraud or material representation affecting this policy or in the presentation of a claim; or

(e) Substantial breach of contractual duties, conditions or warranties.

This can be done by letting **you** know at least 30 days before the date cancellation takes effect. **We** will provide the reason for cancellation within **our** notice to **you**.

b. **You** can cancel this policy at any time by returning it to **us** or **your** agent or broker, telling **us**, in writing, at what future time **you** want coverage to end.

c. If **we** cancel this policy, **we** will compute unearned premium due **you** as soon as possible following cancellation of **your** policy. If **you** cancel this policy, **we** will compute unearned premium at 90% of pro-rata and return any premium due **you** as soon as possible following cancellation of **your** policy. If the result of computing unearned premium shows that **you** owe **us** unpaid premium, **you** agree to pay **us** as soon as **you** receive **our** bill for premium due.

4. Non-Renewal of **Your** Policy:

Ordinarily, we will renew this policy automatically and send you the renewal notice. Our notice will explain what you should do if you do not want to continue this policy.

**We** may elect not to renew this policy. If **we** do not renew, **we** will mail, by registered or certified mail with a certificate of mailing, to **you** at **your** mailing address shown in the Declarations or at the last mailing address known to **us**, written notice of non-renewal at least 45 days before the expiration date of this policy. **We** will provide the specific reasons for non-renewal within **our** notice to **you**.

**SAMPLE POLICY**

# The Navigators Group, Inc.

## NOTIFICATION OF INFORMATION PRACTICES

This description of the Information Practices of Navigators Insurance Company is being provided in accordance with the requirements of the Insurance Information and Privacy Protection Law in effect in your state of residence.

### COLLECTION OF INFORMATION

In order to properly underwrite and administer your insurance coverage, we must collect a certain amount of necessary and helpful information. The amount and type of information collected may vary depending on the amount and type of coverage for which you apply. In general, we will be seeking information such as your name, address, social security number, drivers license number, and credit score. In addition, your agent may collect information intended to aid in the updating and improvement of your insurance program.

You are our most important source of information but we may also collect information from public records and other insurance companies to which you have applied. We may collect information by exchanges or correspondence, by phone, or by personal contact. In some circumstances, we may disclose personal information to affiliate third parties without your specific authorization for the sole purpose of obtaining insurance. In some cases, we may ask an insurance support organization to collect information.

We do not disclose the nonpublic personal financial information of our customers or former customers, except as permitted or required by law. We reserve the right, however, to change this policy at any time. Should this policy change we will give affected customers an opportunity to direct that their nonpublic personal financial information not be disclosed.

We maintain electronic, physical and procedural safeguards that comply with Federal regulations to protect your nonpublic personal financial information. We limit access to your nonpublic personal financial information to those employees and agents who need to know that information to perform their job responsibilities.

### DISCLOSURES

In some circumstances, Navigators Insurance Company or your insurance agent may make disclosures of personal information to third parties, without your specific authorization. The following is a brief description of some of the persons or organizations to whom certain items of information might be disclosed:

- Persons or organizations which perform professional, business or insurance functions for us, such as independent claim examiners, reinsurance companies, group plan administrators, or insurance support organizations formed for the purpose of preventing fraud in insurance transactions;
- Your insurance agent or broker and other insurance companies to which you have applied for coverage or benefits;
- Persons or organizations conducting bonafide actuarial research studies, audits or evaluations.

Please be assured that the above describes some of the disclosures, which may be made, not disclosures which are always or even often made. In any event, the information disclosed without your specific authorization will be only as much as is reasonably necessary to accomplish the intended purpose.

Information may be given to a State Insurance Department in connection with its regulation of our business, and to other governmental or law enforcement authorities to protect our legal interests or in cases of suspected fraud or illegal activities. If ordered by subpoena, search warrant, or other court order, and if otherwise required by any federal, state, or local law, information would be disclosed.

In short, the types of information disclosed will vary depending upon the needs of the recipient and the sensitivity of the data.

### ACCESS TO RECORDED PERSONAL INFORMATION

If you wish to review the recorded information about you in our application files, please send a written request within 90 business days of the date this notice was mailed to you. Include your complete name, address, date of birth, and all file numbers under which you applied in the request. Within 21 business days of receipt of your request, you will be contacted and informed of the nature and substance of recorded information in our files. You will also be given the identity of persons or organizations to whom we have disclosed this information in the preceding two years. If you request copies of recorded personal information, a reasonable fee may be charged to cover costs incurred.

You will not be given access to information about you which relates to and is collected in connection with or in reasonable anticipation of a claim or civil or criminal proceeding.

### CORRECTION, AMENDMENT OR DELETION OF RECORDED PERSONAL INFORMATION

A written request may be made requesting correction, amendment, or deletion of information you believe to be inaccurate. Within 30 business days, the disputed information will be reinvestigated; and if found to be incorrect, necessary corrections, amendments or deletions will be made. You will be notified in writing of the change, along with persons or organizations to whom we have previously disclosed the inaccurate information.

If your request for correction is denied, you will be notified of our reasons for refusal. If unsatisfied by our refusal and reasons, you have the right to place a statement in our files explaining what you believe to be correct, relevant or fair information and why you disagree with our decision not to correct, amend or delete the original information. A copy of your statement will be made a part of our file and sent to persons and organizations to whom we previously disclosed or systematically disclosed information.

### ADDITIONAL INFORMATION

We hope that you will find this explanation of our information practices helpful. We take our responsibilities, and your rights, very seriously. If you have any further questions about these practices, please write to us at the address given.

**SAMPLE POLICY**