

LIMITED SEXUAL ABUSE LIABILITY COVERAGE

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

Except to the extent that such coverage is provided as described below, this insurance does not apply to "bodily injury", "property damage", "personal and advertising injury" or medical payments arising out of "sexual abuse".

SCHEDULE

Coverage E	Limit of Insurance		Deductible
Sexual Abuse Liability Coverage		Each "Act of Sexual Abuse"	\$0.00
		"Act of Sexual Abuse" - Aggregate Limit	Each Act of Sexual Abuse
Information required to complete this Schedule, if not shown above, will be shown in the Declarations.			

The following is added to **SECTION I – COVERAGES**:

COVERAGE E- SEXUAL ABUSE LIABILITY

1. Insuring Agreement

- a. We will pay those sums that the insured becomes legally obligated to pay as damages because of "bodily injury" to any person arising out of an "act of sexual abuse" to which this insurance applies.

We shall have the right and duty to defend any "suit" against the insured seeking such damages, even if any of the allegations of the "suit" are groundless, false, or fraudulent. "Claims expenses" incurred in defending and investigating such "suit" shall be a part of and shall not be in addition to the Limits of Liability stated in the above schedule. Such "claim expenses" shall reduce the Limits of Liability.

However, we have no duty to defend the insured against any "suit" seeking damages for "bodily injury" to which this insurance does not apply.

We may, at our discretion, investigate any actual or alleged "act of sexual abuse" and settle any claim or "suit", that may result, but:

- (1) The amount we will pay for damages is limited as described in this endorsement; and
 - (2) Our right and duty to defend ends when we have used up the applicable limit of insurance as described in this endorsement in the payment of judgments, settlements, "claims expenses" and/or supplementary payments. Supplementary payments are included within and reduce the applicable limit of insurance. We shall have no obligation to pay any damages or to defend or continue to defend any "suit" or to pay "claims expenses" after the Limits of Liability stated in the above schedule have been exhausted by payment(s) of damages and "claim expenses".
- b. No other obligation or liability to pay sums or perform acts or services is covered. No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **Supplementary Payments – Coverage A, B, D, and E**.
- c. This insurance applies to "bodily injury" arising out of an "act of sexual abuse" that takes place in the "coverage territory" during the policy period.
- d. As respects to each claimant, multiple "acts of sexual abuse" by the same person(s), including any breach of duty in allowing or contributing to such act(s), will be deemed one "act of sexual abuse". The date of the event will be deemed to be the date of the first "act of sexual abuse". There is no coverage under this endorsement or any claimant if the date of the event precedes the effective date of the policy.

2. Exclusions

This insurance does not apply to:

- a. Any insured who is alleged to have committed “sexual abuse”.

However, we will provide a defense to such insured until such time as that insured is judicially determined to have intentionally caused such “sexual abuse”.

- b. “Claims Expenses”, or the cost of paying any fines for, any insured or person resulting from actual or alleged violation of a criminal or penal statute.
- c. Liability of others assumed by any insured under any contract of agreement, either oral or in writing, unless specifically endorsed hereon.
- d. Any obligation for which any insured or any carrier may be held liable under any workers’ compensation, unemployment compensation, or disability benefits law, or under any similar law.
- e. “Bodily injury” as a result of “sexual abuse”, sickness, disease, or death sustained by any of your “employees” of “volunteer workers” arising out of, and in the course of employment by you, or within their scope of duties for you.
- f. Any loss or claim, either directly or indirectly arising from an insured’s activities as an officer or director of any corporation, company, or business other than that of the named insured.
- g. Where any insured:

- (1) Knew that sexual abuse was likely to occur, but failed to make reasonable attempts to prevent sexual abuse; or
- (2) Failed to immediately notify law enforcement of sexual abuse; or
- (3) Failed to secure and maintain record of a national criminal background check on an employee, volunteer employee, temporary worker, independent contractor (or employee of an independent contractor), or leased worker that is involved in a “suit”, if:
 - (a) the person who committed, participated in, or perpetrated the abuse or molestation incident is an employee, volunteer employee, temporary worker, independent contractor (or employee of an independent contractor), or leased worker or any insured; and
 - (b) the background check of the person who committed or perpetrated the abuse or molestation incident would have revealed that the person:
 - (i) has a history of sexual misconduct; or
 - (ii) has a record of arrest(s) or conviction(s) for sex-related crimes; or
 - (iii) is a registered sex offender; or
 - (iv) presents an unreasonable risk for committing an “act of sexual abuse”.

- 3. **SUPPLEMENTARY PAYMENTS – COVERAGES A and B of SECTION I – COVERAGES** is amended to read as follows:

SUPPLEMENTARY PAYMENTS – A, B, D, and E.

- 4. With respect to coverage provided by this Sexual Abuse Liability Coverage endorsement, **SECTION II – WHO IS AN INSURED** is deleted and replaced with the following:

SECTION II – WHO IS AN INSURED

1. If you are designated in the Declarations as an organization other than a partnership, joint venture, or limited liability company, you are an insured. You “executive officers” and directors are insureds, but only with respect to their duties as your “executive officers” or directors.
2. Each of the following is also an insured:
 - a. Your “volunteer workers” only while performing duties related to the conduct of your business, or your “employees”, other than your “executive officers” but only for the acts within the scope of their employment by you, or while performing duties related to the conduct of your business. However, none of the “employees” or “volunteer workers” are insureds for:

(1) “Bodily Injury”:

- (a)** To you, to a “co-employee” while in the course of his or her employment, or performing duties related to the conduct of your business, or to your other “volunteer workers” while performing duties related to the conduct of your business;
- (b)** To the spouse, child, parent, brother, or sister of that “co-employee” or “volunteer workers” as a consequence of **Paragraph (1) (a)** above; or
- (c)** For which there is any obligation to share damages with or repay someone else who must pay damages for because of the injury described in **Paragraphs (1) (a) or (b)** above.

5. With respect to coverage provided by this Sexual Abuse Liability Coverage Endorsement, **SECTION III –**

LIMITS OF INSURANCE is amended as follows:

- a. Paragraph 2, is deleted and replaced with the following:

2. The General Aggregate Limit is the most we will pay for the sum of:

- a. Medical Expenses under **Coverage C**;
- b. Damages under **Coverage A**, except damages because of “bodily injury” or “property damage” included in the “products-completed operations” hazard;
- c. Damages under **Coverage B**;
- d. Damages under **Coverage D** (if applicable); and
- e. Damages under **Coverage E**.

- b. Paragraph 5. Is deleted and replaced with the following:

5. Subject to 2. Above, the Each Occurrence and Event is the most we will pay for the sum of:

- a. Damages under **Coverage A**;
- b. Damages under **Coverage C**;
- c. Damages under **Coverage D** (if applicable); and
- d. Damages under **Coverage E**.

because of all “bodily injury” and “property damage” arising out of any one “occurrence”, or event

- c. The following paragraph is added:

The acts of "sexual abuse" by any one person or any number of persons together or in collusion, including any breach of duty in allowing or contributing to such acts, will be considered one event for the purposes of determining the Limits of Insurance.

6. With respect to coverage provided by this Sexual Abuse Liability Coverage Endorsement, **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS** are amended as follows:

- a. **Paragraph a. of 2. Duties in the Event of Occurrence, Offense, Claim or Suit** is deleted and replaced with the following:

2. Duties in the Event of Occurrence, Offense, Event, Claim, or Suit

- a. You must see to it that we are notified as soon as reasonably possible of an "occurrence", offense, or event that may result in a claim or "suit". To the extent possible, notice should include:
- (1) How, when, and where the "occurrence", offense, or event took place;
 - (2) The names and addresses of any injured persons and witnesses; and
- b. The nature and location of any injury or damage arising out of the "occurrence", offense, or event. The following condition is added:

Knowledge of Offense, Event, Claim, or Suit

Knowledge of an offense, event, claim, or "suit" that is covered by this policy and occurs during this policy period, by an agent, servant, or employee of any insured and receipt of any demand, notice, summons, or other legal papers in connection with a claim or "suit" that is covered by this policy and occurs during this policy period by an agent, servant, or employee of any insured shall not in itself constitute knowledge of the insured or receipt by the insured unless any insured listed under **Paragraph 1. of SECTION II – WHO IS AN INSURED** shall have knowledge or shall have received such demand, notice, summons, or other legal papers.

7. With respect to coverage provided by this Sexual Abuse Liability Coverage endorsement, the definition of "bodily injury" and "volunteer worker" in **SECTION V – DEFINITIONS** are deleted and replaced by the following:

3. "Bodily injury" means bodily injury, sickness, or disease sustained by a person, including mental anguish.

8. The following definitions are added to **SECTION V – DEFINITIONS**:

"Claims expenses" mean the legal fees and expenses incurred by us on behalf of any insured to defend or investigate any claim for "sexual abuse", including the costs of appeal, supersedes, injunction, attachment or similar bonds (provided, however, that we do not object to apply for or furnish any bond for appeal, supersedeas, injunction, attachment or any similar purpose).

"Sexual abuse" means sexual molestation, including, but not limited to sexual exploitation, deliberate physical contact of a sexual nature, mental abuse, and illicit conducts of a sexual nature not involving physical contact.

"Volunteer worker" means a person who is not your "employee" and who donates his or her work and acts at the direction of and within the scope of duties determined by you and is not paid more than \$5,000 per year as a fee, salary, or other compensation by you or anyone else for their work performed for you. Independent contractors who are paid a fee, salary, or other compensation are not considered "volunteer workers"

All other terms and conditions of the policy remain the same.