



**Regulatory Office**

**XL Specialty Insurance Company**

505 Eagleview Blvd., Ste. 100  
Dept: Regulatory  
Exton, PA 19341-0636

(800) 688-1840

**Professional, Environmental And Network Security Liability Policy –  
Architects, Consultants And Engineers Declarations**

**THIS IS A “CLAIMS-MADE AND REPORTED” POLICY. THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING A POLICY YEAR AND REPORTED TO THE COMPANY, IN WRITING, DURING THAT POLICY YEAR OR AUTOMATIC EXTENDED REPORTING PERIOD.**

**CERTAIN STATES MANDATE SPECIFIC WARNINGS, EXCEPTIONS OR CONDITIONS MODIFYING THE TERMS AND CONDITIONS OF THIS POLICY. PLEASE READ THIS POLICY CAREFULLY, INCLUDING THE DECLARATIONS AND ALL ENDORSEMENTS.**

**THIS POLICY CONTAINS PROVISIONS THAT LIMIT THE AMOUNT OF CLAIM EXPENSES THE COMPANY IS RESPONSIBLE TO PAY IN CONNECTION WITH CLAIMS. CLAIM EXPENSES SHALL BE SUBJECT TO ANY APPLICABLE DEDUCTIBLE AMOUNT. THE PAYMENT OF CLAIM EXPENSES WILL REDUCE THE LIMITS OF LIABILITY STATED IN ITEM 3 OF THE DECLARATIONS.**

Policy Number: DPS9808732  
Renewal of: DPR9726419

**1: NAMED INSURED:** Dammon Engineering, Inc.  
Address: 554 Old Spanish Trail  
  
City/State/Zip Code: Slidell LA 70458  
  
Phone: 985-649-5832  
Fax: 985-641-5950  
Electronic Mail: cindy@dammonengineering.com

**2: POLICY PERIOD:**

Effective Date: 09/06/2016 Expiration Date: 09/06/2019  
12:01 A.M. standard time at your mailing address shown in Item 1 above.

**3: Limit of Liability (Inclusive of CLAIM EXPENSES):**

**3a.** \$1,000,000 each CLAIM  
**3b.** \$2,000,000 each POLICY YEAR Aggregate

**4: Deductible (Inclusive of CLAIM EXPENSES):**

4a. \$5,000 each CLAIM  
4b. N/A each POLICY YEAR Aggregate

**5: Policy Premium:**

Standard Premium:		<u>\$77,673</u>
Optional Endorsement Premium(s)		
▪ Shared Expense	#	<u>\$0</u>
▪ Dollar One Defense	# <u>LDD411_0809</u>	<u>Included</u>
▪ Education Program Credit	# <u>LDD416_0809</u>	<u>(\$2,589)</u>
▪ Limitation of Liability	#	<u>\$0</u>
▪ Project Specific Retro	#	<u>\$0</u>
▪ Special Coverage	#	<u>\$0</u>
▪ SJX	#	<u>\$0</u>
▪ Other	#	<u>\$0</u>
	Sub-Total	<u>\$75,084</u>
Assessments/Taxes		
▪ California Surcharge:		<u>\$0</u>
▪ Kentucky Surcharge:		<u>\$0</u>
▪ New Jersey Property - Liability Guaranty Association Surcharge:		<u>\$0</u>
▪ Puerto Rico Property-Casualty Insurance Guaranty Surcharge:		<u>\$0</u>
▪ West Virginia Policyholder Surcharge:		<u>\$0</u>
▪ Florida Hurricane Catastrophe Fund (FHCF) Emergency Assessment Surcharge:		<u>\$0</u>
▪ Other Taxes(If Included):		<u>\$0</u>
	Total Premium	<u>\$75,084</u>

6: **Retroactive Dates:** Coverage A: 09/15/1979  
Coverage B: 09/15/1979  
Coverage C: 09/15/1979

7: **Anniversary Date:** 09/06/2006

**8: Endorsements Attached to this Policy**

PN CW 01 0915 Notice to Policyholders	LDD454 0415 Enhanced Professional Services Endorsement
PN CW 02 0505 Notice To Policyholders	LDD455 0415 Crisis Management Elite Endorsement
PN CW 03 0505 Notice To Policyholders	LDD411 LA 0809 Louisiana Dollar One Defense Coverage Endorsement
PN CW 05 1010 Notice To Policy Holders	LDD602 0809 Excluded Entities

LDD050\_0809 Professional, Environmental &  
Network Security Liability Policy

LDD406 0809 Individual Notice of Cancellation

LDD120 0809 Louisiana Amendatory Endorsement

LDD413 0809 Premium Installment Payments

LDD416 0809 Professional Liability Education  
Program Credits

IL MP 9104 0314 XLS - In Witness Endorsement

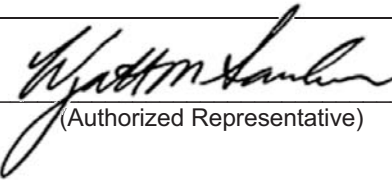
LDD453 1013 - Amended Definition of Damages

Producer: Alexander & Sanders Insurance Agency  
Inc.

Date Issued: 08/26/2016

Countersigned by:

Countersigned at: Baton Rouge, LA



(Authorized Representative)



# Policy

Insured: Dammon Engineering, Inc.  
Policy Number: DPS9808732  
Date: 09/06/2016

Agency Information: Alexander & Sanders Insurance Agency Inc.

## NOTICE TO POLICYHOLDERS

### FRAUD NOTICE

<b>Arkansas</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Colorado</b>	<b>It is unlawful to knowingly provide false, incomplete, or misleading facts or information to an insurance company for the purpose of defrauding or attempting to defraud the company. Penalties may include imprisonment, fines, denial of insurance, and civil damages. Any insurance company or agent of an insurance company who knowingly provides false, incomplete, or misleading facts or information to a policyholder or claimant for the purpose of defrauding or attempting to defraud the policyholder or claimant with regard to a settlement or award payable for insurance proceeds shall be reported to the Colorado Division of Insurance within the Department of Regulatory Agencies.</b>
<b>District of Columbia</b>	<b>WARNING:</b> It is a crime to provide false or misleading information to an insurer for the purpose of defrauding the insurer or any other person. Penalties include imprisonment and/or fines. In addition, an insurer may deny insurance benefits if false information materially related to a claim was provided by the applicant.
<b>Florida</b>	Any person who knowingly and with intent to injure, defraud, or deceive any insurer files a statement of claim or an application containing any false, incomplete, or misleading information is guilty of a felony of the third degree.
<b>Kansas</b>	A "fraudulent insurance act" means an act committed by any person who, knowingly and with intent to defraud, presents, causes to be presented or prepares with knowledge or belief that it will be presented to or by an insurer, purported insurer, broker or any agent thereof, any written, electronic, electronic impulse, facsimile, magnetic, oral, or telephonic communication or statement as part of, or in support of, an application for the issuance of, or the rating of an insurance policy for personal or commercial insurance, or a claim for payment or other benefit pursuant to an insurance policy for commercial or personal insurance which such person knows to contain materially false information concerning any fact material thereto; or conceals, for the purpose of misleading, information concerning any fact material thereto.
<b>Kentucky</b>	Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any materially false information or conceals, for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime.
<b>Louisiana</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Maine</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties may include imprisonment, fines, or denial of insurance benefits.
<b>Maryland</b>	Any person who knowingly or willfully presents a false or fraudulent claim for payment of a loss or benefit or who knowingly or willfully presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>New Jersey</b>	Any person who includes any false or misleading information on an application for an insurance policy is subject to criminal and civil penalties.
<b>New Mexico</b>	<b>ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO CIVIL FINES AND CRIMINAL PENALTIES.</b>

## NOTICE TO POLICYHOLDERS

<p><b>New York</b></p>	<p><b>General: All applications for commercial insurance, other than automobile insurance:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the stated value of the claim for each such violation.</p> <p><b>All applications for automobile insurance and all claim forms:</b> Any person who knowingly makes or knowingly assists, abets, solicits or conspires with another to make a false report of the theft, destruction, damage or conversion of any motor vehicle to a law enforcement agency, the department of motor vehicles or an insurance company, commits a fraudulent insurance act, which is a crime, and shall also be subject to a civil penalty not to exceed five thousand dollars and the value of the subject motor vehicle or stated claim for each violation.</p> <p><b>Fire:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance containing any false information, or conceals for the purpose of misleading, information concerning any fact material thereto, commits a fraudulent insurance act, which is a crime.</p> <p>The proposed insured affirms that the foregoing information is true and agrees that these applications shall constitute a part of any policy issued whether attached or not and that any willful concealment or misrepresentation of a material fact or circumstances shall be grounds to rescind the insurance policy.</p>
<p><b>Ohio</b></p>	<p>Any person who, with intent to defraud or knowing that he is facilitating a fraud against an insurer, submits an application or files a claim containing a false or deceptive statement is guilty of insurance fraud.</p>
<p><b>Oklahoma</b></p>	<p><b>WARNING:</b> Any person who knowingly, and with intent to injure, defraud or deceive any insurer, makes any claim for the proceeds of an insurance policy containing any false, incomplete or misleading information is guilty of a felony.</p>
<p><b>Pennsylvania</b></p>	<p><b>All Commercial Insurance, Except As Provided for Automobile Insurance:</b> Any person who knowingly and with intent to defraud any insurance company or other person files an application for insurance or statement of claim containing any materially false information or conceals for the purpose of misleading, information concerning any fact material thereto commits a fraudulent insurance act, which is a crime and subjects such person to criminal and civil penalties.</p> <p><b>Automobile Insurance:</b> Any person who knowingly and with intent to injure or defraud any insurer files an application or claim containing any false, incomplete or misleading information shall, upon conviction, be subject to imprisonment for up to seven years and the payment of a fine of up to \$15,000.</p>
<p><b>Puerto Rico</b></p>	<p><b>Any person who knowingly and with the intention of defrauding presents false information in an insurance application, or presents, helps, or causes the presentation of a fraudulent claim for the payment of a loss or any other benefit, or presents more than one claim for the same damage or loss, shall incur a felony and, upon conviction, shall be sanctioned for each violation by a fine of not less than five thousand dollars (\$5,000) and not more than ten thousand dollars (\$10,000), or a fixed term of imprisonment for three (3) years, or both penalties. Should aggravating circumstances [be] present, the penalty thus established may be increased to a maximum of five (5) years, if extenuating circumstances are present, it may be reduced to a minimum of two (2) years.</b></p>

## NOTICE TO POLICYHOLDERS

<b>Rhode Island</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>Tennessee</b>	<p><b>All Commercial Insurance, Except As Provided for Workers' Compensation</b> It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.</p> <p><b>Workers' Compensation:</b> It is a crime to knowingly provide false, incomplete or misleading information to any party to a workers' compensation transaction for the purpose of committing fraud. Penalties include imprisonment, fines and denial of insurance benefits.</p>
<b>Utah</b>	<b>Workers' Compensation:</b> Any person who knowingly presents false or fraudulent underwriting information, files or causes to be filed a false or fraudulent claim for disability compensation or medical benefits, or submits a false or fraudulent report or billing for health care fees or other professional services is guilty of a crime and may be subject to fines and confinement in state prison.
<b>Virginia</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
<b>Washington</b>	It is a crime to knowingly provide false, incomplete or misleading information to an insurance company for the purpose of defrauding the company. Penalties include imprisonment, fines and denial of insurance benefits.
<b>West Virginia</b>	Any person who knowingly presents a false or fraudulent claim for payment of a loss or benefit or knowingly presents false information in an application for insurance is guilty of a crime and may be subject to fines and confinement in prison.
<b>All Other States</b>	Any person who knowingly and willfully presents false information in an application for insurance may be guilty of insurance fraud and subject to fines and confinement in prison. (In Oregon, the aforementioned actions may constitute a fraudulent insurance act which may be a crime and may subject the person to penalties).

# NOTICE TO POLICYHOLDERS

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## PRIVACY POLICY

The XL America, Inc. insurance group (the "Companies"), believes personal information that we collect about our customers, potential customers, and proposed insureds (referred to collectively in this Privacy Policy as "customers") must be treated with the highest degree of confidentiality. For this reason and in compliance with the Title V of the Gramm-Leach-Bliley Act ("GLBA"), we have developed a Privacy Policy that applies to all of our companies. For purposes of our Privacy Policy, the term "personal information" includes all information we obtain about a customer and maintain in a personally identifiable way. In order to assure the confidentiality of the personal information we collect and in order to comply with applicable laws, all individuals with access to personal information about our customers are required to follow this policy.

### **Our Privacy Promise**

Your privacy and the confidentiality of your business records are important to us. Information and the analysis of information is essential to the business of insurance and critical to our ability to provide to you excellent, cost-effective service and products. We understand that gaining and keeping your trust depends upon the security and integrity of our records concerning you. Accordingly, we promise that:

1. We will follow strict standards of security and confidentiality to protect any information you share with us or information that we receive about you;
2. We will verify and exchange information regarding your credit and financial status only for the purposes of underwriting, policy administration, or risk management and only with reputable references and clearinghouse services;
3. We will not collect and use information about you and your business other than the minimum amount of information necessary to advise you about and deliver to you excellent service and products and to administer our business;
4. We will train our employees to handle information about you or your business in a secure and confidential manner and only permit employees authorized to use such information to have access to such information;
5. We will not disclose information about you or your business to any organization outside the XL insurance group of Companies or to third party service providers unless we disclose to you our intent to do so or we are required to do so by law;
6. We will not disclose medical information about you, your employees, or any claimants under any policy of insurance, unless you provide us with written authorization to do so, or unless the disclosure is for any specific business exception provided in the law;
7. We will attempt, with your help, to keep our records regarding you and your business complete and accurate, and will advise you how and where to access your account information (unless prohibited by law), and will advise you how to correct errors or make changes to that information; and
8. We will audit and assess our operations, personnel and third party service providers to assure that your privacy is respected.

### **Collection and Sources of Information**

We collect from a customer or potential customer only the personal information that is necessary for (a) determining eligibility for the product or service sought by the customer, (b) administering the product or service obtained, and (c) advising the customer about our products and services. The information we collect generally comes from the following sources:

## NOTICE TO POLICYHOLDERS

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- Submission – During the submission process, you provide us with information about you and your business, such as your name, address, phone number, e-mail address, and other types of personal identification information;
- Quotes – We collect information to enable us to determine your eligibility for the particular insurance product and to determine the cost of such insurance to you. The information we collect will vary with the type of insurance you seek;
- Transactions – We will maintain records of all transactions with us, our affiliates, and our third party service providers, including your insurance coverage selections, premiums, billing and payment information, claims history, and other information related to your account;
- Claims – If you obtain insurance from us, we will maintain records related to any claims that may be made under your policies. The investigation of a claim necessarily involves collection of a broad range of information about many issues, some of which does not directly involve you. We will share with you any facts that we collect about your claim unless we are prohibited by law from doing so. The process of claim investigation, evaluation, and settlement also involves, however, the collection of advice, opinions, and comments from many people, including attorneys and experts, to aid the claim specialist in determining how best to handle your claim. In order to protect the legal and transactional confidentiality and privileges associated with such opinions, comments and advice, we will not disclose this information to you; and
- Credit and Financial Reports – We may receive information about you and your business regarding your credit. We use this information to verify information you provide during the submission and quote processes and to help underwrite and provide to you the most accurate and cost-effective insurance quote we can provide.

### Retention and Correction of Personal Information

We retain personal information only as long as required by our business practices and applicable law. If we become aware that an item of personal information may be materially inaccurate, we will make reasonable effort to re-verify its accuracy and correct any error as appropriate.

### Storage of Personal Information

We have in place safeguards to protect data and paper files containing personal information.

### Sharing/Disclosing of Personal Information

We maintain procedures to assure that we do not share personal information with an unaffiliated third party for marketing purposes unless such sharing is permitted by law. Personal information may be disclosed to an unaffiliated third party for necessary servicing of the product or service or for other normal business transactions as permitted by law.

We do not disclose personal information to an unaffiliated third party for servicing purposes or joint marketing purposes unless a contract containing a confidentiality/non-disclosure provision has been signed by us and the third party. Unless a consumer consents, we do not disclose “consumer credit report” type information obtained from an application or a credit report regarding a customer who applies for a financial product to any unaffiliated third party for the purpose of serving as a factor in establishing a consumer’s eligibility for credit, insurance or employment. “Consumer credit report type information” means such things as net worth, credit worthiness, lifestyle information (piloting, skydiving, etc.) solvency, etc. We also do not disclose to any unaffiliated third party a policy or account number for use in marketing. We may share with our affiliated companies information that relates to our experience and transactions with the customer.

### Policy for Personal Information Relating to Nonpublic Personal Health Information

## NOTICE TO POLICYHOLDERS

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We do not disclose nonpublic personal health information about a customer unless an authorization is obtained from the customer whose nonpublic personal information is sought to be disclosed. However, an authorization shall not be prohibited, restricted or required for the disclosure of certain insurance functions, including, but not limited to, claims administration, claims adjustment and management, detection, investigation or reporting of actual or potential fraud, misrepresentation or criminal activity, underwriting, policy placement or issuance, loss control and/or auditing.

### Access to Your Information

Our employees, employees of our affiliated companies, and third party service providers will have access to information we collect about you and your business as is necessary to effect transactions with you. We may also disclose information about you to the following categories of person or entities:

- Your independent insurance agent or broker;
- An independent claim adjuster or investigator, or an attorney or expert involved in the claim;
- Persons or organizations that conduct scientific studies, including actuaries and accountants;
- An insurance support organization;
- Another insurer if to prevent fraud or to properly underwrite a risk;
- A state insurance department or other governmental agency, if required by federal, state or local laws; or
- Any persons entitled to receive information as ordered by a summons, court order, search warrant, or subpoena.

### Violation of the Privacy Policy

Any person violating the Privacy Policy will be subject to discipline, up to and including termination.

For more information or to address questions regarding this privacy statement, please contact your broker.

## NOTICE TO POLICYHOLDERS

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Dear Policyholder:

On the declaration page of your insurance policy you will find important information about your insurance coverage, including the policy premium. XL believes that it is important for policyholders to know that the insurance premium you pay for this policy includes not only the cost for the insurance provided by XL but it may also include the compensation we may pay to the insurance producer who has arranged for the placement of your insurance with XL.

We at XL are committed to full transparency concerning the amount of premium allocated to insurance producer compensation. In the event that you have a question about the amount of compensation paid to the insurance producer for your insurance policy, we encourage you to contact your insurance producer.

Thank you for insuring with XL.

## NOTICE TO POLICYHOLDERS

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### U.S. TREASURY DEPARTMENT'S OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")

No coverage is provided by this Policyholder Notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This Policyholder Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC and possibly the U.S. Department of State. **Please read this Policyholder Notice carefully.**

OFAC administers and enforces sanctions policy based on Presidential declarations of "national emergency". OFAC has identified and listed numerous

- Foreign agents
- Front organizations
- Terrorists
- Terrorist organizations
- Narcotics traffickers

as *Specially Designated Nationals and Blocked Persons*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/ofac>.

The Secretary of the Treasury also has identified a number of entities in the insurance, petroleum, and petrochemicals industries determined to be owned or controlled by the Iranian government. Business transactions with any of these entities are expressly prohibited. These entities have been added to OFAC's list of *Financial Institutions Determined To Be Owned or Controlled by the Government of Iran*. This list can be found on the U.S. Department of the Treasury's web site - <http://www.treas.gov/offices/enforcement/lists/>

In accordance with OFAC regulations, or any applicable regulation promulgated by the U.S. Department of State, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated U.S. sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance will be immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, neither payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

**XL SPECIALTY INSURANCE COMPANY**

(A Stock Insurance Company Hereinafter the "Company")

**PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY –  
ARCHITECTS, CONSULTANTS AND ENGINEERS**

**THIS IS A "CLAIMS-MADE AND REPORTED" POLICY. THIS POLICY REQUIRES THAT A CLAIM BE MADE AGAINST THE INSURED DURING A POLICY YEAR AND REPORTED TO THE COMPANY, IN WRITING, DURING THAT POLICY YEAR OR AUTOMATIC EXTENDED REPORTING PERIOD.**

**CERTAIN STATES MANDATE SPECIFIC WARNINGS, EXCEPTIONS OR CONDITIONS MODIFYING THE TERMS AND CONDITIONS OF THIS POLICY. PLEASE READ THIS POLICY CAREFULLY, INCLUDING THE DECLARATIONS AND ALL ENDORSEMENTS.**

**THIS POLICY CONTAINS PROVISIONS THAT LIMIT THE AMOUNT OF CLAIM EXPENSES THE COMPANY IS RESPONSIBLE TO PAY IN CONNECTION WITH CLAIMS. CLAIM EXPENSES SHALL BE SUBJECT TO ANY APPLICABLE DEDUCTIBLE AMOUNT. THE PAYMENT OF CLAIM EXPENSES WILL REDUCE THE LIMITS OF LIABILITY STATED IN ITEM 3 OF THE DECLARATIONS.**

In consideration of the payment of the Policy Premium stated in Item 5 of the Declarations, and in reliance upon the statements contained in the Application and any other supplemental materials and information submitted to the Company with respect to this Policy, and subject to all the terms and conditions of this Policy, the Company agrees with the NAMED INSURED as follows:

**I. INSURING AGREEMENT**

**A. Coverage A – Professional Liability**

The Company agrees to pay on behalf of the INSURED all sums in excess of the Deductible, subject to the Policy Limits of Liability, that the INSURED becomes legally obligated to pay as DAMAGES and/or CLAIM EXPENSES as a result of any CLAIM(S) first made against the INSURED during a POLICY YEAR and first reported to the Company, in writing, during that POLICY YEAR or within sixty (60) days after the end of that POLICY YEAR, provided that:

1. The CLAIM(S) arises out of a WRONGFUL ACT;
2. Such WRONGFUL ACT was committed or alleged to have been committed on or after the Retroactive Date(s) stated in Item 6 of the Declarations; and
3. Prior to the Anniversary Date stated in Item 7 of the Declarations, none of the INSURED's directors, officers, principals, partners or insurance managers knew or should have known that such WRONGFUL ACT might give rise to a CLAIM(S).

**B. Coverage B – Contractors Pollution Legal Liability**

The Company agrees to pay on behalf of the INSURED all sums in excess of the Deductible, subject to the Policy Limits of Liability, that the INSURED becomes legally obligated to pay as DAMAGES and/or CLAIM EXPENSES as a result of any CLAIM(S) first made against the INSURED during a POLICY YEAR and first reported to the Company, in writing, during that POLICY YEAR or within sixty (60) days after the end of that POLICY YEAR, provided that:

1. The CLAIM(S) is for POLLUTION CONDITIONS arising out of the performance of CONTRACTING SERVICES rendered by or on behalf of the INSURED;
2. The CONTRACTING SERVICES out of which the POLLUTION CONDITIONS arise were performed subsequent to the Retroactive Date(s) stated in Item 6 of the Declarations; and
3. Prior to the Anniversary Date stated in Item 7 of the Declarations, none of the INSURED's directors, officers, principals, partners or insurance managers knew or should have known that such POLLUTION CONDITIONS might give rise to a CLAIM(S).

**C. Coverage C – Network Security Liability**

The Company agrees to pay on behalf of the INSURED all sums in excess of the Deductible, subject to the Policy Limits of Liability, that the INSURED becomes legally obligated to pay as DAMAGES and/or CLAIM EXPENSES as a result of any CLAIM(S) first made against the INSURED during a POLICY YEAR and first reported to the Company, in writing, during that POLICY YEAR or within sixty (60) days after the end of that POLICY YEAR, provided that:

1. The CLAIM(S) arises out of a NETWORK SECURITY COMPROMISE that either:
  - a. Causes a NETWORK BREACH; or
  - b. Prevents a third party that is authorized to do so from gaining access to a COMPUTER SYSTEM;
2. The NETWORK SECURITY COMPROMISE was committed or alleged to have been committed on or after the Retroactive Date(s) stated in Item 6 of the Declarations; and
3. Prior to the Anniversary Date stated in Item 7 of the Declarations, none of the INSURED's directors, officers, principals, partners or insurance managers knew or should have known that such NETWORK SECURITY COMPROMISE might give rise to a CLAIM(S).

**II. SUPPLEMENTARY PAYMENTS**

All payments made under this section are not subject to the Deductible and are in addition to the Policy Limits of Liability.

**A. Defendant Reimbursement**

The Company shall reimburse the INSURED, upon written request, for actual loss of earnings and reasonable expenses incurred for the INSURED's attendance at any mediation or arbitration proceedings, hearings, depositions and trials relative to the defense of a CLAIM(S). The Company shall pay up to \$300 per day in the aggregate for all INSUREDS, subject to a maximum of \$15,000 for all CLAIMS made against the INSURED and reported to the Company during each POLICY YEAR.

**B. Loss Prevention Assistance**

If the INSURED reports a CIRCUMSTANCE during a POLICY YEAR in accordance with Section IX, NOTICE, Paragraph C, any costs or expenses the Company incurs as a result of investigating or monitoring such CIRCUMSTANCE will be paid for by the Company until such time a CLAIM(S) arising out of the reported CIRCUMSTANCE is made against the INSURED. The decision to incur any costs or expenses to monitor or investigate a CIRCUMSTANCE shall be at the sole discretion of the Company.

**C. Disciplinary, Regulatory or Administrative Expense Reimbursement**

The Company shall reimburse the INSURED, upon written request, for reasonable legal fees and expenses incurred by the INSURED in responding to any disciplinary, regulatory or administrative action commenced directly against the INSURED and reported to the Company, in writing, during a POLICY YEAR, provided that the action arises out of a WRONGFUL ACT committed or alleged to have been committed on or after the Retroactive Date(s) stated in Item 6 of the Declarations. The maximum the Company will pay pursuant to this Supplementary Payment provision is \$30,000 for all such actions commenced against the INSURED and reported to the Company during each POLICY YEAR. The Company will not pay any other amounts under this provision for such actions, including but not limited to DAMAGES, fines, taxes and penalties.

**III. DEFINITIONS**

- A. BODILY INJURY** means bodily injury, sickness, disease, mental anguish or shock sustained by any person, including death resulting therefrom.
- B. CIRCUMSTANCE** means an event or occurrence from which the INSURED reasonably expects that a CLAIM(S) could be made.
- C. CLAIM** means a demand received by the INSURED for money or services and that alleges one or more of the following:
1. A WRONGFUL ACT arising from the performance of PROFESSIONAL SERVICES;
  2. POLLUTION CONDITIONS arising from the performance of CONTRACTING SERVICES; or
  3. A NETWORK SECURITY COMPROMISE.

A demand can take the form of, but is not limited to, lawsuits, petitions, arbitration demands, mediation requests or other alternative dispute resolution requests served on the INSURED.

One or more CLAIMS arising out of the same or related WRONGFUL ACT(S), POLLUTION CONDITIONS or NETWORK SECURITY COMPROMISE(S) will be treated as a single CLAIM, regardless of when the earliest CLAIM was first made against an INSURED. This Policy will respond only if the earliest CLAIM arising from such WRONGFUL ACT(S), POLLUTION CONDITIONS or NETWORK SECURITY COMPROMISE(S) is first made against the INSURED during a POLICY YEAR and first reported to the Company, in writing, during that POLICY YEAR or within sixty (60) days after the end of that POLICY YEAR.

**D. CLAIM EXPENSES** means:

1. Legal fees and expenses incurred by the Company for the investigation, defense and appeal of a CLAIM(S) by attorney(s) retained by the Company; or
2. All other fees, costs or expenses resulting from the investigation, adjustment, defense and appeal of such CLAIM(S) by the Company, or by the INSURED with the prior, written consent of the Company.

CLAIM EXPENSES does not include salaries of, charges of, or expenses incurred by regular employees or officials of the Company, or fees and expenses of supervisory counsel or independent adjusters retained by the Company. In addition, the time and expense incurred by the INSURED in resolving a CLAIM(S), including but not limited to the costs of the INSURED's in-house counsel, are not CLAIM EXPENSES.

**E. CLEANUP COSTS** means costs, charges and expenses incurred in the investigation, removal or neutralization of POLLUTION CONDITIONS, provided that such POLLUTION CONDITIONS arise out of the performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES by or on behalf of the INSURED.

**F. COMPUTER SYSTEM** means computer hardware, software, networks, networking equipment, applications, associated electronic devices, electronic data-storage devices, input and output devices and back-up facilities operated by and either owned by or leased to the INSURED by written agreement for such purposes.

**G. CONTRACTING SERVICES** means the performance of construction or remediation activities, or those activities specifically defined by endorsement to this Policy.

**H. CONTRACTUAL RISK MANAGEMENT PRACTICES** means that the INSURED entered into a written agreement to provide PROFESSIONAL SERVICES that was signed and dated by all parties to the agreement prior to the date of any CLAIM(S) or CIRCUMSTANCE(S) arising out of the INSURED's performance of the PROFESSIONAL SERVICES, and that satisfied at least three (3) of the following conditions:

1. The written agreement contains a Limitation of Liability provision that limits the INSURED's liability for DAMAGES and/or CLAIM EXPENSES to less than \$500,000 or the amount remaining of the POLICY YEAR Aggregate Limit of Liability, whichever is less;
2. The written agreement contains a waiver of the INSURED's liability for consequential damages;
3. The written agreement contains a dispute resolution provision that requires any disputes between the parties to the agreement be submitted to mediation as the first method for resolution;
4. The INSURED can document that either:
  - a. It entered into a fully executed and dated written agreement with each of its subconsultants prior to the subconsultant's performance of professional services; or
  - b. Its subconsultants had both Professional Liability and General Liability coverage in effect prior to the subconsultant's performance of professional services.

- I. **DAMAGES** means a monetary judgment, award or settlement of compensatory damages, including associated pre-judgment and/or post-judgment interest. DAMAGES includes CLEAN-UP COSTS and, where allowable by law, DAMAGES also includes punitive, exemplary or multiplied damages.

DAMAGES does not include fines, taxes, statutory or administrative penalties, injunctive or equitable relief, the return or reduction of fees, or charges for services rendered or expenses incurred by the INSURED for redesign, changes, additions or remedies necessitated by a CLAIM(S). The time and expense incurred by the INSURED in resolving a CLAIM(S) are not DAMAGES.

However, DAMAGES does include fines, taxes and penalties assessed against a third party for which the INSURED is legally liable.

- J. **DATA BREACH** means the unauthorized taking, acquisition, obtaining, use or disclosure of information on a COMPUTER SYSTEM. DATA BREACH does not include the unauthorized taking, acquisition, obtaining, use or disclosure of PERSONALLY IDENTIFIABLE INFORMATION.

- K. **INSURED** means the NAMED INSURED, any PREDECESSOR FIRM and:

1. A current, former or retired partner, principal, director, officer or employee of a NAMED INSURED or PREDECESSOR FIRM, including any individual working temporarily on behalf of and under the direct supervision and control of the NAMED INSURED, but only for PROFESSIONAL SERVICES, CONTRACTING SERVICES or managing the security of a COMPUTER SYSTEM within the scope of their duties for the NAMED INSURED or PREDECESSOR FIRM;
2. Estates, heirs, legal representative and assigns of any deceased individual described in Paragraph K, Sub-paragraph 1, above, but only to the extent of the deceased individual's rights and duties under this Policy. No coverage is afforded under this Policy for any CLAIM(S) arising from the performance of PROFESSIONAL SERVICES, CONTRACTING SERVICES or managing the security of a COMPUTER SYSTEM by an INSURED's estate, heir, legal representative or assign;
3. Spouses and legally recognized domestic partners of an INSURED, but solely for a CLAIM(S) arising out of their status as such, and seeking an award of damages from marital community property, jointly held property or property transferred from an INSURED to the spouse or legally recognized domestic partner. No coverage is afforded under this Policy for any CLAIM(S) arising from the performance of PROFESSIONAL SERVICES, CONTRACTING SERVICES or managing the security of a COMPUTER SYSTEM by an INSURED's spouse or legally recognized domestic partner;
4. With respect to Coverage A – Professional Liability, any NAMED INSURED with respect to its participation in a legal entity, including a joint venture, but solely for the NAMED INSURED's legal liability for the performance of PROFESSIONAL SERVICES by the respective legal entity or joint venture. INSURED does not include the legal entity itself, the joint venture itself or any other entity that is part of the legal entity or joint venture;
5. With respect to Coverage B – Contractors Pollution Legal Liability, any NAMED INSURED with respect to its participation in a legal entity, including a joint venture, but solely for the NAMED INSURED's legal liability for its performance of CONTRACTING SERVICES. INSURED does not include the legal entity itself, the joint venture itself or any other entity that is part of the legal entity or joint venture;

6. With respect to Coverage B – Contractors Pollution Legal Liability, any person or organization that the NAMED INSURED is required in a written agreement to include as an INSURED under this Policy, but solely to extent that the INSURED's liability arises out of CONTRACTING SERVICES rendered by or on behalf of the NAMED INSURED; and
  7. Any entity that the NAMED INSURED newly acquires or forms, other than a partnership, joint venture or limited liability company, and over which the NAMED INSURED maintains ownership or majority interest, provided there is no other similar insurance available to that entity; however:
    - a. Coverage under this provision is afforded only until the ninetieth (90<sup>th</sup>) day after the NAMED INSURED acquires or forms the entity or the end of the Policy Period, whichever is earlier;
    - b. Coverage A does not apply to PROFESSIONAL SERVICES rendered or that should have been rendered before the NAMED INSURED acquired or formed the entity;
    - c. Coverage B does not apply to any POLLUTION CONDITIONS that occurred before the NAMED INSURED acquired or formed the entity; and
    - d. Coverage C does not apply to any NETWORK SECURITY COMPROMISE(S) that occurred before the NAMED INSURED acquired or formed the entity.
- L. **MALICIOUS CODE** means any unauthorized, corrupting or harmful virus, Trojan Horse, worm, logic bomb or other similar software program, code or script designed to insert itself onto a computer disk or into computer memory and migrate from one computer to another.
- M. **MEDIATION** means the non-binding process in which a qualified, professional mediator, mutually agreed upon by the parties to a CLAIM(S) and with the prior consent of the Company, intercedes to help the parties reach an agreement to resolve the CLAIM(S).
- N. **NAMED INSURED** means the individual, partnership, trust, corporation or other entity stated in Item 1 of the Declarations.
- O. **NETWORK BREACH** means:
1. The alleged or actual UNAUTHORIZED ACCESS to a COMPUTER SYSTEM that results in:
    - a. The destruction, deletion or corruption of electronic data on a COMPUTER SYSTEM;
    - b. A DATA BREACH from a COMPUTER SYSTEM,
    - c. Denial of service attacks against Internet sites or computers; or
    - d. PERSONAL INJURY;
- or
2. Transmission of MALICIOUS CODE from a COMPUTER SYSTEM to third-party computers.
- A series of continuing NETWORK BREACHES or related, repeated or similar NETWORK BREACHES shall be considered a single NETWORK BREACH and be deemed to have occurred at the time of the first such NETWORK BREACH.
- P. **NETWORK SECURITY COMPROMISE** means an actual or alleged negligent act, error or omission by the INSURED in managing the security of a COMPUTER SYSTEM.

- Q. PERSONAL INJURY** means injury arising out of false arrest, detention or imprisonment; wrongful entry, eviction or other invasion of a right of occupancy; any libel, slander, utterance, electronic distribution or other publication in violation of a right of privacy; malicious prosecution; or the unintentional infringement of copyright or patent.
- R. PERSONALLY IDENTIFIABLE INFORMATION** means an individual's name in combination with one or more of the following:
1. Information concerning the individual that constitutes "non-public personal information" as defined in the Gramm-Leach-*Bliley* Act of 1999, as amended, and regulations issued pursuant to that Act;
  2. Medical or healthcare information concerning the individual, including "protected health information" as defined in the Health Insurance Portability and Accountability Act of 1996, as amended, and regulations issued pursuant to that Act;
  3. The Individual's Social Security number, driver's license or state identification number, credit, debit or other financial account numbers, and security codes, access codes, passwords or personal identification numbers that allow access to the individual's personal account information; or
  4. Other non-public, personal information about the individual that is protected under any local, state, federal or foreign statute or regulation.

However, PERSONALLY IDENTIFIABLE INFORMATION does not include any information that is lawfully available to the public, including information available from any local, state, federal or foreign governmental entity or body.

- S. POLICY PERIOD** means the period from the Effective Date of this Policy to the Expiration Date as stated in Item 2 of the Declarations or its earlier termination date, if any. POLICY PERIOD does not include the Automatic Extended Reporting Period. If the length of the POLICY PERIOD is the same as the POLICY YEAR, the terms POLICY PERIOD and POLICY YEAR are used interchangeably herein.
- T. POLICY YEAR** means each consecutive twelve (12) months of the POLICY PERIOD beginning on the Effective Date shown in Item 2 of the Declarations. However, if a POLICY YEAR within a POLICY PERIOD is modified by an endorsement, then that modified year will be deemed a POLICY YEAR for the purpose of determining the Aggregate Limit of Liability and any Aggregate Deductible.
- U. POLLUTION CONDITIONS** means the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water.
- V. PREDECESSOR FIRM** means any firm that has been dissolved or has ceased to perform PROFESSIONAL SERVICES and CONTRACTING SERVICES prior to the Effective Date of this Policy as shown in the Declarations, and in which the NAMED INSURED acquired more than fifty percent (50%) of that firm's remaining assets and liabilities.

**W. PROFESSIONAL SERVICES** means those services performed for others in the practice of architecture, engineering, land surveying, landscape architecture, interior design, construction management and environmental consulting, including:

1. The performance of studies, surveys, assessments, evaluations, consultations, inspections, observations, scheduling, sequencing or training;
2. The preparation of reports, opinions, recommendations, permit applications, maps, drawings, designs, specifications (including the use of Building Information Modeling or other computer-assisted design technology to prepare such maps, drawings, designs and specifications), manuals, instructions, change orders or computer programs for designed systems;
3. Construction management, quality control, monitoring, testing or sampling necessary to perform any of the services listed above;
4. The supplying of furnishings as a part of interior design services; and
5. Any services as specifically defined by endorsement to this Policy.

**X. PROPERTY DAMAGE** means:

1. Physical injury to or destruction of tangible property including the resulting loss of use thereof; or
2. Loss of use of tangible property that has not been physically injured or destroyed.

**Y. UNAUTHORIZED ACCESS** means the use of or access to a COMPUTER SYSTEM by a person unauthorized by the INSURED to do so, or the authorized use of or access to a COMPUTER SYSTEM in a manner not authorized by the INSURED.

**Z. WRONGFUL ACT** means an actual or alleged negligent act, error or omission in the performance of PROFESSIONAL SERVICES by an INSURED or any person or entity for whom the INSURED is legally liable. WRONGFUL ACT includes PERSONAL INJURY arising out of the negligent performance of PROFESSIONAL SERVICES.

However, a WRONGFUL ACT arising from any dishonest, fraudulent, malicious or criminal conduct committed by the INSURED, at the INSURED's direction or with the INSURED's prior knowledge is not covered under this Policy.

#### **IV. TERRITORY**

This Policy applies to any CLAIM(S) made against the INSURED anywhere in the world.

However, this Policy shall not apply to any projects or services that would be in violation of the laws of the United States including but not limited to, U.S. economic or trade sanction laws or export control laws administered by the U.S. Treasury, State and Commerce Departments (e.g. the economic and trade sanctions administered by the U.S. Treasury Office of Foreign Assets Control).

## V. EXCLUSIONS

### A. This Policy does not apply to:

#### 1. **Intentional DAMAGES and Dishonest Acts**

That part of any CLAIM(S) based upon or arising out of any dishonest, intentional, fraudulent, malicious, willful or knowingly wrongful act, error or omission.

This exclusion shall not apply to any INSURED who did not personally commit, personally participate in committing, personally acquiesce in, or remain passive after such INSURED knew or should have known of any such dishonest, intentional, fraudulent, malicious, willful or knowingly wrongful acts, errors, or omissions. Furthermore, this exclusion shall not apply to any CLAIM(S) based upon or arising from the INSURED's unintentional breach of a written agreement to refrain from disclosing confidential or proprietary information during the performance of covered PROFESSIONAL SERVICES or CONTRACTING SERVICES.

#### 2. **Ownership Interest**

That part of any CLAIM(S) against an INSURED by:

- a. An entity in which the INSURED maintains a cumulative ownership interest of fifty percent (50%) or greater;
- b. An entity that maintains any ownership interest in that INSURED; or
- c. An entity that is owned by the parent company of both that INSURED and that entity.

This exclusion does not apply to any CLAIM(S) made by such entities against the INSURED based solely on that entity's vicarious or imputed liability resulting from the INSURED's performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES, or from a NETWORK SECURITY COMPROMISE committed or alleged to have been committed by the INSURED.

#### 3. **INSURED versus INSURED**

Any CLAIM(S) made by any INSURED against any other INSURED.

#### 4. **Contractual Liability**

That part of any CLAIM(S) based upon or arising from liability of the INSURED assumed under any contract or agreement.

This exclusion does not apply to liability for DAMAGES arising from a WRONGFUL ACT(S), POLLUTION CONDITIONS or a NETWORK SECURITY COMPROMISE(S) for which the INSURED would have been liable for in the absence of such contract or agreement.

#### 5. **Products Liability**

That part of any CLAIM(S) based upon or arising out of the sale or distribution of any product developed by the INSURED or by others under license or trade name from the INSURED for multiple sale or mass distribution, including but not limited to computer programs and software.

This exclusion does not apply to software designed or modified for an individual client of the INSURED in connection with the INSURED's rendering of PROFESSIONAL SERVICES for that individual client.

**6. Construction**

That part of any CLAIM(S) that arises from actual construction performed by the INSURED, its agent or its subcontractor, including but not limited to performing construction, erection, fabrication, installation, assembly, manufacture, demolition, dismantling, drilling, excavation, dredging, remediation or supplying any materials, parts or equipment, except for supplying furnishings as a part of interior design services.

This exclusion does not apply to drilling, excavation or other sampling or testing procedures necessary to perform the INSURED's PROFESSIONAL SERVICES. Furthermore, this exclusion does not apply to Coverage B – Contractors Pollution Legal Liability.

**7. Nuclear Hazard**

That part of any CLAIM(S) based upon or arising out of the actual, alleged or threatened exposure to nuclear source material, nuclear by-product materials, nuclear waste activities, nuclear incident or extraordinary nuclear occurrence, as defined in the Atomic Energy Act of 1954 or as amended.

**8. Employer Liability**

That part of any CLAIM(S) that is related to the INSURED's employment obligations, decisions, practices or policies as an employer, including but not limited to any CLAIM(S) based upon or arising out of actual or alleged unlawful discrimination, humiliation, harassment or misconduct because of age, color, race, sex, creed, national origin, marital status, sexual preference or orientation, religion or disability by the INSURED against the INSURED's personnel or employment applicants, or based upon or arising under any workers compensation, unemployment compensation or disability benefits law or similar law.

**9. Asbestos Liability**

That part of any CLAIM(S) based upon or arising out of the INSURED's specification of any asbestos-containing materials or products, in any form.

This exclusion does not apply to the payment of any CLAIM EXPENSES for any CLAIM(S) based upon or arising out of the INSURED's specification of any asbestos-containing materials or products.

**10. Property Liability**

That part of any CLAIM(S) based upon or arising out of the INSURED's ownership, rental, lease, maintenance, operation, use, repair, voluntary or involuntary sale, transfer, exchange, gift, abandonment or condemnation of any real or tangible personal property. Tangible personal property includes but is not limited to automobiles, aircraft, watercraft and other kinds of conveyances.

**11. Express Warranties and Guarantees**

That part of any CLAIM(S) based upon or arising out of express warranties and guarantees.

This exclusion does not apply to a warranty or guarantee by the INSURED that the INSURED's PROFESSIONAL SERVICES are in conformity with the standard of care applicable to such PROFESSIONAL SERVICES, or that the INSURED's CONTRACTING SERVICES are in conformity with the standards applicable to such CONTRACTING SERVICES.

## **12. Vehicles**

That part of any CLAIM(S) based upon or arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, watercraft or rolling stock.

This exclusion does not apply to POLLUTION CONDITIONS arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, water craft or rolling stock within the boundaries of the jobsite(s) where the INSURED is performing PROFESSIONAL SERVICES or CONTRACTING SERVICES. In addition, this exclusion does not apply to the transportation of any samples collected by the INSURED in connection with its performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES.

## **13. Off-Site Waste Liability**

That part of any CLAIM(S) based upon or arising out of any waste or materials transported by automobile, aircraft, water or rolling stock beyond the boundaries of the jobsite(s) where the INSURED is performing PROFESSIONAL SERVICES or CONTRACTING SERVICES.

This exclusion does not apply to the transportation of any samples collected by the INSURED in connection with its performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES.

### **B. The coverage afforded under Coverage C – Network Security Liability does not apply to:**

1. That part of any CLAIM(S) based upon or arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the failure to install available software product updates and releases, including security-related software patches, to computers and other components of a COMPUTER SYSTEM.
2. That part of any CLAIM(S) based upon or arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged failure or malfunction of electrical or telecommunications infrastructure or services, power interruptions, surges, brownouts or blackouts, unless under the INSURED's operational control.
3. That part of any CLAIM(S) based upon or arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual or alleged fire, flood, earthquake, volcanic eruption, explosion, lightning, wind, hail, tidal wave, landslide or other act of God.
4. That part of any CLAIM(S) based upon or arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual or alleged existence, emission or discharge of any electromagnetic field, electromagnetic radiation or electromagnetism that actually or allegedly affects the health, safety or condition of any person or the environment, or that affects the value, marketability, condition or use of any real or personal property.

## **VI. EXTENDED REPORTING PERIOD**

- A.** In the event of non-renewal or cancellation of this insurance for any reason by the INSURED, or if the Company should cancel this Policy or terminate it by refusing to renew, for reasons other than the INSURED's non-payment of Premium and/or Deductible amount and/or non-compliance with the terms and conditions of this Policy, the INSURED:

1. Shall be entitled to a sixty (60) day Automatic Extended Reporting Period at no additional premium. This extension shall apply to any CLAIM(S) first made against the INSURED during the POLICY PERIOD and reported to the Company, in writing, during the sixty (60) days immediately following the effective date of cancellation or non-renewal.
2. May purchase an Optional Extended Reporting Period of up to three (3) years or as otherwise required by the regulatory guidelines governing this type of insurance. The minimum premium for this Optional Extended Reporting Period will be 100% of the expiring annual premium for a one (1) year period, 150% of the expiring annual premium for a two (2) year period, and 185% of the expiring annual premium for a three (3) year period.

The first NAMED INSURED must request the purchase of the Optional Extended Reporting Period in writing to the Company within sixty (60) days following the termination of this Policy and pay the premium to the Company promptly when due.

If purchased, this extension shall apply to any CLAIM(S) first made against the INSURED and reported to the Company, in writing, during the Optional Extended Reporting Period.

If, however, this Policy is immediately succeeded by similar claims-made insurance coverage for which the retroactive date is the same as or earlier than the Retroactive Date shown in Item 6 of the Declarations, the INSURED shall have no right to an Optional Extended Reporting Period.

The Optional Extended Reporting Period shall be non-cancelable. Accordingly, at the commencement of the Optional Extended Reporting Period, the entire premium shall be considered fully earned.

- B. The limit of liability applicable to the Automatic Extended Reporting Period and Optional Extended Reporting Period will be the limit of liability remaining under the terminated policy, or as otherwise required by the regulatory guidelines governing this type of insurance.
- C. The Automatic Extended Reporting Period and Optional Extended Reporting Period will not apply to:
  1. Any pending CLAIM(S) or proceedings;
  2. Any paid CLAIM(S); or
  3. Any CLAIM(S) that is covered under any subsequent insurance purchased by the INSURED, or that would otherwise be covered under any subsequent insurance purchased by the INSURED but for a reduction or exhaustion of the limits of liability that would otherwise be applicable to such CLAIM(S).
- D. The extension of coverage granted hereunder shall be subject to all the terms and conditions of this Policy and shall only apply to CLAIMS arising out of the performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES, or due to a NETWORK SECURITY COMPROMISE, prior to the cancellation or non-renewal of this Policy, and that are otherwise covered by this Policy.

## VII. LIMIT OF LIABILITY AND DEDUCTIBLE

### A. Limit of Liability

The Limits of Liability stated in Item 3 of the Declarations represent the maximum amount the Company will pay regardless of the number of INSUREDS, CLAIMS, individuals or entities making a CLAIM(S). The payment of DAMAGES and/or CLAIM EXPENSES will reduce the Limit of Liability available to pay any CLAIM(S).

**B. Limit of Liability – Each CLAIM**

The liability of the Company for the sum of all DAMAGES and CLAIM EXPENSES for each single, covered CLAIM first made and reported to the Company, in writing, during a POLICY YEAR shall not exceed the amount stated in Item 3a of the Declarations for each CLAIM. This limit applies as excess over any Deductible amount.

**C. Limit of Liability – Policy Aggregate**

The liability of the Company for the sum of all DAMAGES and CLAIM EXPENSES for all covered CLAIMS first made and reported to the Company, in writing, during a POLICY YEAR shall not exceed the amount stated in Item 3b of the Declarations as Aggregate. This limit applies as excess over any Deductible amount.

The POLICY YEAR Aggregate Limit of Liability as set forth above may not be combined or transferred, in whole or in part, so as to provide any additional limit of liability as respects any CLAIM(S) first made or deemed made during any other POLICY YEAR. If the Limit of Liability as specified above for any POLICY YEAR is exhausted, the Company's obligation to that POLICY YEAR shall be deemed completely fulfilled and extinguished.

**D. Multiple/Related CLAIMS**

The inclusion herein of more than one INSURED, the making of a CLAIM(S) by more than one person or entity, or the inclusion of additional elements or amounts of DAMAGES shall not operate to increase the Company's Limit of Liability. Unless otherwise specified, the Limit of Liability for each CLAIM, as stated in Item 3a of the Declarations, is the most the Company will pay for the sum of all DAMAGES and CLAIM EXPENSES for all CLAIMS treated as a single CLAIM.

**E. Deductible**

The Company shall not be obligated to pay any DAMAGES or CLAIM EXPENSES until the INSURED pays the applicable Deductible amount. The Deductible amount applies separately to each CLAIM, whether this Policy is primary or excess. The Company will determine the reasonableness of CLAIM EXPENSES that qualify in satisfaction of the Deductible.

Unless otherwise specified, the Deductible will apply as follows:

1. The Deductible for each CLAIM, as stated in Item 4a of the Declarations, is the most the INSURED must pay as a Deductible for the sum of all DAMAGES and CLAIM EXPENSES for all CLAIMS treated as a single CLAIM.
2. The Aggregate Deductible, if any, as stated in Item 4b of the Declarations, is the most the INSURED must pay as a Deductible for the sum of all DAMAGES and CLAIM EXPENSES for all CLAIMS made and reported during each POLICY YEAR.

**F. Dispute Resolution and Mitigation Deductible Credits**

**1. Mediation Credit**

- a. In the event that a CLAIM(S) is resolved with the consent of the Company through the use of MEDIATION within one (1) year following the date that the CLAIM(S) was first made against the INSURED, the INSURED will be given a credit or reimbursement for seventy-five percent (75%) of the Deductible amount owed or paid by the INSURED, not to exceed a maximum credit or reimbursement of \$25,000.

- b. If any CLAIM(S) is resolved with the consent of the Company through the use of MEDIATION more than one (1) year following the date that the CLAIM(S) was first made against the INSURED, the INSURED will be given a credit or reimbursement for fifty percent (50%) of the Deductible amount owed or paid by the INSURED, not to exceed a maximum credit or reimbursement of \$25,000.

## **2. Contractual Risk Management Practices Credit**

- a. In the event that a CLAIM(S) is resolved with the consent of the Company within one (1) year following the date that the CLAIM(S) was first made against the INSURED, and the INSURED employed CONTRACTUAL RISK MANAGEMENT PRACTICES prior to the notice of a CLAIM(S) or CIRCUMSTANCE(S), the INSURED will be given a credit or reimbursement for seventy-five percent (75%) of the Deductible amount owed or paid by the INSURED, not to exceed a maximum credit or reimbursement of \$35,000.
- b. If any CLAIM(S) is resolved with the consent of the Company more than one (1) year following the date that the CLAIM(S) was first made against the INSURED, and the INSURED employed CONTRACTUAL RISK MANAGEMENT PRACTICES prior to the notice of a CLAIM(S) or CIRCUMSTANCE(S), the INSURED will be given a credit or reimbursement for fifty percent (50%) of the Deductible amount owed or paid by the INSURED, not to exceed a maximum credit or reimbursement of \$35,000.

The deductible credits/reimbursements provided for in Paragraph F, Sub-paragraphs 1 and 2, above, are not cumulative and may not be combined on the same CLAIM.

## **VIII. DEFENSE, SETTLEMENT AND COOPERATION**

- A. With respect to the insurance afforded by this Policy, the Company shall defend any CLAIM(S) against the INSURED that seek DAMAGES to which this insurance applies, even if any of the allegations are groundless, false or fraudulent. Legal counsel for the defense of any CLAIM(S) shall be designated by the Company or, solely at the Company's option, by the INSURED with the prior approval and written consent of the Company and subject to the Company's guidelines. It is further agreed that the Company may make such investigation of any CLAIM(S) as it deems expedient, but the Company shall not be obligated to pay DAMAGES, to defend or to continue to defend any CLAIM(S) after the applicable limits of the Company's liability have been exhausted by payment of DAMAGES and/or CLAIM EXPENSES.
- B. The INSURED shall cooperate with the Company and, upon the Company's request, shall: submit to examination and interrogation by a representative of the Company, under oath if required; attend hearings, depositions and trials; assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses; and assist in the conduct of suits, as well as in investigation and/or defense—all without charge to the Company, except as otherwise provided in Section II, SUPPLEMENTARY PAYMENTS, Paragraph A, Defendant Reimbursement. The INSURED shall further cooperate with the Company and do whatever is necessary to secure any rights of indemnity, contribution or apportionment that the INSURED may have against any other entities.

The INSURED shall not, except at its own costs, make any payment, admit any liability, settle any CLAIM(S), assume any obligation or incur any expense without the written consent of the Company.

With respect to any dispute resolution mechanisms agreed to by the INSURED in a written contract or agreement executed prior to a CLAIM(S), the INSURED shall not assume any obligation under such contract or agreement after a CLAIM(S) is made against it without the written consent of the Company. However, assuming such obligations prior to a CLAIM(S) shall not violate the preceding condition.

- C. The Company shall not settle any CLAIM(S) without the consent of the INSURED. If, however, the INSURED refuses to consent to any settlement recommended by the Company and elects to contest the CLAIM(S) or continue legal proceedings in connection with such CLAIM(S), then the Company's liability for DAMAGES shall not exceed the amount for which the CLAIM(S) could have been settled. In addition, the Company shall be responsible for paying fifty percent (50%) of all CLAIM EXPENSES incurred after the date of such refusal. The INSURED shall be responsible for paying the remaining fifty percent (50%) of all CLAIM EXPENSES incurred after the date of such refusal. All such payments by the Company are subject to Section VII, Limit of Liability and Deductible.
- D. If any INSURED commits fraud in proffering any CLAIM(S) with respect to amount or otherwise, this insurance shall become void as to such INSURED from the date such fraudulent CLAIM(S) is proffered.

#### IX. NOTICE

- A. In the event of a CLAIM(S), prompt written notice shall be given by or for the INSURED to the Company and shall contain: particulars sufficient to identify the INSURED; reasonably obtainable information with respect to the time, place and circumstances thereof; and the names and addresses of available witnesses.
- B. If a CLAIM(S) is made against the INSURED, the INSURED shall promptly forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative. This requirement continues throughout the life of the CLAIM(S).
- C. If the INSURED becomes aware of a CIRCUMSTANCE(S) to which this Policy may apply and provides written notice to the Company during the POLICY PERIOD containing details of:
  - 1. The alleged WRONGFUL ACT(S), POLLUTION CONDITIONS or NETWORK SECURITY COMPROMISE(S);
  - 2. The specific nature and extent of the injury or damage that has been sustained; and
  - 3. How the INSURED first became aware of such CIRCUMSTANCE(S),

then any CLAIM(S) that may subsequently be made against the INSURED arising out of such reported CIRCUMSTANCE(S) shall be deemed to have been made on the date first written notice of the CIRCUMSTANCE(S) was received by the Company. This right conferred upon the INSURED in this Paragraph shall terminate at the end of the POLICY PERIOD and shall not exist during the Automatic Extended Reporting Period or Optional Extended Reporting Period.

## **X. OTHER CONDITIONS**

### **A. Examination, Audit and Inspection**

The Company may examine, audit and inspect the INSURED's books, records, services and activities at any time during the POLICY PERIOD and up to three (3) years afterward, inasmuch as they relate to the subject matter of this Policy.

The Company shall have the right to modify, amend or delete any of the terms and conditions of this Policy including the right to charge additional premium and the right to withdraw, rescind or void this Policy, if its examination, audit or inspection reveals any material risk, hazard or condition that was not previously disclosed by the INSURED in the application or supplemental material, or which deviated from the information disclosed in the application or supplemental material.

### **B. Cancellation**

This Policy may be canceled by the NAMED INSURED by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This Policy may be canceled by the Company by mailing to the NAMED INSURED, at the address stated in Item 1 of the Declarations, written notice stating when, not less than thirty (30) days thereafter (or ten (10) days thereafter for non-payment of premium), such cancellation shall be effective. The mailing of notice as 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.

If this Policy is canceled, earned premium shall be computed in accordance with the Company's guidelines with respect to cancellation. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

### **C. Action Against Company**

No action may be brought against the Company unless, as a condition precedent thereto, there shall have been full compliance with all of the terms of this Policy, nor until the amount of the INSURED's obligation to pay shall have been finally determined either by judgment against the INSURED in a contested proceeding after final judgment has been rendered and any appeal decided, or by written agreement of the INSURED, the claimant and the Company. No person or organization shall have any right under this Policy to join the Company as a party to any action against the INSURED to determine the INSURED's liability, nor shall the INSURED or the INSURED's legal representative join the Company in such action. Bankruptcy or insolvency of the INSURED or the INSURED's estate shall not relieve the Company of any of its obligations hereunder.

### **D. Assignment**

This Policy may not be assigned or transferred without written consent of the Company.

**E. Subrogation**

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

However, it is agreed that the Company waives its rights of subrogation under this Policy against clients of the INSURED as respects any CLAIM(S) arising from PROFESSIONAL SERVICES or CONTRACTING SERVICES under the client's contract requiring waiver of subrogation, but only to the extent required by written contract.

**F. Changes**

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

**G. Sole Agent**

The NAMED INSURED identified in Item 1 of the Declarations shall have authority and primary responsibility to act on behalf of all INSUREDS for the payment or return of Premium, receipt and acceptance of any endorsement issued to form a part of this Policy, giving and receiving notice of cancellation or non-renewal, the payment of any Deductibles, and the exercise of the rights provided in Section VI, EXTENDED REPORTING PERIOD.

**H. Other Insurance**

This insurance shall be excess of the Deductible and any other valid and collectible insurance available to the INSURED, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written solely and specifically as excess insurance over this Policy. When this Policy is excess, the Company will not defend any CLAIM(S) that any other insurer has a duty to defend. If no other insurer defends, the Company has the right but not the duty to do so. If the Company defends, it will be entitled to all of the INSURED's rights against any other insurers.

In addition to the foregoing, unless the Company specifically agrees otherwise, when such other insurance is written solely for a specific project, this Policy shall not attach, and the Company shall have no obligation to pay until the sum of DAMAGES and CLAIM EXPENSES exceeds the amount of the stated limit of liability of such other insurance, even if the INSURED's liability for such DAMAGES and CLAIM EXPENSES is not covered in whole or in part by such other insurance for any reason, including but not limited to an exclusion or limitation of coverage or the bankruptcy or insolvency of the specific project insurer.

**I. Severability**

Except with respect to the Limits of Liability, as stated in Item 4 of the Declarations, and any rights and duties specifically assigned to the NAMED INSURED identified in Item 1 of the Declarations, this Policy applies:

1. As if each INSURED were the only INSURED; and
2. Separately to each INSURED against whom a CLAIM(S) is made or suit is brought.

**J. Headings**

The descriptions in the headings of this Policy are solely for convenience and form no part of the Policy terms and conditions.

**K. Liberalization**

If the Company files, with the appropriate regulator, general revisions to the terms and conditions of the Policy form to provide more coverage without an additional premium charge, then this Policy will automatically provide such additional coverage as of the date the filed revision is effective in the state shown in the mailing address of the NAMED INSURED.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LOUISIANA

### AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS & ENGINEERS

It is agreed that the term “condition precedent” in all of its uses throughout the Policy and any endorsements is changed to “duty.”

Section III, DEFINITIONS, Paragraph U, POLLUTION CONDITIONS, is amended as follows:

- U. POLLUTION CONDITIONS** means the discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, or waste into or upon land, the atmosphere, or any watercourse or body of water, which results in BODILY INJURY, PROPERTY DAMAGE, or CLEANUP COSTS. Waste includes materials to be recycled, reconditioned, or reclaimed.

Section VII, LIMIT OF LIABILITY AND DEDUCTIBLE, Paragraph A, Limit of Liability, is amended with addition of the following:

The Company's right and duty to defend any CLAIM or SUIT ends when the Company's applicable Limits of Liability have been exhausted by payment of JUDGMENT or SETTLEMENT.

Section VIII, DEFENSE, SETTLEMENT AND COOPERATION, Paragraphs A and B are amended as follows:

- A.** As a duty to the coverage hereunder, in the event of BODILY INJURY, PROPERTY DAMAGE, POLLUTION CONDITIONS, NETWORK SECURITY COMPROMISE, or any CLAIM, written or oral notice containing particulars sufficient to identify the INSURED and also reasonable obtainable information with respect to the time, place and circumstances thereof, and the names and addresses of the injured and of available witnesses, shall be given by or for the INSURED to the Company or any of its authorized agents as soon as practicable. In the event of oral notice, the INSURED agrees to furnish a written report as soon as practicable.

- B.** As a duty to the coverage hereunder, if a CLAIM is made against the INSURED, the INSURED shall forward to the Company every demand, notice, summons, order or other process received by the INSURED or the INSURED's representative as soon as practicable.

Section VIII, DEFENSE, SETTLEMENT AND COOPERATION, is amended by the addition of the following:

- E.** If the Company makes any payment under this policy and the person to or for whom payment is made has a right to recover damages from another, the Company shall be subrogated to that right. However, the Company's right to recover is subordinate to the insured's right to be fully compensated.

Section X, OTHER CONDITIONS, is amended as follows:

Paragraph A, Examination, Audit and Inspection is deleted and replaced with the following:

**A. Inspection and Audit**

The Company may examine, audit and inspect the INSURED's books, records, services and activities at any time during the POLICY PERIOD and within three (3) years after the final termination of the Policy, as far as they relate to the subject matter of the Policy.

The Company shall have the right to modify, amend or delete any of the terms and conditions of the Policy including the right to charge additional premium and the right to withdraw, rescind or void the Policy, if its examination, audit or inspection reveals any material risk, hazard or condition that was not previously disclosed by the INSURED with the intent to deceive the Company in the application or supplemental material, or which deviated from the information disclosed in the application or supplemental material.

Paragraph B, Cancellation, is deleted in its entirety and replaced with the following:

**B. Cancellation and Non-Renewal:**

Cancellation:

The first NAMED INSURED shown in the Declarations may cancel this policy by mailing or delivering to the Company advance notice of cancellation.

If the Policy has been in effect less than sixty (60) days, the Policy can be cancelled for any reason with sixty (60) days notice mailed or delivered to the Insured. The Policy can be cancelled for nonpayment of premium within ten (10) days notice, mailed, or delivered to the Insured, whether the Policy has been in effect for less than or more than sixty (60) days.

After the Policy has been in effect for more than sixty (60) days, it can be cancelled with thirty (30) days notice for the following reasons:

1. Fraud or misrepresentation made with the knowledge of the insured; or
2. A change or increase in the risk; or
3. Non-payment of premium (ten (10) day notice)
4. An act or omission by the Insured which increases the hazard; or
5. Policy continuation would jeopardize the Company's solvency.

Notice must also be delivered or mailed to each mortgagee, pledge, or other known person shown by the Policy to have an interest in any loss, which may occur.

Non-renewal:

If the Company elects not to renew this Policy, the Company will mail or deliver to the first NAMED INSURED shown in the Declarations a notice of intention not to renew at least sixty (60) days before the agreed expiration date. The notice of non-renewal shall state the reason for non-renewal. If notice is mailed, proof of mailing will be sufficient proof of notice.

Paragraph C, Action Against Company, has been amended as follows:

**C. Action Against Company**

A person or organization may bring a suit against the Company including, but not limited to a suit to recover on an agreed settlement or on a final judgment against an insured; but the Company will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the insured and the claimant or the claimant's legal representative.

Paragraph D, Assignment, is deleted in its entirety and replaced with the following:

**D. Assignment**

This Policy shall be cancelled if assigned or transferred without written consent of the Company.

Paragraph E, Subrogation, has been deleted in its entirety and replaced with the following:

**E. Subrogation**

In the event of any payment under this Policy, the Company may be subrogated up to the amount the INSURER has paid out under the policy therefore against any person or organization and the INSURED shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The INSURED shall do nothing after a CLAIM to prejudice such rights, however, the Company's right to recover is subordinate to the INSURED's right to be fully compensated.

All other terms and conditions remain the same.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PROFESSIONAL LIABILITY EDUCATION PROGRAM CREDITS**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS AND ENGINEERS

To acknowledge your firm having successfully completed the following Professional Liability Education Program:

Contract Review Focus on Liability

we are pleased to provide a return premium of \$2,589 (10%)

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**AMENDED DEFINITION OF DAMAGES**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS AND ENGINEERS

It is agreed that Section III., Definitions, Paragraph I., DAMAGES, is amended to include the following:

DAMAGES shall also include the INSURED's legal obligation to reimburse any person or entity for their reasonable defense costs, but only to the extent caused by an actual negligent act, error or omission in the performance of PROFESSIONAL SERVICES to which this Policy applies, and only if such defense costs are awarded by a court or arbitrator of competent jurisdiction.

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **ENHANCED PROFESSIONAL SERVICES ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS, CONSULTANTS AND ENGINEERS

In consideration of the premium charged, the following additional conditions and amendments apply to this Policy:

1. Section III. DEFINITIONS, W. PROFESSIONAL SERVICES shall be deleted and replaced with the following:

**W. PROFESSIONAL SERVICES** means those services performed for others in the practice of architecture, engineering, land surveying, landscape architecture, interior design, construction management and environmental consulting, including:

1. The performance of studies, surveys, assessments, evaluations, consultations, inspections, observations, scheduling, sequencing or training;
2. The preparation of reports, opinions, recommendations, permit applications, maps, drawings, designs, models, Building Information Modeling, specifications (including the use of 3-D printing or other computer-assisted design technology to prepare such maps, drawings, designs and specifications), manuals, instructions, change orders or computer programs for designed systems;
3. Construction management, quality control, monitoring, testing or sampling necessary to perform any of the services listed above;
4. The supplying of furnishings as a part of interior design services;
5. Pro-bono services provided to others but only with the knowledge and prior consent of the NAMED INSURED, and
6. Any services as specifically defined by endorsement to this Policy.

2. Section V. EXCLUSIONS, A. 12. Vehicles shall be deleted and replaced with the following:

**12. Vehicles**

That part of any CLAIM(S) based upon or arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, unmanned aircraft system (UAS), drone, watercraft or rolling stock.

This exclusion does not apply to:

- a. POLLUTION CONDITIONS arising out of the ownership, maintenance, use, operation, loading or unloading of any automobile, aircraft, unmanned aircraft system (UAS), drone, water craft or rolling stock within the boundaries of the jobsite(s) where the INSURED is performing PROFESSIONAL SERVICES or CONTRACTING SERVICES;
- b. the transportation of any samples collected by the INSURED in connection with its performance of PROFESSIONAL SERVICES or CONTRACTING SERVICES; and
- c. data collected or otherwise covered work product derived from the assistance of such vehicles by the INSURED, provided it is in conjunction with a PROFESSIONAL SERVICE.

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

### **CRISIS MANAGEMENT ELITE ENDORSEMENT**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS, CONSULTANTS AND ENGINEERS

In consideration of the premium charged, the following additional conditions and amendments apply to this Policy:

1. Section II. SUPPLEMENTARY PAYMENTS shall be amended with the addition of the following:

#### **CRISIS EVENT AND REPUTATION MANAGEMENT COVERAGE:**

With the Company's prior consent, the Company shall reimburse the NAMED INSURED for CRISIS EVENT EXPENSES paid in response to a CRISIS EVENT first occurring and reported to the Company during the POLICY YEAR, subject to a maximum of \$30,000 per POLICY YEAR regardless of the number of CRISIS EVENTS.

2. Section II. SUPPLEMENTARY PAYMENTS, A. Defendant Reimbursement shall be deleted and replaced with the following:

#### **A. DEFENDANT REIMBURSEMENT**

The Company shall reimburse the INSURED, upon written request, for actual loss of earnings and reasonable expenses incurred for the INSURED'S attendance at any mediation or arbitration proceedings, hearings, depositions and trials relative to the defense of a CLAIM(S). The Company shall pay up to \$500 per day in the aggregate for all INSUREDS, subject to a maximum of \$25,000 for all CLAIMS made against the INSURED and reported to the Company during each POLICY YEAR.

3. Section II. SUPPLEMENTARY PAYMENTS, C. Disciplinary, Regulatory, or Administrative Expense Reimbursement shall be deleted and replaced with the following:

**C. DISCIPLINARY, REGULATORY OR ADMINISTRATIVE EXPENSE REIMBURSEMENT**

The Company shall reimburse the INSURED, upon written request, for reasonable legal fees and expenses incurred by the INSURED in responding to any federal, state, or local disciplinary, regulatory or administrative action commenced directly against the INSURED and reported to the Company, in writing, during a POLICY YEAR, provided that the action arises out of a WRONGFUL ACT committed or alleged to have been committed on or after the Retroactive Date stated in Item 6 of the Declarations. The maximum the Company will pay pursuant to this Supplementary Payment provision is \$50,000 for all such actions commenced against the INSURED and reported to the Company during each POLICY YEAR. The Company will not pay any other amounts under this provision for such actions, including but not limited to DAMAGES, fines, taxes and penalties.

4. Section III. DEFINITIONS shall be amended by the addition of the following:

**CRISIS EVENT** means any WRONGFUL ACT that the NAMED INSURED reasonably believes will have a material adverse effect upon the NAMED INSURED'S professional reputation.

**CRISIS EVENT EXPENSES** means reasonable fees, costs, and expenses paid by the NAMED INSURED with the Company's prior written approval for consulting services provided by a public relations firm to the NAMED INSURED in response to a CRISIS EVENT.

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

## LOUISIANA

### DOLLAR ONE DEFENSE COVERAGE ENDORSEMENT

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS, CONSULTANTS AND ENGINEERS

In consideration of the premium paid, it is agreed that Section VII, LIMITS OF LIABILITY AND DEDUCTIBLE, Paragraph E, Deductible is deleted in its entirety and replaced as follows:

**E. Deductible**

As stated in Item 4 of the Declarations, the INSURED must pay the Deductible obligation for DAMAGES before the Company is obligated to pay. The Deductible will apply to DAMAGES only and will not apply to CLAIM EXPENSES. The Deductible applies separately to each CLAIM whether this insurance is primary or excess. *If we make any payment under this policy and the person to or for whom payment is made has a right to recover damages from another, we shall be subrogated to that right. However, our right to recover is subordinate to the insured's right to be fully compensated.*

Furthermore, the Deductible will apply as follows:

- a. The Deductible for each CLAIM is the most the INSURED must pay as a Deductible for DAMAGES arising out of any single CLAIM.
- b. The aggregate Deductible, if any, is the most the INSURED must pay as a Deductible for the sum of all DAMAGES for all CLAIMS made and reported during each POLICY YEAR.

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**EXCLUDED ENTITIES**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS AND ENGINEERS

It is agreed that Section V, EXCLUSIONS, is amended to include the following:

**Excluded Entity(ies)**

Any CLAIM(S) made against the following entity(ies):

Entity Name(s):  
DSDSD, LLC

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of

Policy No. DPS9808732

Issued to Dammon Engineering, Inc.

by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**INDIVIDUAL NOTICE OF CANCELLATION**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS AND ENGINEERS

It is agreed that, In the event this Policy is cancelled by the Company or by the NAMED INSURED, a thirty (30) day notice of cancellation will be provided to the following entity:

Entity Name & Address:

City of Slidell  
3045 Second Street  
Suite 304  
Slidell, LA 70458

This provision does not apply to a cancellation due to non-payment of premium to the Company or to a premium finance company authorized to cancel the Policy.

All other terms and conditions of the Policy remain unchanged.

This endorsement, effective 12:01 a.m., 09/06/2016 forms a part of  
Policy No. DPS9808732  
Issued to Dammon Engineering, Inc.  
by XL Specialty Insurance Company.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

**PREMIUM INSTALLMENT PAYMENTS**

This endorsement modifies insurance provided under the following:

PROFESSIONAL, ENVIRONMENTAL AND NETWORK SECURITY LIABILITY POLICY – ARCHITECTS,  
CONSULTANTS AND ENGINEERS

It is agreed that Item 5 of the Declarations, Policy Premium, is modified by the addition of the following:

The Premium for this Policy will be paid in the following installment amounts:

On <u>09/06/2016</u>	<u>\$23,302</u>
On <u>09/06/2017</u>	<u>\$23,302</u>
On <u>09/06/2018</u>	<u>\$23,302</u>

The installment payments specified above represent the portion of the Total Premium, calculated as of the Effective Date stated in Item 2 of the Declarations, to be paid by the INSURED on the date specified. The installment payments include any applicable Assessments or Taxes, but do not include any Optional Endorsement Premium(s). It is understood and agreed that any Optional Endorsement Premium(s) will be reflected in separate endorsements to this Policy.

All other terms and conditions remain unchanged.

**IN WITNESS**

**XL SPECIALTY INSURANCE COMPANY**

REGULATORY OFFICE  
505 EAGLEVIEW BOULEVARD, SUITE 100  
DEPARTMENT: REGULATORY  
EXTON, PA 19341-1120  
PHONE: 800-688-1840

It is hereby agreed and understood that the following In Witness Clause supercedes any and all other In Witness clauses in this policy.

All other provisions remain unchanged.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by a duly authorized representative of the Company.



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Bernard R. Horovitz  
President



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Toni Ann Perkins  
Secretary