

# QUOTA SHARE ENDORSEMENT – TERMS AND CONDITIONS

This Endorsement Changes The Bond. Please Read it Carefully.

Certain words and phrases that appear in bold have special meaning as defined in the Intact form to which this Endorsement is attached.

The titles of sections or paragraphs listed below should not be considered for purposes of interpreting the intent of this Form; these titles have only been inserted for ease of reading.

It is agreed that:

1. The term "Insurer" or "Underwriter", as used in the attached policy/"**Bond**" shall be construed to mean, unless otherwise specified in this Endorsement, all the Subscribing Companies underwriting the attached policy/"**Bond**", as specified in the Schedule of Subscribing Companies.
  2. Each Subscribing Company shall be liable only for the percentage share of:
    - (a) any Limit of Liability specified in the attached policy/"**Bond**"; or
    - (b) any applicable Aggregate Limit specified in the policy/"**Bond**";underwritten by such Subscribing Company, as specified in the Schedule of Subscribing Companies. In no event shall any Subscribing Company be liable for an amount greater than the share underwritten by it.
  3. In the absence of a request from a Subscribing Company that notice of claim and proof of loss be given to or filed directly with it, the giving of such notice to and the filing of such proof with the Controlling Company shall be deemed to be in compliance with the conditions of the attached policy/"**Bond**" for the giving of notice of loss and the filing of proof of loss, if given and filed in accordance with said conditions.
  4. The Controlling Company has the right and authority to give notice of termination or cancellation, in accordance with the terms of the attached policy/"**Bond**", to terminate or cancel the attached policy/"**Bond**" in its entirety or with respect to any particular "**Employee**". Such notice shall be effective on behalf of all Subscribing Companies.
  5. Any Subscribing Company other than the Controlling Company has the right to give notice of termination or cancellation, in accordance with the terms of the attached policy/"**Bond**", to terminate or cancel such Subscribing Company's share of the attached policy/"**Bond**" in its entirety or with respect to any particular "**Employee**".
  6. In the absence of a request from any Subscribing Company that notice of termination or cancellation by the "**Insured**" of the attached policy/"**Bond**" in its entirety be directly given to such Subscribing Company, the "**Insured's**" giving of such notice in accordance with the terms of the attached policy/"**Bond**" to the Controlling Company shall terminate or cancel the policy/"**Bond**" in its entirety and with respect to all Subscribing Companies. The "**Insured**" may terminate or cancel the share of any Subscribing Company, other than the Controlling Company, under the attached policy/"**Bond**" by giving notice of such termination or cancellation to such Subscribing Company, and shall send copy of such notice to the Controlling Company.
  7. In the event of the termination or cancellation of the attached policy/"**Bond**" in its entirety, no Subscribing Company shall be liable to the "**Insured**" for a greater portion of any return premium due the "**Insured**" than is proportionate to the share of the Limits underwritten by such Subscribing Company.
  8. In the event of the termination or cancellation of the attached policy/"**Bond**" as to any Subscribing Company other than the Controlling Company, such Subscribing Company alone shall be liable to the "**Insured**" for any return premium due the "**Insured**" on account of such termination or cancellation. The termination or cancellation of the attached policy/"**Bond**" as to any Subscribing Company other than the Controlling Company shall not terminate, cancel or otherwise affect the liability of the other Subscribing Companies under the attached policy/"**Bond**".
  9. In the event that a notice of claim and proof of loss is filed under the attached policy/"**Bond**", it is agreed between the Subscribing Companies that only the Controlling Company shall communicate with the "**Insured**" with respect to such notice and proof of loss, including responding thereto and communicating with regard to investigation, adjustment, and settlement of any claims. However, the Controlling Company shall, in a timely manner, provide all other Subscribing Companies with any notice of claim, and any other copies of documents requested. In addition, the Controlling Company shall allow all Subscribing Companies to participate in decisions concerning any claim. Notwithstanding the participation of any other Subscribing Company, all participating Subscribing Companies agree that the Controlling Company must obtain the consent of all other participating Subscribing Companies prior to the settlement of any claim or the settlement of any coverage dispute with respect to any claim, provided that such consent shall not be unreasonably withheld. In the event that all participating Subscribing Companies do not consent to the settlement of any claim or any coverage dispute with respect to any claim, such refusal of consent shall be resolved by way of an informal arbitration between the Controlling Company and all other participating Subscribing Companies, the exact form of which will be mutually decided among all Subscribing Companies. It is agreed that such arbitration will be undertaken by all Subscribing Companies on a good faith basis, with each seeking an equitable, timely, and cost-efficient resolution.
- In the event that a Subscribing Company does not consent to the settlement of any claim or the settlement of any coverage dispute with respect to any claim, the Controlling Company may elect to pay its respective share of the claim or coverage dispute and allocated expenses incurred at the time in handling the claim or coverage dispute under the policy/"**Bond**". Similarly if the Controlling Company does not consent to the settlement of any claim or the settlement of any coverage dispute with respect to any claim, any Subscribing Company may elect to pay its respective share of the claim or coverage dispute and allocated expenses incurred at the time in handling the claim or coverage dispute under the policy/"**Bond**". The payment obligations of the Controlling Company and all other Subscribing Company are several only. Subject always to the policy/"**Bond's**" Limit of Liability, no Subscribing Company shall be obligated to pay any amount whatsoever in excess of any agreed upon percentage of loss covered under this policy/"**Bond**" or agreed upon allocated expenses incurred in handling claim(s) or potential claim(s) under the policy/"**Bond**".

All other terms and conditions of this Policy remain unchanged.