

## COMMERCIAL GENERAL LIABILITY COVERAGE

### LIMITED ABUSE COVERAGE (SUBLIMIT)

This Endorsement Changes the Policy. Please Read It Carefully.

Other words and phrases that appear in bold have special meaning. Refer to SECTION IV – DEFINITIONS of the Commercial General Liability Max form.

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.

This Endorsement is attached to the Commercial General Liability Max Form and is subject to all terms, conditions, limitations and exclusions of such Form.

In the event that coverage provided under this Extension of coverage is more specifically, and separately insured elsewhere in this Policy, then the relevant extension with the highest limit shall apply.

Notwithstanding any contrary provision contained under the Declaration Page(s) or elsewhere within this Policy, it is agreed that:

1. The following is added to **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**:

1.1. **Insuring Agreement – Abuse or Molestation Coverage**

1.1.1. We will pay those sums that the insured becomes legally obligated to pay as **compensatory damages** because of **abuse injury** to which this insurance applies. We will have the right and duty to defend the Insured against any **action** seeking those **compensatory damages**. However, we will have no duty to defend the Insured against any **action** seeking **compensatory damages** for **abuse injury** to which this insurance does not apply. We may, at our discretion, investigate any **abuse incident** and settle any claim or **action** that may result. But:

1.1.1.1. The amount we will pay for **compensatory damages** is limited as described in **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES**; and

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

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under **SUPPLEMENTARY PAYMENTS – COVERAGES A, B and D**.

1.1.2. This insurance applies to **abuse or molestation injury** only if:

1.1.2.1. The **abuse or molestation injury** is caused by an **abuse or molestation incident** that takes place in the **coverage territory**;

1.1.2.2. The first act of an **abuse or molestation incident** occurs during the **Policy Period**; and

1.1.2.3. Prior to the **Policy Period**, no Insured listed under paragraph 1. of **SECTION II – WHO IS AN INSURED** and no **employee** authorized by you to give or receive notice of an **abuse incident** or claim, knew that the **abuse injury** had occurred, in whole or in part. If such a listed insured or authorized **employee** knew, prior to the **Policy Period**, that the **abuse injury** occurred, then any continuation, change or resumption of such **abuse injury** during or after the **Policy Period** will be deemed to have been known prior to the **Policy Period**.

1.1.3. **Abuse injury** which occurs during the **Policy Period** and was not, prior to the **Policy Period**, known to have occurred by any Insured listed under paragraph 1.1. of **SECTION II – WHO IS AN INSURED** or any **employee** authorized by you to give or receive notice of an **abuse incident** or claim, includes any continuation, change or resumption of that **abuse injury** after the end of the **Policy Period**.

1.1.4. **Abuse or molestation injury** will be deemed to have been known to have occurred at the earliest time when any Insured listed under paragraph 1.1. of **SECTION II – WHO IS AN IN**

1.1.5. **SURED** or any **employee** authorized by you to give or receive notice of an **abuse incident** or claim:

1.1.5.1. Reports all, or any part, of the **abuse injury** to us or any other insurer;

1.1.5.2. Receives a written or verbal demand or claim for **compensatory damages** because of the **abuse injury**; or

1.1.5.3. Becomes aware by any other means that **abuse injury** has occurred or has begun to occur.

1.1.6. **Compensatory damages** because of **abuse injury** include **compensatory damages** claimed by any person or organization for care or loss of services resulting at any time from the **abuse injury**.

2. The Abuse Aggregate Limit and the Abuse Each Incident Limit shown in the Declarations are the most we will pay under **COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY**.

3. Exclusion 2.1., Expected or Intended Injury, under paragraph 2., **EXCLUSIONS** of **SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY** is replaced by the following:

**This insurance does not apply to:**

2.1. Expected or Intended Injury

**Bodily injury or property damage** expected or intended from the standpoint of the Insured. This exclusion does not apply to **bodily injury** resulting from:

2.1.1. The use of reasonable physical force to protect oneself or other persons from physical injury;

2.1.2. The use of reasonable physical force to protect the property of the insured or others; or

2.1.3. The use of reasonable physical force to restrain or remove a person whose behavior is interfering with the orderly exercise and performance of the insured's operations, functions, powers and duties, if that person has refused to comply with a request to refrain from further disruptive acts.

4. The following exclusions are added to Paragraph 2., **EXCLUSIONS of SECTION I – COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY:**

**This insurance does not apply to:**

2.24. **Bodily injury, property damage, or Personal and advertising injury**

2.24.1. **Bodily injury**, other than **abuse injury** to which this insurance applies;

2.24.2. **Property damage**; or

2.24.3. **Personal and advertising injury**.

2.25. **Punitive or Exemplary damages**

Any sum awarded for punitive damages, exemplary damages, multiplied damages, fines or penalties arising out of any **abuse incident**.

2.26. **Prior Insurance Or Prior Condition**

**Abuse injury:**

2.26.1. For which insurance is afforded under any policy with a policy period that began prior to the beginning of the Policy Period for this insurance; or

2.26.2. That results from an **abuse incident** that first commenced prior to the beginning of the Policy Period for this insurance.

2.27. **Executive Person**

**Compensatory damages** arising out of acts, errors or omissions of an **executive person** in connection with an **abuse incident**, but only with respect to acts, errors or omissions that take place after the **executive person** becomes aware of the **abuse incident**.

5. The following is added to **SECTION II – WHO IS AN INSURED:**

4. For the purposes of the coverage provided by this Endorsement, none of the following is an insured:

4.1. The Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under this Policy, who participated in, knowingly allowed or directed an **abuse incident**.

4.2. The Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under this Policy, who failed to report any **abuse incident** to the proper authorities.

4.3. The Named Insured shown in the Declarations, and any other person or organization qualifying as an insured under this Policy, who has a prior criminal conviction for **abuse** or who has previously been held liable in a civil proceeding involving **abuse**.

4.4. Your **volunteer workers, leased workers, temporary workers** or employees, other than either your **executive officers** (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company).

6. The following is added to **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES:**

6.1. Paragraph 2. of **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** of the Commercial General Liability Coverage form is deleted.

6.2. Subject to paragraph 3. of **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** of the Commercial General Liability Coverage Form and to the Abuse or Molestation Aggregate Limit, the Abuse or Molestation Each Incident Limit shown in the Declaration Page(s) is the most we will pay for Abuse or Molestation under **COVERAGE A** because of any one **abuse incident**.

6.3. Subject to paragraph 3. of **SECTION III – LIMITS OF INSURANCE AND DEDUCTIBLES** of the Commercial General Liability Coverage Form, the Abuse or Molestation Aggregate Limit of Insurance shown in the Declaration Page(s) is the most we will pay under **COVERAGE A** for all **compensatory damages** because of **abuse injury**.

7. The following condition is added:

Any reference to an **occurrence** also applies to an **abuse incident**.

8. For the purposes of this Endorsement, the definition of **action** in the **Definitions** Section is replaced by the following:

**Action** means a civil proceeding in which **compensatory damages** because of **abuse** to which this insurance applies are alleged. **Action** includes:

8.1. An arbitration proceeding in which such **compensatory damages** are claimed and to which the Insured must submit or does submit with our consent; or

8.2. Any other alternative dispute resolution proceeding in which such **compensatory damages** are claimed and to which the Insured submits with our consent.

9. For the purposes of this Endorsement, the following is added to the definition of **abuse** in the **Definitions** Section:

**Abuse** also includes the negligent:

9.1. Employment;

9.2. Investigation;

9.3. Supervision;

9.4. Reporting to the proper authorities, or failure to so report; or

9.5. Retention;

of a person for whom any Insured is legally responsible and whose conduct involves **abuse**.

10. For the purposes of this Endorsement, the following definitions are added to the **Definitions** Section:

10.1. **Abuse incident** means an act or multiple, continuous or repeated acts of **abuse** by one person or two or more persons acting together that results in **bodily injury**. All acts of **abuse** by any one person or two or more persons acting together will be deemed as one incident. The **abuse incident** will be deemed to occur when the first **abuse incident** takes place. Regardless of:

10.1.1. The number of persons injured;

10.1.2. The time period over which the “**abuse or molestation injury**” took place; or

10.1.3. The number of such acts.

All **abuse incidents** by one person, or two or more persons acting together will be considered one **abuse incident**.

10.2. **Abuse injury** means **bodily injury**, sickness, disease, mental injury, mental anguish, shock or fright sustained by a person, including death resulting from any of these at any time, as a result of an **abuse incident**.

10.3. **Executive person** means:

- 10.3.1. You and your spouse, if you are designated in the Declarations as an individual;
- 10.3.2. Your members, your partners, and their spouses, if you are designated in the Declarations as a partnership or joint venture;
- 10.3.3. Your members and managers, if you are designated in the Declarations a limited liability company;
- 10.3.4. Your trustees, if you are designated in the Declarations as a trust;
- 10.3.5. Your **executive officers**, directors, and managerial employees, if you are designated in the Declarations as an organization other than a partnership, joint venture, limited liability company, or trust.

**All other terms and conditions of the Policy remain unchanged.**