

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

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 Notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this Notice carefully.**

The Office of Foreign Assets Control (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; and
- Narcotics traffickers;

as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site – <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, 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 are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC. Other limitations on the premiums and payments also apply.

## POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

Coverage for acts of terrorism is included in your policy. You are hereby notified that under the Terrorism Risk Insurance Act, as amended in 2015, the definition of act of terrorism has changed. As defined in Section 102(1) of the Act: The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of an air carrier or vessel or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion. Under your coverage, any losses resulting from certified acts of terrorism may be partially reimbursed by the United States Government under a formula established by the Terrorism Risk Insurance Act, as amended. However, your policy may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019 and 80% beginning on January 1, 2020 of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage. The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from certified acts of terrorism when the amount of such losses exceeds \$100 billion in any one calendar year. If aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

The portion of your premium attributable to coverage for acts of terrorism is: \$ 5,500.00, and does not include any charges for the portion of losses covered by the United States Government under the Act.

You need to take no action with respect to this notice. You will receive a bill for your policy premium which will include the above amount required for your terrorism coverage.

### **Possibility of Additional or Return Premium**

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act. The federal program established by the Act is scheduled to terminate at the end of 2020 unless extended by the federal government. If the federal program terminates or if the level or terms of federal participation change, the premium shown above may not be appropriate.

If this policy contains a Conditional Exclusion, continuation of coverage for certified acts of terrorism, or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion. When disposition of the federal program is determined, we will recalculate the premium shown above and will charge additional premium or refund excess premium, if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

If you have any questions about this notice, please contact your agent.

POLICY NUMBER: 795-01-30-12-0000  
NAMED INSURED: State of West Virginia  
ISSUE DATE: 12/11/2020  
EFFECTIVE DATE: 07/01/2020

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM**

The following is added to this Policy and replaces any provision to the contrary:

**A. Cap On Certified Terrorism Losses**

“**Certified act of terrorism**” means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a “**certified act of terrorism**” include the following:

1. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
2. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

If aggregate insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and this Company has met our insurer deductible under the Terrorism Risk Insurance Act, this Company will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

**B. Application Of Exclusions**

The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any loss which would otherwise be excluded under this Policy.

**ALL OTHER TERMS AND CONDITIONS REMAIN UNCHANGED**



## CLAIMS REPORTING OPTIONS

**Phone:**

Call our 24-hour claim service center: 877.248.3455

**Email:**

Email us at [claims@onebeacon.com](mailto:claims@onebeacon.com)

**On-line:**

Use our web-based claim reporting at [www.onebeacon.com](http://www.onebeacon.com)

**Fax:**

Fax us at 866.213.2802

**Contact your OneBeacon agent or broker**

Policy Number: 795-01-30-12-0000

Renewal of: 795-01-01-88-0000



**EXCESS PROPERTY  
POLICY DECLARATIONS**

**EXCESS INSURANCE COMPANY:**

**Atlantic Specialty Insurance Company  
605 Highway 169 North, Suite 800  
Plymouth, MN 55441**

**INSURED'S NAME AND MAILING ADDRESS:**

State of West Virginia  
1124 Smith Street, Suite 4300  
Charleston, WV 25301

**PRODUCER NUMBER:**

1000824

**PRODUCER NAME:**

RT Specialty, LLC

**POLICY PERIOD**

**From:** 07/01/2020

**To:** 07/01/2021

**At the Time Defined in the Primary Underlying Insurance Policy (If not Defined in the Primary Underlying Insurance Policy, at 12:01 AM Standard Time at the Mailing Address Shown Above)**

**IN RETURN FOR THE PAYMENT OF THE PREMIUM AND SUBJECT TO ALL THE TERMS, CONDITIONS, LIMITATIONS AND EXCLUSIONS OF THIS POLICY THIS COMPANY AGREES WITH THE NAMED INSURED TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY**

**PREMIUM**

<b>POLICY PREMIUM:</b>	\$110,000.00
<b>TERRORISM PREMIUM:</b>	\$ 5,500.00
<b>TOTAL DUE:</b>	\$115,500.00

**Minimum Earned Premium Applies**

In the event of cancellation of this Policy by the first named Insured prior to the expiration of the Policy Period shown above, the following minimum earned premium applies:

**25% MINIMUM EARNED PREMIUM** \$28,875.00

Cancellation by this Company for non-payment of premium will be deemed cancellation at the first named Insured's request.

**Insureds with Coastal Property Premium Endorsement Applies**

**LIMIT(S) OF RECOVERY AND UNDERLYING AMOUNTS (Deductible, SIR or Primary Amounts)**

\$75,000,000 PART OF \$75,000,000 EACH OCCURRENCE EXCESS \$125,000,000 EACH OCCURRENCE.

**THIS POLICY IS SUBJECT TO THE TERMS CONTAINED IN THESE DECLARATIONS AND CONSISTS OF THE FOLLOWING CONDITIONS, COVERAGE FORM(S) AND ANY ENDORSEMENT(S):**

Excess Property Policy Declarations	OBSP BR 100 09 17
Manuscript Form	
Excess Property Conditions	OBSP BR 002 09 17
Policyholder Disclosure Notice of Terrorism Insurance Coverage	PHN 003-A IL 01 15
Cap on Losses from Certified Acts of Terrorism	OBSP BR 218 09 17
Service of Suit Endorsement	OB IL 001 10 15
U. S. Treasury OFAC Advisory Notice	IL P 001 01 04



---

SECRETARY



---

PRESIDENT

---

12/11/2020  
DATE OF ISSUANCE

**LAST PAGE OF DECLARATIONS**

## EXCESS PROPERTY CONDITIONS

The following Conditions are added to this Policy and replace any provisions to the contrary.

### A. ABANDONMENT

There can be no abandonment to this Company of any property.

### B. ASSIGNMENT

Neither this Policy nor the proceeds of this Policy can be assigned, either before or after a loss, to another party without this Company's consent.

### C. BANKRUPTCY, INSOLVENCY OR UNCOLLECTIBILITY OF UNDERLYING INSURANCE

In the event of the bankruptcy, insolvency or other financial impairment of any underlying insurer this Policy will apply as if all underlying insurance were valid and collectible. This Company will not be liable for the obligations of any such underlying insurer, and this Policy will not replace any such underlying insurance. This Company does not insure or assume, under any circumstances, the risk of uncollectibility (in whole or part), whether because of bankruptcy, insolvency or financial impairment of any underlying insurer or for any other reason. Rather, the risk of such uncollectibility is expressly retained by the Insured.

### D. CANCELLATION

1. The first named Insured may cancel this Policy by mailing or delivering to this Company or any of its authorized agents advance written notice of cancellation.
2. This Company may cancel this Policy by mailing or delivering to the first named Insured written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
  - b. 90 days before the effective date of cancellation if we cancel for any other reason.
3. This Company will mail or deliver our notice to the first named Insured's last mailing address known to us.
4. Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
5. If the first named Insured cancels this Policy, earned premium will be computed in accordance with the customary short rate table and procedure. If this Company cancels, earned premium will be calculated pro rata. Premium adjustment may be made at the time cancellation is effective. If not made then, premium adjustment will be made as soon as practicable after the cancellation becomes effective. This Company's check or the check of its representative mailed or delivered will be sufficient tender of any refund of premium due to the first named Insured. The cancellation will be effective even if this Company has not made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### E. CHANGES

This Policy contains all the agreements between this Company and the Insured concerning the insurance afforded. Notice to any agent or broker or knowledge possessed by any agent or broker or by any other person will not affect a waiver or a change in any part of this Policy or stop this Company from asserting any right under the terms of this Policy. The terms of this Policy can be amended or waived only by endorsement issued by this Company and made a part of this Policy.

### F. CONFORMITY TO STATUTE

Terms of this Policy which are in conflict with any applicable statutes or regulations are hereby amended to conform to such statutes or regulations.

### G. DUTIES IN THE EVENT OF LOSS OR DAMAGE

1. The Insured must see that the following are done in the event of loss or damage to property covered under this Policy:
  - a. Notify the police if a law may have been broken.
  - b. Give this Company prompt notice of the loss or damage. Include a description of the property involved.
  - c. As soon as possible, give this Company a description of how, when and where the loss or damage

occurred.

- d. Take all reasonable steps to protect the property from further damage, and keep a record of expenses necessary to protect the property for consideration in the settlement of the claim. The expenses necessary to protect the property covered under this Policy will be apportioned between the interests concerned in the ratio of their respective loss payments as finally settled. However, this will not increase the amount of insurance due under this Policy. This Company will not pay for any subsequent loss or damage resulting from a peril that is not covered under this Policy. Also, if feasible, set the damaged property aside and in the best possible order for examination.
  - e. At this Company's request, give us complete inventories of the damaged and undamaged property. Include quantities, costs, values and amount of loss claimed.
  - f. As often as may be reasonably required, permit this Company to inspect the property proving the loss or damage and examine the Insured's books and records. Also, permit this Company to take samples of damaged and undamaged property for inspection, testing and analysis, and permit this Company to make copies from the Insured's books and records.
  - g. Send this Company a signed, sworn proof of loss containing the information we request to investigate the claim. The Insured must do this within 60 days after this Company's request. We will supply you with the necessary forms.
  - h. Cooperate with this Company in the investigation or settlement of the claim.
2. We may examine any Insured, or its representative, under oath, while not in the presence of any other Insured, or any other Insured's representative, and at such times as may be reasonably required, about any matter relating to this insurance or the claim, including the Insured's books and records. In the event of an examination, the Insured's, or its representative's, answers must be signed.

No examination under oath or examination of books and records, nor any act of this Company or any of its employees or representatives in connection with the investigation of any loss or claim, will serve to waive any defense which this Company might otherwise have with respect to any loss or claim. All such examinations or acts will be deemed to have been made or done without prejudice to this Company's liability.

#### H. LEGAL ACTION AGAINST US

No one may bring a legal action against us under this Policy unless:

1. There has been full compliance with all of the terms of this Policy; and
2. The action is brought within 12 months after the date on which the direct physical loss or damage occurred.

However, if under the laws of the State within which this Policy is issued such limitation is invalid, then any such claims will be void unless such legal action is commenced within the shortest limit of time permitted by the laws of such State.

#### I. LOSS APPRAISAL

If this Company and the Insured disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event, each party will select a competent and impartial appraiser and will notify the other of the appraiser selected within 20 days of such demand. The two appraisers will select an umpire. If they cannot agree within 30 days upon such umpire, the Insured and this Company may file a joint motion requesting that a judge of a court having jurisdiction appoint a competent and impartial umpire after a joint hearing before the court. Along with the joint motion requesting the appointment of the umpire, each party will submit to the court sworn affidavits which describe the efforts their appraiser has taken to reach agreement regarding the appointment of the umpire. If either party does not agree to a joint motion, the Insured or this Company may unilaterally file a motion to compel appraisal in a court having jurisdiction. Such motion to compel must include a request for a joint hearing, and notice of hearing must be sent to the non-requesting party's appraiser by certified mail 7 days prior to the hearing.

Once appraisal proceeds, each appraiser will state separately the value of the property and amount of loss as of the date and time of the loss or damage. If the appraisers fail to agree, they will submit their differences to the umpire. An itemized award in writing of any two will determine the amount of value and the amount of the loss or damage to such items. Each party will:

1. Pay its chosen appraiser; and
2. Bear the other expenses of the appraisal and umpire equally.

This Company will not waive any of its rights by any act relating to appraisal. If there is an appraisal, this Company retains its right to deny the claim.



**J. MISREPRESENTATION AND FRAUD**

This Policy is void in any case of fraud by the Insured as it relates to this insurance at any time. This entire Policy is also void if, at any time, the Insured intentionally conceals or misrepresents any material fact or circumstance concerning this insurance.

**K. NO BENEFIT TO BAILEE**

No person or organization, other than the Insured, having custody of property insured under this Policy will benefit from this insurance.

**L. OTHER INSURANCE**

If there is other insurance covering the same loss or damage, this Company will pay only for the amount of covered loss or damage in excess of the amount due from that other insurance, whether the Insured can collect on it or not.

**M. PAYMENT OF LOSS**

This Company will pay for covered loss or damage within 60 days after we receive the sworn proof of loss, if the Insured has complied with all of the terms of this Policy, and:

1. This Company has reached agreement with the Insured on the amount of loss; or
2. An appraisal award has been made.

Bankruptcy or insolvency of the Insured will not relieve this Company of any of its obligations under this Policy. However, no loss will be paid under this Policy if the Insured has collected the amount of the loss or damage from others.

**N. PRIVILEGE TO ADJUST WITH OWNER**

This Company may adjust losses with the owners of lost or damaged property if other than the Insured. If we pay the owners, such payments will satisfy the Insured's claims against us for the owners' property. This Company will not pay the owners more than their financial interest in the property covered under this Policy.

This Company may elect to defend the Insured against suits arising from claims of owners of property. We will do this at our expense. No action of this Company in such regard will increase the amount of insurance due under this Policy.

**O. SALVAGE OR RECOVERIES**

When, in connection with any loss under this Policy, any salvage or recovery is received after loss settlement, the loss will be calculated on the basis on which it would have been settled had the amount of salvage or recovery been known at the time the loss was originally determined. Any amounts thus found to be due either party from the other will be paid promptly.

The expense of all proceedings necessary to such recoveries will be apportioned between the interests concerned in the ratio of their respective recoveries as finally settled. If there should be no recovery and proceedings are conducted solely by this Company, this Company will pay such expenses.

**P. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US**

If any person or organization to or for whom this Company makes payment under this Policy has rights to recover damages from another, those rights are transferred to this Company to the extent of our payment. That person or organization must do everything necessary to secure this Company's rights and must do nothing after loss to impair them. But the Insured may waive its rights against another party in writing:

1. Prior to a loss covered under this Policy.
2. After a loss covered under this Policy only if, at time of loss, that party is one of the following:
  - a. Someone insured by this Policy;
  - b. A business firm:
    - (1) Owned or controlled by the Insured; or
    - (2) That owns or controls the Insured; or
  - c. The Insured's tenant.

This will not restrict insurance under this Policy.

**EXCESS PHYSICAL DAMAGE FORM**

**(U.S.A. AND CANADA)**

**THE SCHEDULE**

**Policy Number:** 795013012

**Insuring Company** Atlantic Specialty Insurance Company

1. Named Insured: State of West Virginia
2. Mailing Address: 1124 Smith Street  
Suite 4300  
Charleston, WV 25301
3. Policy Period: From: July 01, 2020  
To: July 01, 2021  
Both days at 12:01 a.m. Local Standard Time
4. Perils Insured: As defined in Primary policy issued by AXIS Insurance Company  
Policy Number: MAF760728-20
5. The Property of Interest: As defined in Primary policy issued by AXIS Insurance Company  
Policy Number: MAF760728-20
6. The Property is located or contained at: As defined in Primary policy issued by AXIS Insurance Company  
Policy Number: MAF760728-20
7. Premium: \$115,500.00 (Including TRIA)
8. Primary Limit(s):

<u>COVERAGE LAYER</u>	<u>TOTAL LIMIT OF LIABILITY FOR PRIMARY INSURER</u>	<u>INSURER POLICY NO.</u>	<u>CARRIER</u>	<u>LIMIT PARTICIPATION</u>
I.	\$25,000,000	MAF760728-20	Axis	100%

\$25,000,000 as respects all coverage's for any one "occurrence" regardless of the number of locations, coverages, or perils involved, except the sub limits as outlined on the primary policy are part of the overall policy limit and do not increase this company's overall limit as stated above.

Underlying Excess Limit(s):

COVERAGE LAYER	TOTAL LIMIT OF LIABILITY FOR ALL UNDERLYING EXCESS INSURERS	INSURER POLICY NO.	CARRIER	LIMIT PARTICIPATION
II.	\$100,000,000 x/s \$25,000,000	NHD913889	RSUI	100%
III.	\$75,000,000 x/s \$125,000,000	795013012	One Beacon	100%
IV.	\$200,000,000 x/s \$200,000,000	UP2003382	Chubb Bermuda	100%

9. Total Limits (including “Primary” and “Underlying Excess”) subject to annual aggregates (per Layers and participation’s as outlined in Item 8 above):

- \$5,000,000 any one policy year in respect of the peril of Flood for Automobile Physical Damage Only
- \$10,000,000 any one policy year in respect of the peril of Earthquake for State Owned Properties and Bridges of the West Virginia Turnpike owned by West Virginia Parkways Only

Subject to the limitations in the underlying Axis Insurance Company policy coverage form, Section 8. Perils Excluded. Part M and N on pages 14.

10. Notification of Claims to: RT Specialty, LLC  
 5565 Glenridge Connector, Suite 550  
 Atlanta, GA 30342  
 Phone: (770) 422-0747  
 Fax: (770) 422-9027

**EXCESS PHYSICAL DAMAGE FORM**  
**(U.S.A. AND CANADA)**

1. **INSURING CLAUSE:**

Subject to the limitations, terms and conditions contained in this Policy or added hereto, the Insurer(s) agree to indemnify the Insured named in The Schedule herein in respect of Direct Physical loss or damage to the property described in Item 5 of The Schedule, while located or contained as described in The Schedule, occurring during the period stated in The Schedule and caused by any of such perils as are set forth in Item 4 of The Schedule and which are also covered by and defined in the Policy(ies) specified in The Schedule and issued by the "Primary Insurer(s)" stated therein.

2. **APPLICATION OF UNDERLYING PROVISIONS:**

In respect of the perils hereby insured against this Policy is subject to the same warranties, terms and conditions (except as regards the premium, the amount and Limits of Liability other than the deductible or self-insurance provision where applicable, and the renewal agreement, if any, AND EXCEPT AS OTHERWISE PROVIDED HEREIN) as are contained in or as may be added to the Policy(ies) of the Primary Insurer(s) prior to the happening of a loss for which claim is made hereunder and should any alteration be made in the premium for the Policy(ies) of the Primary Insurer(s), then the premium hereon may be adjusted accordingly.

3. **LIMIT:**

Provided always that liability attaches to the Insurer(s) only after the Primary and Underlying Excess Insurer(s) have paid or have admitted liability for the full amount of their respective liability as set forth in Item 8 and/or 9 of The Schedule and designated "Primary and Underlying Excess Limit(s)" and then the limits of the Insurer(s) Liability shall be those set forth in Item 8 and/or 9 of The Schedule under the designation "Underlying Excess Limit(s)" and the Insurer(s) shall be liable to pay up to the full amount of such "Underlying Excess Limit(s)".

4. **MAINTENANCE OF PRIMARY AND UNDERLYING EXCESS POLICY/IES AND LIMITS:**

It is a condition precedent to recovery under this Policy that the Policy(ies) and Limit(s) of the Primary and Underlying Excess Insurer(s) set forth in Item 8 and/or 9 of The Schedule be maintained in full force and effect, except for any reduction or exhaustion of any underlying aggregate Limits of Liability contained therein, solely by the amount of loss(es) paid or admitted during the policy term.

There is no recovery under this excess policy as respects those coverages which are sublimited within the primary and/or underlying excess policy(ies) to amounts less than the amount indicated in item 8 of the Schedule, however, the Insurer(s) to this excess policy recognize that the primary and underlying excess policy limits can be eroded or exhausted, wholly or partially, by application of said sublimits.

In the event of such reduction of the aggregate Limits of Liability of the Primary and Underlying Excess Insurance's this Policy shall pay excess over the reduced aggregate limit. In the event of exhaustion of aggregate Limits of Liability of the Primary and Underlying Excess Insurance's this Policy, subject to all its provisions, shall continue in force as Primary Insurance in respect to perils covered by this policy for which the aggregate Limit of Liability has been so exhausted and the deductible or self-insured amount applicable to that peril, as set forth in Item 8 of the Schedule, shall apply to this Policy.

5. **UNCOLLECTIBILITY OF OTHER INSURANCE:**

Notwithstanding any of the terms of this Policy that might be construed otherwise, the insurance provided by this Policy shall always be excess over the maximum monetary limits set forth in Item 8 and/or 9 of The Schedule (reduced only by reduction of any underlying aggregate limits as provided for in Clause 4 herein) regardless of the uncollectibility (in whole or in part) of any underlying insured amounts for any reason, including, but not limited to, the financial impairment or insolvency of an underlying Insurer(s).

The risk of uncollectibility (in whole or in part) of other insurance, whether because of financial impairment or insolvency of an underlying or other insurer(s) or for any other reason, is expressly retained by the Insured and is not in any way or under any circumstances insured or assumed by Insurer(s).

**EXCESS PHYSICAL DAMAGE FORM**  
**(U.S.A. AND CANADA)**

In the event of the bankruptcy or insolvency, or other financial impairment, of any underlying insurer, this policy shall not be liable for the obligations of the underlying policy. This policy shall apply as if the underlying insurance were valid and collectible. This insurance shall not replace the underlying insurance.

6. **DEFINITIONS:**

(a) Loss: The word "loss" shall mean each and every covered loss or series of covered losses arising out of one occurrence.

(b) Ultimate Net Loss: The words "Ultimate Net Loss" shall mean the covered loss sustained by the Insured as a result of each and every loss or series of covered losses arising out of one occurrence limited by

(i) any sub-limits contained within this Policy or the Policy(ies) of the Primary and/or Underlying Excess Insurer(s), and

(ii) making deductions for all salvages, recoveries and other insurance's (other than recoveries under the Policy(ies) of the Primary and Underlying Excess Insurer(s)).

(c) Policy Term: The words "policy term" shall be understood to mean the period of Item 3 of The Schedule.

7. **APPLICATION OF RECOVERIES:**

All salvages, recoveries or payments recovered or received subsequent to a loss settlement under this Policy shall be applied as if recovered or received prior to such settlement and all necessary adjustments shall then be made between the Insured and the Insurer(s), provided always that nothing in this Policy shall be construed to mean that losses under this Policy are not recoverable until the Insured's ultimate net loss has been finally ascertained.

8. **CANCELLATION:**

This insurance may be cancelled by the Insured at any time by written notice or by surrender of this Policy. This insurance may also be cancelled by or on behalf of the Insurer(s) by delivering to the Insured or by mailing to the Insured, by registered, certified or other first class mail, at the Insured's address as shown in this insurance written notice stating when, not less than ninety (90) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this insurance shall terminate at the date and hour specified in such notice.

If this insurance shall be cancelled by the Insured, the Insurer(s) shall retain the customary short rate proportion of the premium hereon, except that if this insurance is on an adjustable basis, the Insurer(s) shall receive the earned premium hereon, or the customary short rate proportion of any minimum premium stipulated herein, whichever is the greater.

If this insurance shall be cancelled by or on behalf of the Insurer(s), the Insurer(s) shall retain the pro rata proportion of the premium hereon, except that if this insurance is on an adjustable basis the Insurer(s) shall receive the earned premium hereon, or the pro rata proportion or any minimum premium stipulated herein, whichever is the greater.

Payment or tender of unearned premium by the Insurer(s) shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

If the period of limitation relating to the giving of notice is prohibited or made void by any law controlling the construction thereof, such period shall be deemed to be amended so as to be equal to the minimum period of limitation permitted by such law.

Notwithstanding anything contained in Item 8 CANCELLATION of the wording to the contrary, in the event of nonpayment of the Premium stated in the Schedule, Insurer(s) may cancel this Insurance with written notice to the Insured stating when, not less than ten (10) days thereafter, the cancellation shall be effective.

**EXCESS PHYSICAL DAMAGE FORM**  
**(U.S.A. AND CANADA)**

9. **NOTIFICATION OF CLAIMS:**

The Insured upon knowledge of any occurrence likely to give rise to a claim hereunder shall give immediate written advice thereof to the person(s) or firm named for the purpose in Item 10 of The Schedule.

10. **PRIORITY OF PAYMENT:**

Notwithstanding anything contained herein to the contrary it is hereby agreed that in the event of a claim hereunder which involves more than one interest and/or coverage and/or peril, it shall be at the sole option of the Insured to apportion recovery under this policy when submitting final proof of loss, subject to the overall amount of claim not exceeding the overall limit of liability contained herein for any one loss.

For the purpose of attachment of coverage for excess layers, it is further agreed that loss involving any interest and/or peril covered in primary or underlying excess layers, but excluded in higher excess layers, shall be recognized by such excess layers as eroding or exhausting the occurrence limits of the primary and/or underlying excess layer(s). Nothing herein, however, shall be deemed to extend coverage in such layers(s) to include loss from the specifically excluded peril in the excess layer(s) itself.

11. **OCCURRENCE LIMIT OF LIABILITY:**

The Limit of Liability or Amount of Insurance shown on the face of this policy, or endorsed onto this policy, is the total of the Insurer(s) liability applicable to each occurrence, as hereafter defined. Notwithstanding any other terms and conditions of this policy to the contrary, in no event shall the liability of the Insurer(s) exceed this limit or amount irrespective of the number of locations involved.

The term "occurrence" shall mean any one loss, disaster, casualty or series of losses, disasters, or casualties, arising out of one event. When the term applies to loss or series of losses from the perils of tornado, cyclone, hurricane, windstorm, hail, flood, earthquake, volcanic eruption, riot, riot attending a strike, civil commotion, and vandalism and malicious mischief, one event shall be considered to be all losses arising during a continuous period of 72 hours. When filing proof of loss, the Insured may elect the moment at which the 72 hour period shall be deemed to have commenced, which shall not be earlier than the first loss to any covered property occurs.

The premium for this policy is based upon the Statement of Values on file with the Insurer(s), or attached to this policy. In the event of loss hereunder, liability of the Insurer(s), subject to terms of paragraph one (1) above, shall be limited to the least of the following:

- a. The actual adjusted amount of loss, less applicable deductible(s).
- b. 100% of the individually stated value for each scheduled item of property involved, as shown on the latest statement of Values on file with Insurer(s), less applicable deductible(s).
- c. The Limit of Liability or Amount of Insurance shown on the face of this policy or endorsed onto this policy.

12. **PERMISSION FOR EXCESS INSURANCE**

Permission is hereby granted to purchase insurance in excess of the amount [Limit of Liability] stated in this policy. Such excess insurance shall not be considered other insurance for the purposes of the "Other Insurance" clause.

**EXCESS PHYSICAL DAMAGE FORM**  
**(U.S.A. AND CANADA)**

POLICY NUMBER: 795-01-30-12-0000  
NAMED INSURED: State of West Virginia  
ISSUE DATE: 12/11/2020  
EFFECTIVE DATE: 07/01/2020

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**SERVICE OF SUIT**

All coverages in this policy are subject to the following condition.

**Service of Suit**

1. We designate and authorize the following person as our agent for service of process by certified mail, return receipt requested, for any proceeding instituted by or on behalf of the insured, or any beneficiary under this policy, and arising out of this policy of insurance made:  
General Counsel  
OneBeacon Insurance Group – Legal Department  
605 North Highway 169  
Suite 800  
Plymouth, MN 55441
2. If required by applicable statute, we also designate the Superintendent, Commissioner or Director of Insurance, or other officer or individual specified in the law of the jurisdiction in which this policy is issued, to receive on our behalf service of process for any proceeding instituted by or on behalf of the insured, or any beneficiary under this policy, and arising out of this policy of insurance. We authorize the Superintendent, Commissioner, Director or other officer or individual upon whom service is made to mail a copy of the process to the person identified in Paragraph 1. above.
3. In Rhode Island, we also designate and authorize the following person as our agent for service of process for any proceeding instituted by or on behalf of the insured, or any beneficiary under this policy, and arising out of this policy of insurance:  
Sherry A. Goldin  
10 Weybosset Street  
Providence, Rhode Island 02903
4. In Oregon, service of process for any proceeding instituted by or on behalf of the insured, or any beneficiary under this policy, and arising out of this policy of insurance may be made upon the insurance producer in the courts for the county where the insurance producer who registered or delivered the policy resides or transacts business.
5. By agreeing to the service of process provisions above, we do not waive our right to commence an action in any court of competent jurisdiction in the United States, remove an action to a United States District Court or seek a transfer of a case to another court as permitted by the laws of the United States or of any state within the United States.

As used above, the word "insured" means any person or organization qualifying as an insured under the policy, and the words "we," "us" and "our" refer to the company providing this insurance.