

RLI Insurance Company
Peoria, Illinois 61615
A Stock Insurance Company

Personal Umbrella Liability Policy

STATE OF NEW YORK AMENDATORY ENDORSEMENT

This endorsement modifies insurance provided under the following:

**PERSONAL UMBRELLA LIABILITY POLICY
POLICY PROVISIONS**

The policy is amended, as of its effective date, as follows:

- 1) PART I – DEFINITIONS is amended by replacing Definition C. as follows:
 - C. **Bodily Injury** means **Bodily Injury**, sickness or disease sustained by a person, including death from any of these any time. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright resulting in or from otherwise covered **Bodily Injury**.
- 2) PART III – WHAT WE WILL DO is amended by replacing Section B. as follows:
 - B. If such **Injury** is not covered under the applicable **Basic Policies** and coverage is afforded under this policy, to the extent such amount exceeds the **Self Insured Retention** amount stated in the Declarations. Insured's consent is required to settle claims within the insured's retention, unless such consent is unreasonably withheld.
- 3) PART IV – REQUIRED BASIC POLICIES is amended by replacing Section A.1. as follows:
 1. We have the right and duty to defend you or such person against legal actions seeking payment from you or such person because of **Injury**. We will do this even if the allegations are groundless, false or fraudulent. We will pay the cost of this defense in addition to the Limit of Coverage. For **Bodily Injury** or **Property Damage**, the Limit of Coverage will be paid only as if the **Basic Policies** did provide coverage.
- 4) PART IV – REQUIRED BASIC POLICIES is amended by replacing Section A.3. as follows:
 3. Our duty to defend, and any obligation we have to pay other defense costs or expenses under this subsection A., ends when the amount we pay for any or all **Injury**, as determined by judgments or settlements, equals our Limit of Coverage.

For claims or **Suits** that we are defending:

- a. If we conclude that, based on claims or **Suits** which have been reported to us and to which this insurance may apply, our Limit of Coverage is likely to be used up in the payment of judgments or settlements, we will notify you, in writing, to that effect.
- b. When the Limit of Coverage has actually been used up in the payment of judgments or settlements, we will notify you, in writing, that the limit has been used up and our duty to defend any **Suit** seeking damages subject to that limit has also ended.

- c. We will initiate, and cooperate in, the transfer of control, of all claims and **Suits** seeking damages which are subject to our Limit of Coverage and which are reported to us before that limit is used up. You and any other insured involved in a **Suit** must cooperate in the transfer of control of said claims and **Suits**.

We agree to take such steps, as we deem appropriate, to avoid a default in, or continue the defense of, such **Suits** until such transfer is completed, provided you and any other insured involved in the **Suit** are cooperating in completing such transfer.

We will take no action whatsoever with respect to any claim or **Suit** seeking damages that would have been subject to that limit, had it not been used up, if the claim or **Suit** is reported to us after our Limit of Coverage has been used up.

You, and any other insured involved in a **Suit** seeking damages subject to our Limit of Coverage, must arrange for the defense of such **Suit** within such time period as agreed to between the appropriate insured and us. Absent any such agreement, arrangements for the defense of such **Suit** must be made as soon as practicable.

- d. You will reimburse us for expenses we incur in taking those steps we deem appropriate in accordance with paragraph c. above. Your duty to reimburse us will begin on:
 - (1) The date on which our Limit of Coverage is used up, if we sent notice in accordance with paragraph a. above; or
 - (2) The date on which we sent notice in accordance with paragraphs b. above, if we did not send notice in accordance with paragraph a. above.
- e. The exhaustion of our Limit of Coverage by the payments of judgments or settlements, and the resulting end of our duty to defend, will not be affected by our failure to comply with any of the provisions of this Condition.

5) PART IV – REQUIRED BASIC POLICIES is amended by replacing Section B.6. as follows:

- 6. In regard to B.1. through B.5. above, we will not be responsible, nor will we pay for, any defense, investigation, negotiation, legal fees, court costs, interest, or any similar fees or costs, when we have no duty to defend. We do, however, have the right to enter any such matter if we wish.

6) PART IV – REQUIRED BASIC POLICIES is amended by replacing Section B.7. as follows:

- 7. If the **Basic Policies** do not provide coverage due to failure to comply with notice conditions in those **Basic Policies**, this policy also will not provide coverage for that claim. However, the claim may not be denied because of failure to provide timely notice if:
 - a. It was not reasonably possible to give notice within the prescribed time, and notice was given as soon as reasonably possible thereafter, even if we were prejudiced, or
 - b. The insurer has not been prejudiced, even if the claim was not made as soon as reasonably possible.

7) PART V – WHAT IS NOT COVERED – EXCLUSIONS is amended by replacing Exclusion F. as follows:

- F. Any obligation you or anyone else has to provide benefits to employees under a worker's compensation, occupational disease, unemployment compensation, disability benefits law, or any similar law. However, this exclusion does not apply to liability that the policyholder may incur, under the provisions of the New York worker's compensation law, to an employee arising out of the course of employment of less than forty (40) hours per week in and about the residence of the policyholder in New York State and which is required, under the provisions of such law, to be covered by this comprehensive personal liability insurance.

8) PART V – WHAT IS NOT COVERED – EXCLUSIONS is amended by deleting Exclusion T. in its entirety.

9) PART V – WHAT IS NOT COVERED – EXCLUSIONS is amended by replacing Exclusion DD. as follows:

DD. Injury which arises, directly or indirectly, out of 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 water course or body of water, unless such discharge, dispersal, release or escape is sudden or accidental.

10) PART VII – WHAT IS NOT COVERED – EXCLUSIONS is amended by replacing Exclusion FF. as follows:

FF. Injury caused by, resulting from, arising out of or in any way connected with the use of an **Automobile** while being used as a public or livery conveyance. This Exclusion (FF.) does not apply to a share-the-expense car pool.

11) PART VII – CONDITIONS is amended by replacing Condition L. *Cancellation* as follows:

L. *Cancellation.*

1. You may cancel this policy by mailing or delivering to our agent, or to us, advance notice of the date you wish it to be cancelled, enclosing therewith your copy of this policy. Your premium refund, if any, will be calculated to include a 10% charge for early cancellation.
2. If this policy has been in effect for sixty (60) days or less, and isn't a renewal, we may cancel it for any reason by mailing a written notice to you, at your address as stated in the Declarations, within this period. The notice will be mailed at least fifteen (15) days before the effective date of cancellation and will state the specific reason for cancellation.
3. If this policy has been in effect for more than sixty (60) days or is a renewal, we can cancel it during the **Policy Period**, in the manner described in 2. above, only for any of the following reasons:
 - a. if you fail to pay any premium when due, provided, however, that the notice shall inform the insured of the amount due;
 - b. if you are convicted of a crime that results from acts that increase the chance of loss;
 - c. if you obtained the policy through fraud or misrepresented any material fact while obtaining the policy or presenting a claim;
 - d. if we discover you have committed willful or reckless acts or omissions which increase the hazard insured against;
 - e. if required pursuant to a program approved by the Superintendent of Insurance as necessary because a continuation of the present premium volume would be hazardous to the interests of our policyholders, our creditors or the public.
4. Proof of mailing shall constitute proof of notice.
5. In lieu of cancellation, we may condition continuation of the policy upon change of limits or elimination of any coverage not required by law, upon mailing or delivering written notice to you at your address shown in the Declarations at least twenty (20) days prior to the effective date of such action.
6. No notice of cancellation, reduction of limits, substitution of policy form, elimination of coverages, conditioned renewal or of intention not to renew, or notice of the reasons therefor, that fails to include a provision required by law shall be an effective notice. A copy of such notice, or a summary of such notice, shall be mailed, delivered or transmitted to the insured's authorized agent or broker within seven days of the time such notice is mailed to the named insured.

12) PART VII – CONDITIONS is amended by replacing Condition M. *Nonrenewal* as follows:

M. *Nonrenewal*.

1. If we decide not to renew this policy or to condition its renewal upon change of limits or elimination of coverages, we will mail or deliver a written notice of such action to your mailing address as shown in the Declarations. We will mail or deliver this notice at least forty-five (45) days, but not more than sixty (60) days, before the expiration date of the policy. The notice will state the specific reason for nonrenewal or conditional renewal. However, the policy may not be nonrenewed or conditionally renewed during the period of three (3) years from the date it was first issued except for one or more of the reasons listed in the section entitled Cancellation of this policy.
2. Proof of mailing this notice to you at your address shown in the Declarations will be proof that you were notified. But we will not send this notice if you, your agent or your insurer, has mailed or delivered written notice to us that the policy has been replaced or is no longer desired.

13) PART VII – CONDITIONS is amended by adding a new provision as follows:

- P. In case judgment against the insured or his personal representative in an action brought to recover damages for injury sustained or loss or damage occasioned during the life of the policy or contract shall remain unsatisfied at the expiration of thirty days from the serving of notice of entry of judgment upon the attorney for the insured, or upon the insured, and upon the insurer, then an action may, except during a stay or limited stay of execution against the insured on such judgment, be maintained against the insurer under the terms of the policy or contract for the amount of such judgment not exceeding the amount of the applicable limit of coverage under such policy or contract.