

PROFESSIONAL LIABILITY POLICY

NASSP MEMBER CLAIMS-MADE POLICY

Savers Property & Casualty Insurance Company

Home Office: Kansas City, Missouri

THIS POLICY IS ISSUED TO THE NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS, AS A MEMBER OF THE ASSOCIATION OF PUBLIC AND PRIVATE EDUCATORS. EACH MEMBER OF THE NATIONAL ASSOCIATION OF SECONDARY SCHOOL PRINCIPALS IS COVERED BY THE TERMS AND CONDITIONS OF THIS POLICY.

THE COVERAGE OF THIS POLICY IS PROVIDED ON A CLAIMS MADE BASIS AND ONLY APPLIES TO CLAIMS FOR ACTS OR OMISSIONS THAT OCCUR DURING THE POLICY PERIOD AND ARE FIRST MADE AGAINST THE MEMBER AFTER THE EFFECTIVE DATE AND REPORTED TO THE COMPANY IN WRITING PRIOR TO THE TERMINATION DATE.

Policyholder: National Association of
Secondary School Principals
Address: 1904 Association Drive
Reston, Virginia 20191-1537

Effective Date: September 1, 2001

Policy No.: SSP-0000007-ID

Savers Property & Casualty Insurance Company (the "Company") agrees with the Member that in consideration of the payment of the premium and subject to all the terms and conditions of this policy as follows:

- I. As a condition of membership in the association, the Company will pay on behalf of each Member, to a limit of \$1,000,000, all sums which the Member shall become legally obligated to pay by reason of liability imposed upon the Member by law for damages resulting from any Incident giving rise to Claims made against the Member arising out of the Member's activities in his/her professional capacity, as defined herein, and caused by any acts or omissions of the Member or any other person for whose acts the Member is legally liable, subject to the exclusions and conditions set forth in this policy. With respect to such coverage as is afforded by this policy, the Company shall:

A. Civil Suits

1. Assign counsel to defend any civil suit or proceeding brought against the Member in a court or tribunal in the United States, its territories or possessions, or Canada, alleging injury and seeking damages on account thereof, which are payable under the terms of this policy, even if such suit or proceeding is groundless, false, or fraudulent, but the Company may make such investigation, negotiation, and settlement of any Claim or suit as it deems expedient.
2. In any such defended suit, pay all premiums on bonds to release attachments where those attachments are not in excess of the applicable limit of liability of this policy and pay all premiums on appeal bonds required therein, but without any obligation to apply for or furnish any such bonds.
3. Pay all costs taxed against a Member in any such defended suit and all interest on the entire amount of any judgment thereon which accrues after entry of the judgment and before the Company has paid, tendered, or deposited in court that part of the judgment which does not exceed the limit of the Company's liability under this policy.
4. Reimburse expenses incurred by the Member for such immediate medical and surgical relief to others as shall be imperative at the time of the Incident giving rise to the Claim, subject to all the terms and conditions of this policy.
5. In any such defended suits, reimburse the Member for all reasonable expenses, other than loss of earnings, incurred at the Company's request.

B. Bail Bond

Pay the premium for a bail bond required of the Member because of an Incident during the policy period and arising out of the activities of the Member in his professional capacity, as hereinafter defined, not to exceed \$500 per bail bond, but without obligation to apply for or furnish such bond.

C. Reimbursement of Attorney's Fees in Criminal Actions

Reimburse to the Member on account of such attorney's fees for services as are reasonable and necessary, which the Member is legally obligated to pay to an attorney of his or her choice, but in no event more than \$4,000 for each Incident, when incurred in the defense of any criminal action or proceeding brought against the Member arising out of activities of the Member in his or her professional capacity, as hereinafter defined; and provided that the Member is acquitted or otherwise exonerated of all charges.

II. Definitions

A. Member

The word “Member” wherever used in this policy shall mean such person (1) who is an active Member in good standing of the Association at the time of the Incident upon which a Claim under this policy is based, who is an educator, administrator in a school or school system, or is employed by a state educational association or agency, and who remains a Member at the time a Claim is initiated under this policy; or (2) who is a retired, full-service Member of the Association in good standing at the time of the Incident upon which a Claim under this policy is based.

B. Association

The word “Association” wherever used without modification shall mean the National Association of Secondary School Principals.

C. Activities in a Professional Capacity

The phrase “activities in his/her professional capacity” in this policy shall mean activities of the Member in the course of his/her duties as an educational administrator or other professional, certified administrative employee of a school system or state educational association or agency subject to the exclusions of this policy.

D. Incident

The word “Incident” wherever used in this policy shall mean an event which results in injury to someone other than the Member. An Incident can involve a single, sudden event or the continuous or repeated exposure to conditions. If the latter, the exposure shall be regarded as a single Incident and shall be deemed to have occurred as of the first exposure to such condition.

E. Claim

The word “Claim” shall mean the institution of a legal action against the Member or the demand for money or services based on one or more acts or omissions. “Claim” does not include the institution of a criminal action except as provided in Section I.C. of this policy.

III. Territory

This policy applies only to **Incidents** within the United States of America, its territories and possessions, and Canada, except in the case of **Claims** against **Members** employed in schools: (a) operated by the United States government; or (b) for the benefit of United States citizens living outside the United States provided the suit is brought in the United States of America, its territories or possessions and Canada.

IV. Exclusions

This policy does not apply to Claims for or arising out of:

- A. Activities of the Member not carried on in his/her professional capacity as defined;
- B. The ownership, maintenance, operation, use, loading, or unloading of (1) vehicles of any kind, other than farm tractors not operated on public highways, (2) watercraft, (3) aircraft;
- C. Liability assumed by a Member under any contract or agreement or arising out of a contract or agreement, whether such contract is express or implied in law or in fact, other than that of the Member's primary professional employment;
- D. Injury, sickness, disease, death or destruction due to war, whether or not declared, civil war, insurrection, rebellion or revolution, or to any act or condition incident to any of the foregoing;
- E. Any obligation for which the Member may be held liable under workers' compensation, disability benefits, unemployment compensation, or similar laws;
- F. The rendering of or instruction in any dental, medical, or surgical service, or the omission thereof, except (1) by a registered nurse in the course of duties as an employee of a school system, or (2) as provided in Section I.A.(4) herein;
- G. Fines, penalties, punitive or exemplary damages; or any other damages resulting from the multiplication of compensatory damages.
- H. Liability in respect to Claims brought by and between Members of the Association;
 - I. An act or Incident which the Member is found to have committed with dishonest, fraudulent, criminal or malicious purpose or intent, or with deliberate indifference, or which the Member might reasonably have expected to cause physical or mental injury.
- J. Circumstances existing prior to the effective date of membership in the Association, and directly related to the Incident upon which the Claim is based;
- K. Liability of the Member as an independent consultant, school board member, public or private business and/or industrial employee, or the owner of or stockholder of any public or private business;

- L. 1. The alleged or threatened discharge, dispersal, release or escape of pollutants:
- a. At or from premises owned, rented or occupied by the insured.
 - b. At or from any site or location used by the insured for the handling, storage disposal, processing or treatment of waste.
 - c. Which are at any time transported, handled, stored, treated disposed of or processed as waste by or for the insured, or any person or organization for whom the insured may be legally responsible; or
 - d. At or from any site or location on which the insured or any contractors or subcontractors working directly or indirectly on the insured's behalf are performing operations; if
 - (1). the pollutants are brought onto the site or location in connection with such operations; or
 - (2). the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the pollutants.
2. To any loss, cost or expense arising out of any governmental direction, request or court order that the Insured test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants. Pollutants mean any solid liquid, gaseous or thermal irritant or containment, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

V. Conditions

A. Aggregate Limit

The total limit of the Company's liability arising out of all Claims made or suits brought or to which this program becomes applicable within the policy year shall not exceed an aggregate amount of \$2,000,000 for all Members.

B. Effective Date of Coverage

This policy is effective beginning at 12:01 a.m. Standard Time from September 1, 2001, and expiring at 12:01 a.m. Standard Time September 1, 2002, and covers all Members in good standing whose membership in the Association was effective on September 1, 1992, and who have maintained continuous membership in the Association since then and covers new Members or readmitted Members of the Association as of 12:01 a.m. Standard Time at the location of the Member's residence on the date of membership or readmission; provided, however, that all coverage by the Company under this policy expires as of September 1, 2002, as set forth above.

C. Claims Made Form

This policy shall cover only Claims first made against the Member during the policy period set forth above; however, it will cover Incidents that took place between September 1, 1992, and September 1, 2002, and which are reported in writing to the Company or the company's designee, as stated on the first page of this policy, not later than September 1, 2002.

D. Notice of Claim or Suit

If Claim is made or suit is brought against the Member, the Member shall immediately forward to the Company or the Company's administrator copies of every demand, notice, summons, or other process received by the Member or the Member's representative.

E. Assistance and Cooperation of the Member

The Member shall cooperate with the Company and, upon request, shall attend hearings and trials and shall assist in effecting settlements, securing evidence, obtaining the attendance of witnesses, and in the conduct of suits. The Member shall not, except at his or her own cost, voluntarily make any payment, assume any obligation, or incur any expenses other than for such immediate medical and surgical relief to others as shall be imperative at the time of the Incident. The Member shall invoke and exercise all rights, and seek all protection provided under other applicable insurance, or by any statutes, agreements or administrative policies relating to indemnification and/or legal defense with respect to any Claim hereunder.

F. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all rights of recovery therefor against any person or organization and the Member shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Member shall do nothing after loss to prejudice such rights.

G. Other Insurance

This is a contract providing personal coverage to the individual Member. It was written and priced to reflect the intent of all parties that this policy is in excess of any and all other defense and indemnification arrangements and/or insurance policies, whether primary, excess, umbrella, or contingent and whether collectible or not, to which the Member is entitled or should have been entitled, by contract or operation of law, to coverage or to payment of defense and/or indemnification. Further, it is the intent of the parties that the coverage afforded herein does not apply if the Member has other valid and collectible insurance of any kind whatsoever, whether primary or excess, or if the Member is entitled to defense or indemnification from any other source whatsoever, including such sources as state statutory entitlements or provisions, with regard to such Claim, except in respect of any excess beyond the amount which would have been payable under such other policy or policies or defense or indemnification arrangement had this policy not been in effect. The Member shall cooperate with the Company to determine the existence, availability and coverage of any such other insurance or defense or indemnification arrangement.

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This policy is specifically excess over coverage provided by school district or school board errors and omissions or general liability policies purchased by the Member's employer or former employer. It is specifically excess over coverage provided by any School Leaders Errors and Omissions Policy issued by any carrier and purchased by the Member's employer or former employer, and it is specifically excess over any policy of insurance issued by any insurance carrier for the benefit of Members of the National Education Association.

H. Sovereign Immunity

This insurance does not cover any Loss, Claim or Suit which is barred by the doctrine of sovereign immunity or governmental immunity, by whatever name the doctrine is referred to in a particular jurisdiction.

This policy is neither intended to act as a waiver, nor is it to be construed as a waiver of any defense or limitation of damages available to the Member by statute or common law.

For any Loss, Claim or Suit within the scope of any exception to the doctrine of sovereign immunity or governmental immunity, the coverage provided by this policy shall be amended to conform to the maximum per Claim and aggregate Limit of Liability as set forth in the applicable statute, but not in excess of the Limit of Liability originally set forth herein.

This section does not change the terms of the policy when the doctrine of sovereign immunity or governmental immunity does not apply to the circumstances of a Claim.

I. Multiple Members, Claims and Claimants

The inclusion herein of more than one Member or the making of Claims or the bringing of suits by more than one person or organization shall not operate to increase the Company's limit of liability. Two or more Claims arising out of a single act or a series of related acts, errors or omissions shall be treated as a single Claim.

J. Multiple Policies with the Company

Regardless of the number of policies a Member might have from the Company, the maximum Limit of Liability of the Company shall be the highest limit of any one policy and/or endorsement applicable to the specific Claim or suit.

K. Action Against the Company

No action shall lie 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 Member's obligation to pay shall have been finally determined either by judgment against the Member after actual trial or by written agreement of the Member, the claimant and the Company, nor until the Company has been given a period of 30 days after notice thereof in which to discharge its obligations hereunder.

L. Cancellation Clause

This policy may be canceled by the Member 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 also be canceled by or on behalf of the Company at its absolute discretion, by delivering to the Member, or by mailing to the Member by certified mail or other first class mail, at the Member's address as shown in this policy, written notice stating when, not less than sixty (60) days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this policy shall terminate at the date and hour specified in such notice.

If this policy shall be canceled by the Member, the Company shall return 90% of the unearned premium. If this policy shall be canceled by or on behalf of the Company, the Company shall retain the pro rata portion of the premium. Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

M. Assignment

Assignment of interest under this policy shall not bind the Company unless its consent is first endorsed hereon.

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.

(Original policy with signatures available. Contact Fred Wheeler at 800-821-7303)

President

Secretary

