

OLD REPUBLIC INSURANCE COMPANY

EXCESS POLICY

In consideration of the payment of premium and in reliance upon any application, materials or information provided to Old Republic Insurance Company ("Insurer") in connection with underwriting this Policy, or included within the application for the **Primary Policy** (as may be defined therein), all of which are hereby incorporated into this Policy, and subject to all of the terms, conditions and exclusions of this Policy, the Insurer and the **Insureds** agree as follows:

I. INSURING AGREEMENT

Except as otherwise stated in this Policy, the Insurer shall provide the **Insureds** with insurance in accordance with the terms, conditions, warranties and exclusions set forth in the **Primary Policy** and, to the extent coverage is further limited or restricted thereby, in any other **Underlying Policy**. Liability shall attach to the Insurer only after the insurers of the **Underlying Policies**, the **Insureds**, any excess "difference-in-conditions" insurer or any other source pay in legal currency loss covered under the **Underlying Policies** equal to the full amount of the **Underlying Limit**. The Insurer's maximum aggregate liability for all **Loss** covered under this Policy shall be the aggregate Limit of Liability as stated in Item 3. of the Declarations.

II. CONDITIONS

- A. If any **Underlying Policy** contains a specific grant of coverage that is subject to a sublimit of liability, then coverage under this Policy shall not apply to any **Loss** which is otherwise subject to such grant of coverage. However, any such **Loss** paid under the **Underlying Policies** shall reduce or exhaust the **Underlying Limit** for purposes of this Policy.
- B. If during the **Policy Period** or any Extended Reporting Period the **Underlying Policies** are changed to broaden or expand coverage, the Insurer shall not be liable under this Policy to a greater extent than it would have been without such change unless the Insurer agrees in writing to such broader or expanded coverage and the **Insureds** pay any additional premium required by the Insurer therefor. If any **Underlying Policy** is terminated during the **Policy Period** or any Extended Reporting Period or becomes uncollectable, the Insurer shall not be liable under this Policy to a greater extent than it would have been had such **Underlying Policy** been maintained and was collectable.
- C. Any amount recovered by or on behalf of the **Insureds** after payment under this Policy, less the cost of obtaining the recovery, shall be applied first to amounts paid in excess of this Policy, then to amounts paid under this Policy, and then to amounts paid within the **Underlying Limit**.
- D. Any notice to the Insurer under this Policy shall be given at the same time and in the same manner required by the terms and conditions of the **Primary Policy** regardless of the amount of the **Claim** or the **Underlying Limit**, and shall be given at the respective address shown in Item 7. of the Declarations. Any notice to the insurer of an **Underlying Policy** shall not constitute notice to the Insurer unless also given to the Insurer as provided above.
- E. The Insurer may, at its sole discretion, fully and effectively associate with the **Insureds**, and the **Insureds** shall fully cooperate with the Insurer, in the investigation, defense or settlement of any **Claim** or potential **Claim** reported to the Insurer under this Policy even if the **Underlying Limit** has not been exhausted. No action by any other insurer shall bind the Insurer under this Policy.

III. DEFINITIONS

When used in this Policy either in the singular or in the plural:

- A. **Claim** and **Loss** shall have the same meaning as set forth in the **Primary Policy**.
- B. **Primary Policy** and **Underlying Policies** means the policies designated as such in the Declarations.
- C. **Insureds** means the entities and natural persons insured under the **Primary Policy**.
- D. **Policy Period** means the period of time designated in Item 2. of the Declarations, subject to prior termination.
- E. **Underlying Limit** means an amount equal to the total limits of liability of all **Underlying Policies**, as set forth in the Declarations, plus any applicable retention or deductible under the **Underlying Policies**.