

HARMONY

(FOLLOW FORM EXCESS INSURANCE POLICY)

NOTICE: THIS EXCESS POLICY IS EFFECTIVE UPON FULL EXHAUSTION OF THE UNDERLYING LIMITS. UNLESS EXPRESSLY STATED OTHERWISE, THIS POLICY IS SUBJECT TO THE SAME INSURING AGREEMENTS, DEFINITIONS, EXCLUSIONS, LIMITATIONS, AND ALL OTHER TERMS AND CONDITIONS OF THE UNDERLYING INSURANCE. AMOUNTS INCURRED AS REASONABLE AND NECESSARY LEGAL FEES AND EXPENSES IN DEFENDING YOU SHALL REDUCE THE LIMITS OF LIABILITY OF THIS POLICY IRRESPECTIVE OF WHAT MAY BE PROVIDED BY THE FOLLOWED POLICY.

Words and phrases, excluding caption headings, that appear in bold print have special meanings that are defined in the Definitions of this Policy.

The words “we,” “us” and “our” mean the Insurer listed on the Declarations of this Policy. The words “you” and “your” mean the person or entity listed in item 1. of the Declarations and any person or entity described in the definition of Insured for the **Followed Policy**.

In consideration of the payment of the premium, and in reliance upon the statements made in the application, materials, and information provided by you, which are incorporated into this Policy, form a part hereof, and are a representation upon which this Policy has been issued, we agree with you as follows:

I. INSURING AGREEMENT

Subject to the Limit(s) of Liability stated in Item 4. of the Declarations, this Policy shall provide **Coverage** that is excess to and effective only after the **Underlying Limits** for the applicable **Coverage** have been fully exhausted by the actual payment of amounts owed by the **Underlying Insurance**. Except as set forth in this Policy, the terms of which shall control in case of any conflict, the **Coverage** afforded by this Policy follows form to and applies in conformance with all: (1) terms, conditions, exclusions and limitations of **Coverage** set forth in the **Followed Policy**; and (2) any narrower or more restrictive terms, conditions, exclusions and limitations of **Coverage** set forth in other **Underlying Insurance**.

II. DEFINITIONS

Words stated in the singular will be construed as also being stated in the plural and vice versa. For purposes of this Policy:

- A. **Coverage** means all contractual obligations to pay of the insurer as stated in the **Followed Policy**, but only for the Insuring Agreements expressly scheduled in Item 4. of the Declarations, but if there are any sub-limited coverages within such Insuring Agreements or supplemental coverages or other obligations to pay of the insurer outside of or in addition to the **Underlying Limits** then this Policy shall provide no **Coverage** for such coverages or obligations. **Coverage** shall not include any extracontractual obligation. To the extent **Coverage** includes the obligation to pay for the defense of any claim of any type, payment toward that obligation under this Policy shall reduce the applicable Limits of Liability of this Policy.
- B. **Followed Policy** means the policy identified in Item 5. of the Declarations.
- C. **Policy Period** means the period from 12:01 a.m. on the effective date of this Policy as set forth in Item 3. of the Declarations to 12:01 a.m. on the earliest of the date of the expiration date of this Policy as set forth in Item 3. of the Declarations or the date this or any **Underlying Insurance** policy is cancelled (in which event this Policy shall also expire concurrently with such cancelled policy).

- D. **Underlying Insurance** means the **Followed Policy** and all Underlying Insurance policies identified in Item 6. of the Declarations.
- E. **Underlying Limits** means an amount equal to the aggregate of all applicable Limits of Liability (excess of retentions and deductibles) for **Coverage** set forth in the **Underlying Insurance**.

III. LIMITS OF LIABILITY

- A. Limit of Liability Each Insuring Agreement: Our Limit of Liability for the sum of payment obligations for each single Insuring Agreement to which this Policy applies shall not exceed the amount stated in Item 4.A. of the Declarations specified for that Insuring Agreement.
- B. Limit of Liability in the Aggregate for All **Coverage** for the Policy: Our Limit of Liability for the sum of all payment obligations to which this Policy applies shall not exceed the amount stated in Item 4.B. of the Declarations.

IV. EXHAUSTION OF UNDERLYING INSURANCE

- A. Liability for any amount shall attach to us only after all **Underlying Limits** for the applicable **Coverage** have been fully exhausted by the actual payment of amounts owed by such insurance and you have paid all applicable retention (or deductible) amounts.
- B. In the event all **Underlying Limits** for the applicable **Coverage** have been fully exhausted by the actual payment of amounts owed by such insurance, this Policy shall continue in force as primary insurance for any remaining applicable limit of **Coverage**; provided always that we shall only pay excess of the applicable retention (or deductible) amount set forth in the **Followed Policy**.
- C. This Policy shall not drop down due to un-collectability of the **Underlying Limits** or due to the failure of the **Underlying Insurance** to pay the full limit specified in the **Underlying Insurance** for the applicable Insuring Agreement; provided, however, this Policy will recognize erosion of any applicable **Underlying Limits** due to payments made under coverages not provided by this Policy that reduce the remaining aggregate limit of liability applicable to **Coverage**.

V. MAINTENANCE OF UNDERLYING INSURANCE

- A. The **Underlying Insurance** shall be maintained in full effect during the **Policy Period**. Failure to comply with this condition will not invalidate this Policy (except as provided in Section II.C.); however, we shall not be liable to any greater extent than we would have been if there had been full compliance with this condition. If for any reason the **Underlying Insurance** is not maintained (other than cancellation), then you will be deemed to be self-insured for that amount of the limit(s) of liability that were not maintained. This Policy and all **Coverage** hereunder will be void from its inception in the event that any **Underlying Insurance** is rescinded by agreement or legal process for any reason, including without limitation fraud or other material misrepresentation by any insured.
- B. If, during the **Policy Period** or any Extended Reporting Period (if applicable), the terms, conditions, exclusions or limitations of any **Underlying Insurance** are changed in any manner, as a condition precedent to all rights under this Policy, you shall give to us written notice of the full particulars thereof, as soon as practicable, but in no event later than thirty (30) days following the effective date of such change(s). The

coverage provided by this Policy shall apply in conformance with such change(s) only: (1) upon the effective date of the change(s) in the **Underlying Insurance**; and (2) if we agree to follow such change(s) by written consent. In such event, you agree to any additional premium or amendment of the provisions of this Policy we require, and the change to coverage provided by this Policy shall apply only if you pay any such additional premium when due.

VI. NOTICE OF CLAIMS

You shall, at the same time and according to the terms of the **Followed Policy**, give written notice of any demand for **Coverage** to us to the extent any such demand exceeds or might be expected to exceed 25% of the available **Underlying Limits** of the **Followed Policy** (or, if the **Followed Policy** is exhausted, the lowest layer **Underlying Insurance** not yet exhausted) or might be expected to give rise to an obligation under this Policy. Within twenty-four (24) months of the expiration of this Policy, you are required to notify us of and thereafter provide regular updates upon request regarding all **Coverage** demands made under the **Underlying Insurance**.

VII. CLAIM PARTICIPATION

- A. We shall have, at our option, the right but not the obligation or duty to defend or associate with you in the defense, investigation and settlement under any **Coverage**, even if the **Underlying Limits** have not been exhausted, provided we believe any demand may involve our limit of liability. You shall give us full cooperation and such information as we may reasonably require. Our failure to exercise any right under this paragraph at any point shall not act as a waiver or limit our right in any manner to exercise such right at any other point.
- B. To the extent not stated in the **Followed Policy**, or if stated otherwise, you shall not admit or assume any liability, make any settlement offer, enter into any settlement agreement, stipulate to any judgment or incur any amount or obligation without our prior written consent which might be expected to involve this insurance. Only those amounts to which we have consented shall be recoverable under this Policy, such consent not to be unreasonably withheld. If we offer to settle under any **Coverage** and you refuse to such agreement, our liability shall be limited to the amount we agreed to settle, including any defense obligation at the point of such offer of settlement.