

## POLICY DEFINITIONS

Administrative Actions	Reimburses Insured for costs incurred resulting from: <ul style="list-style-type: none"> <li>• Assessments, fines, penalties, sanctions related to hearings, review boards, document production and appeals.</li> <li>• Cost of compliance with resultant decisions.</li> <li>• Any resulting costs sustained due to the necessary suspension of operations.</li> </ul>
Audit Liability	Audit liability coverage protects against excessive billing or coding errors as a result of a third-party, non-governmental audit. It reimburses the insureds for unexpected costs associated with adjustment of those billing errors, including any business interruption that came by reason of prolonged audits.
Business Income / Interruption	Reimburses Insured for otherwise uninsured costs incurred resulting from: <ul style="list-style-type: none"> <li>• Loss of net income.</li> <li>• Delay in returning to original revenue levels once back in operations.</li> <li>• Extra expense.</li> <li>• Losses in excess of traditional policy limits.</li> </ul>
Business Litigation	Reimburses Insured for costs incurred resulting from any uninsured legal expenses including, but not limited to, attorney fees, notaries, expert witnesses, court reporters, and document production.
Collection Risks	Reimburses Insured for costs incurred resulting from: <ul style="list-style-type: none"> <li>• Amounts due from Insured's customers that Insured is unable to collect.</li> <li>• Interest charges on any loan required to offset amounts Insured is unable to collect.</li> <li>• Collection expenses.</li> </ul>
Commercial Crime	Reimburses Insured for costs incurred resulting from: <ul style="list-style-type: none"> <li>• Employee theft of money, securities, or other property of Insured, including clients' property on the clients' premises.</li> <li>• Burglary, robbery, and other workplace crimes, as well as losses due to forgery or alteration of negotiable instruments, loss through transferring money and securities by fraudulent telephone, fax, or internet, and extortion threats targeting Insured's property.</li> </ul>
Contractual Liability	Reimbursement for covered costs and expenses the Insured has paid, resulting from the liabilities assumed under a contractual agreement.
Credit Risk	Coverage against insolvency of a customer, which provides protection against payment default on loan, interest, or scheduled payments. Also known as "bad debts" insurance.
Cyber Risk	Reimburses Insured for costs incurred resulting from a security breach or incident involving electronic data privacy. Coverage includes loss of digital assets, employee privacy liability, and electronic media liability.
Directors & Officers	Reimburses Insured for costs incurred resulting from costs associated with any suits filed against its employees in relation to the performance of their duties as they relate to acting as directors or officers of the company and approved charitable organizations.
Employee Dishonesty	Coverage for employee theft of money, securities, or property, written with a per loss limit, a per employee limit, or a per position limit.
Employment Related Practices Liability	Reimburses Insured for costs incurred resulting from employment-related claims such as discrimination, wrongful termination, sexual harassment, and other employment-related allegations.
Environmental Liability	Reimburses Insured for costs incurred resulting from pollution, emissions, discharge, release or escape of pollutants into or upon land, the atmosphere, or any watercourse body of water.
Errors & Omissions	An insurance form that protects the insured against liability for committing an error or omission in performance of professional duties. This has to be designed to cover financial losses rather than liability for bodily injury (BI) and property damage (PD). Policy to include Elder Abuse (EA)
Errors & Omissions: Financial	A type of liability coverage designed to protect traditional professionals against liability incurred as a result of errors and omissions in performing their professional services. Most professional liability policies only cover economic or financial losses suffered by third parties, as opposed to bodily injury (BI) and property damage (PD) claims. The vast majority of professional liability policies are written with claims-made coverage triggers. In addition, professional liability policies contain what are known as "shrinking limits," meaning that unlike CGL policies (where defense costs are paid in addition to policy limits), the insurer's payment of defense costs reduces available policy limits. Accordingly, when attempting to determine appropriate policy limits, insureds must consider the fact that because defense costs are often a high proportion of any claim settlement or judgment, they must usually purchase additional limits. The most common exclusions in professional liability policy forms are for BI, PD, and intentional/dishonest acts
General Liability	Reimburses Insured for costs incurred resulting from: <ul style="list-style-type: none"> <li>• Common policy exclusions in its general/product liability policy.</li> <li>• Deductibles and self-insured retentions.</li> <li>• Losses in excess of traditional policy limits.</li> </ul>



Inland Marine	Inland marine coverage from the insured's property while in transit over land, rail or sea from one location to another.
Intellectual Property Abatement	Intellectual property abatement insurance reimburses the insureds for attorney fees expended to pursue claims of active infringement on the insureds' proprietary and patented technologies. This policy would also cover business interruption secondary to abatement of the insureds' intellectual property.
Intellectual Property Infringement	Intellectual property infringement insurance reimburses the insureds for attorney fees expended to defend against claims that the insured violated the intellectual property rights of others. The policy would also reimburse the cost of repair to computer systems, or other losses related to intellectual property infringement. This policy also covers business interruption secondary to infringement of the insureds intellectual property. Coverage does not apply to third-party liability.
Legal Expense	Reimburses Insured for costs incurred resulting from any uninsured legal expenses including, but not limited to, attorney fees, notaries, expert witnesses, court reporters, and document production.
Loss of Key Contract	Reimbursement for covered costs and expenses the Insured has paid and / or loss of business income resulting from the loss the Insured sustained due to the loss of a Critical Contract.
Loss of Key Employee	Reimbursement for covered costs and expenses the Insured has paid and / or loss of business income resulting from the loss the Insured sustained due to the loss of a Critical Customer, Critical Employee, Critical Contract and/or Critical Supplier. The Insured will have the option under Supply Chain Interruption to take any or all of the Critical Coverages.
Loss of Key Supplier	Reimbursement for covered costs and expenses the Insured has paid and / or loss of business income resulting from the loss the Insured sustained due to the loss of a Critical Customer, Critical Employee, Critical Contract and/or Critical Supplier. The Insured will have the option under Supply Chain Interruption to take any or all of the Critical Coverages.
Mechanical & Equipment Breakdown	Reimburses Insured for costs incurred resulting from Failure, cracking, malfunction or breakdown of mechanical equipment including any safety or protective devices, not limited to equipment as defined in a traditional boiler and machinery/mechanical breakdown policy.
Pollution	Reimbursement for covered costs and expenses the Insured has paid related to remediation expenses the Insured has paid as a result of a pollution condition first discovered and reported during the policy period.
Product Recall	Reimbursement for covered costs and expenses the Insured has paid resulting from loss of use, withdrawal, recall, inspection, repair, replacement, adjustment, removal or disposal due to the Insureds product or the Insureds work.
Professional Liability: Miscellaneous	Reimburses Insured for costs incurred resulting from damages related to an error, misstatement, misleading statement, act, omission, neglect, or breach of duty in the performance by an insured of services for others for a fee that are not otherwise insured. Includes losses in excess of traditional policy limits.
Professional License Defense	Pays the legal and other expenses related to an investigation or proceeding seeking to censure, discipline, limit, or revoke the professional license of the insured. Excludes all other types of civil or administrative actions or proceedings.
Property	An insurance policy designed to fill the gaps between the coverage provided by an organization's traditional property policies. In the captive context, coverage provided can be designed in accordance with each insured's requirements so that the organization has comprehensive coverage.
Property: Earthquake	An all risk property policy that obtains coverage for perils not insured in standard business personal property coverage. This specifically covers damage due to earth movement and with the amount of equipment they have on premise this would be a critical coverage for them.
Regulatory Risk	Reimburses Insured for costs incurred resulting from the adoption, promulgation or enforcement of federal, state or local laws, regulations or ordinances, by any legislative body, executive authority or agency, affecting an Insured's business and resulting in increased costs or operating expenses, reduction in the Insured's production capacity, or the Insured's withdrawal of a product or service from the market.
Reputational Risk	Reimburses Insured for costs incurred resulting from events that damage Insured's reputation from exposures such as customer dissatisfaction, employee or executive behavior, or regulatory issues.
Strikes, Riots & Civil Commotions	Reimburses Insured for costs incurred from strikes, riots, civil commotions, lockouts, vandalism, and sabotage, including terrorist acts and any other acts carried out for political or ideological purposes.
Terrorism	Reimburses the insured for costs incurred resulting from a certified act of terrorism whereas the incident must: (1) be a violent act or an act that is dangerous to human life, property, or infrastructure; (2) cause damage within the United States or other area of U.S. sovereignty (e.g., an U.S. embassy, airplane, ship); (3) be committed 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 U.S.
Workplace Violence	Reimburses Insured for costs incurred resulting from the expense of providing counseling for one or more of your employees as a result of an act of violence in an insured's workplace or related to the insured's operations that emotionally traumatizes your employees.