



Effective with UNDERWRITERS AT LLOYD'S, LONDON

Administered by Hiscox Inc. d/b/a Hiscox Insurance Agency in CA License No. 0F09668
520 Madison Avenue 32nd Floor, New York, NY 10022
(914) 273-7400

Financial Services Follow-Form Excess Insurance DECLARATIONS

Broker No.: US 0000021
Policy No.: UFS1154364.13
Renewal of: UFS1154364.12

ARC West Coast Excess & Surplus Brokerage, LLC
Street Address
City, State Zip

1. **Named Insured:** Name of Insured
Address: Address
City, State Zip

2. **Policy Period:** **Inception date:** 06/01/2013 **Expiration date:** 06/01/2014
Both dates at 12:01 A.M. (Standard Time) at the address of the Named Insured.

3. **Excess Aggregate Limit of Liability:** \$X,XXX,XXX

4. **Schedule of Underlying Policy(ies):** See Endorsement E4850

5. **Notification of claims to:** Hiscox Claims
520 Madison Avenue, 32nd Floor
New York, NY 10022
Fax: 212-922-9652
Email: HiscoxClaims@Hiscox.com

6. **Total Premium:** \$ 177,064

7. **Endorsements:** E6015.1. Lloyd's Syndicate, E6017.1. Nuclear Incident Exclusion Clause, E6018.1. Applicable Law, E6019.1. Service of Suit

In accordance with the authorization granted to Hiscox Inc. under Contract No. B1234INCS362413 by certain Underwriters at Lloyd's, London, whose names and the proportions underwritten by them can be ascertained by reference to the said Contract, which bears the Seal of Lloyd's Policy Signing Office and is on file at the office of the said Agency and in consideration of the premium specified herein, the said Underwriters do hereby bind themselves, each for their own part and not one for another, their heirs, executors and administrators, to insure as follows in accordance with the terms and conditions contained or endorsed hereon.

The Certificate terms and conditions contained herein or endorsed hereon and such other provisions, agreements or conditions as may be endorsed hereon or added hereto are hereby incorporated in this Certificate. No representative of the Underwriters shall have the power to waive or be deemed to have waived any provision or condition of this Certificate unless such waiver, if any, shall be written upon or attached hereto; nor shall any privilege or permission affecting the insurance under this Certificate exist or be claimed by the Insured(s) unless so written or attached.

IN WITNESS WHEREOF this Certificate has been signed at New York, New York

Authorized Representative

Carl Bach

The insurer which has issued this insurance is not licensed by the Pennsylvania Insurance Department and is subject to limited regulation. This insurance is NOT covered by the Pennsylvania Property and Casualty Insurance Guaranty Association.



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Financial Services Follow-Form Excess Insurance DECLARATIONS

Carl Bach

06/21/2013

Hiscox Inc.

SPECIMEN



Financial Services Follow-Form Excess Insurance

This is a follow-form excess insurance policy. In consideration of the premium charged, and in reliance on the statements made and information provided to **us** or to any **underlying insurer**, **we** will pay covered **loss** as defined in the **primary policy**, provided **you** properly notify **us** of **claims** and meet **your** obligations to **us** in accordance with the terms of this policy and the **primary policy**.

Please note that **defense costs** are a part of, and not in addition to, the policy limit. It is important that **you** understand the full extent of **your** and **our** rights and duties under this policy so **we** urge **you** to read the entire policy and the **underlying policy(ies)** carefully.

I. Insuring agreement

Except as otherwise stated below, this policy is subject to the same insuring agreements, definitions, conditions, exclusions, limitations, and all other terms in the **primary policy**.

We will not make any payment under this policy unless **you** notify **us** of **claims** in accordance with Section V. Notice of claims, **you** have paid any applicable **retention**, the combined limits of liability of all **underlying policies** have been exhausted by the payment of **covered amounts**, and **you** have complied fully with Section IV. Your obligations.

II. Definitions

Terms in bold in this policy will have the following meanings:

Claim

will have the same meaning as in the **primary policy**.

Covered amounts

means those sums that the **primary policy** and any other **underlying policies** are obligated to pay in accordance with their respective limits of liability and other terms and conditions.

Defense costs

means claim expenses, defense costs, or any similar term as defined in the **primary policy**.

Loss

will have the same meaning as in the **primary policy**.

Policy period

means the period of time identified in Item 2 of the Declarations.

Primary policy

means the policy identified as such in Endorsement E4850 Schedule of Underlying Policies Endorsement.

Retention

means the retention or deductible applicable to the **primary policy**.

Underlying insurer(s)

means the underwriters or insurance company or companies that have issued any **underlying policy** to **you**.

Underlying policy(ies)

means the policy or policies identified in Endorsement E4850 Schedule of Underlying Policies Endorsement, over which this policy is excess, including the **primary policy**.

We, us, or our

means the Underwriters identified in the Declarations as issuing this policy.

You or your

means the person or entity identified in Item 1 of the Declarations, and any other person or entity that is an insured under the **primary policy** or any **underlying policy**.

III. Limits of liability

A. Exhaustion/erosion of underlying policies

We will have no obligation to make any payment under this policy until all **underlying policy** limits have been exhausted by payment of **covered amounts** by an **underlying insurer**.

If the payment of **covered amounts** reduces the **underlying policy** limits, then this policy will apply in excess of the reduced limits. In the event of exhaustion of the **primary policy** and all other **underlying policies**, this policy will become the primary policy.



Financial Services Follow-Form Excess Insurance

- B. Payment by you of covered amounts
- In the event **you** enter into an agreement in which **you** agree to pay any part of the limits of liability of any **underlying policy**, and the **underlying insurer(s)** pay an amount less than the applicable **underlying policy** limits, payment of **loss** by **you** will be deemed to erode the **underlying policy** limits.
- Nothing in this section will require **us** to make any payment until the combined limits of liability of all **underlying policies** have been exhausted by the payment of **covered amounts**, whether by **you** or an **underlying insurer**.
- C. Our maximum payment
- The maximum amount **we** will pay for covered **loss** resulting from all **claims** first made against **you** during the **policy period** will be the Excess Aggregate Limit of Liability identified in Item 3 of the Declarations.

IV. Your obligations

- A. Maintenance of underlying policy(ies)
- This policy is excess of all **underlying policy(ies)**. **You** agree to maintain the **primary policy** and any other **underlying policy(ies)** in full force during the **policy period**, at the same limits of liability and with the same terms and conditions as existed at the inception of the **policy period**. **You** must notify **us** as soon as possible, but in any event, no later than 30 days after **you** become aware of the following:
1. the **primary policy** or any other **underlying policy** terminates or the limits of liability or any of the terms or conditions change during the **policy period**; or
 2. any **underlying insurer** becomes insolvent or otherwise comes under the control of any regulatory authority during the **policy period**.
- If either 1 or 2 above occurs during the **policy period**, this policy will terminate unless **you** notify **us** of such occurrence and **we** agree in writing that the policy will continue in full force. This policy will not follow form to any new or different terms or conditions of the **primary policy** unless we agree in writing to follow form to such new or different terms and conditions, and **we** will have the right to charge reasonable additional premium for such new or different coverage.
- We** will have no obligation to pay any **covered amounts** not paid by any **underlying insurer** due to its insolvency, bankruptcy, conservatorship, rehabilitation, liquidation, or any similar condition or proceeding. Any such unpaid **covered amounts** will remain **your** responsibility and/or the **underlying insurers'** responsibility, and **we** will have no obligation to make any payments until the limits of liability of all **underlying policies** and any applicable **retention** have been fully paid.
- B. Satisfaction of retention
- We** will not make any payment under this policy until **you** have paid the applicable **retention** under the **primary policy**.

V. Notice of claims

You must give written notice to **us** as soon as possible of any **claim** that reasonably may be expected to exceed 50% of the combined remaining **underlying policy** limits. If this policy has become primary, then **you** must notify **us** of **claims** in accordance with the terms of the **primary policy**.

All such notifications must be in writing and include a copy of the **claim** and must be submitted to **us** via the designated email address or mailing address identified in Item 5 of the Declarations.

VI. Claim participation

We will have no obligation to investigate or defend any **claim** against **you**, unless this policy has become primary. In such a case, **we** will conduct any investigation or defense only to the extent permitted or required by the terms and conditions of the **primary policy**.

We will have the right, but not the duty, to associate effectively with **you** and the **underlying insurers** in the defense and settlement of any **claim** that appears reasonably likely to involve this policy. **We** may exercise such rights at any point in the handling of the defense and settlement of a **claim**.