

Endorsement _____

This endorsement effective 12:01 a.m.:

Forms a part of Policy No.:

Issued to:

By:

Commercial Umbrella Liability Policy With CrisisResponse®

BASEL II ENDORSEMENT

TO THE EXTENT ANY PROVISION OF THIS ENDORSEMENT CONFLICTS WITH ANY PROVISION OF THE POLICY OR ANY OF ITS OTHER ENDORSEMENTS, THE PROVISIONS OF THIS ENDORSEMENT WILL SUPERSEDE.

This policy is amended as follows:

A. POLICY PERIOD, RENEWAL AND EXTENSION

1. The Policy shall have an initial period of two years referred to as the "Current Year" and the "Extension Year" respectively. For the purpose of this endorsement, the initial twelve (12) months of the **Policy Period** shall be referred to as the initial "Current Year" and the next twelve (12) month period shall be referred to as the initial "Extension Year". At the end of the initial "Current Year", the initial "Extension Year" shall become the "Current Year" and the next twelve (12) month period, if so provided, shall be referred to as the "Extension Year". This process shall continue until terminated by either the **Insured** or us.
2. Notwithstanding the foregoing the Policy shall not so extend following service of notice of cancellation by any of the parties pursuant to Clause B. below, or if the terms of such "Extension Year" have not been agreed in accordance with Clause A.3 below.
3. Annual renewal negotiations between the **Insured** and us will be held to agree to the terms and premium rates for the "Extension Year," such negotiations to commence no later than six (6) months after the inception date of the "Current Year".
4. Premiums for each year shall accrue on a daily basis and shall be paid annually in advance.
5. Although described herein as a single policy, all of the terms of the Policy shall apply separately to each year as if there were separate policies for each year. Aggregated limits are expressed on an annual basis. Premium is to be invoiced and paid in advance for the initial **Policy Period** and separately prior to each subsequent "Extension Year".

B. CANCELLATION PROVISIONS

1. We may cancel this Policy by delivering to the **Insured** notice of cancellation prior to the end of the "Current Year", such notice to take effect at the end of the "Extension Year;" or
2. The **Insured** may cancel this Policy by delivering to us notice of cancellation prior to the end of the "Current Year", such notice to take effect no earlier than the end of the "Current Year;" or
3. In the event that we and the **Insured** fail to reach agreement to extend the terms of the Policy for the additional "Extension Year" as described in Clause A.3.above, we or the **Insured** may cancel the Policy by delivering a notice of cancellation, such notice to take effect on the date stated therein, which date shall not be earlier than the last day of the "Current Year" if cancelled by the **Insured** or the last day of the last agreed "Extension Year" if cancelled by us; or
4. We may cancel this insurance for non-payment of premium by giving the **Insured** written notice stating when, not less than 10 days thereafter, such cancellation shall be effective; or
5. We and the **Insured** agree that certain circumstances may arise during the term of this policy that make it necessary for the **Insured** or us to withdraw from the policy. To facilitate such withdrawal due to such circumstances, this Policy may be cancelled for one or more of the following reasons:
 - a. The Policy may be cancelled by us by giving written notice to the **Insured** not less than ninety (90) days prior to such cancellation, for any of the following reasons. The earned premium for days on risk shall be calculated on a pro-rata basis.
 1. Bankruptcy, insolvency, liquidation or voluntary or enforced receivership of the **Insured**, where permitted by law or statute.
 2. Fraud, misconduct, or material misrepresentation by the **Insured** in connection with this Policy.
 3. The merger or consolidation of the **Insured** with another organization in which the **Insured** is not the controlling entity.
 5. Any change in law rendering this Policy illegal.
 - b. The Policy may be cancelled by the **Insured** by giving written notice to us not less than thirty (30) days prior to such cancellation, for any of the following reasons. The earned premium for days on risk shall be calculated on a pro-rata basis.
 1. Our financial rating has been downgraded below one of the three highest rating categories by any Nationally Recognized Statistical Rating Organization.
 2. The **Insured** ceases to exist as a legal entity.

3. Any change in law rendering this contract illegal.

In the event of early cancellation of the Policy pursuant to Clauses B.5.a. and B.5.b above, premium shall not be payable (or shall be refunded to the **Insured** pro rata) for any period for which no coverage is provided.

C. SUITABILITY OF INSURER

1. We represent to the **Insured** that:
 - (a) We are an entity of which the **Insured** neither holds nor controls (i) 50% or more of the issued share capital or (ii) a majority of voting rights;
 - (b) We have all regulatory authorizations and permissions required to provide the insurance contemplated by this Policy;
 - (c) We have a financial rating which is in one of the three highest rating categories by any Nationally Recognized Statistical Rating Organization;
 - (d) We have no reason to believe that any of the facts stated in paragraphs (a), (b) and (c) above is likely to change adversely within one year following the inception of the Policy.
2. An "Insolvency Event" shall occur: if at any time:
 - (a) We cease to be an entity of which the **Insured** neither holds nor controls (i) 50% or more of the issued share capital or (ii) a majority of voting rights.
 - (b) Any regulatory authorizations or permissions required by us in order to provide the insurance contemplated by the Policy terminate or are withdrawn;
 - (c) Our financial rating falls below one of the three highest rating categories by any Nationally Recognized Statistical Rating Organization.
- 3 Upon the occurrence of an Insolvency Event, we shall immediately deliver to the **Insured** written notification that the Insolvency Event has occurred.

D. APPLICABLE LAW AND JURISDICTION

This endorsement shall be governed by, and construed in accordance with, the laws of the State of New York. Any dispute arising out of or in connection with this endorsement shall be determined in the same forum provided for by the Policy

E. TITLES OF PARAGRAPHS

Headings in this endorsement are for convenience only, and shall not be taken into account in construing its terms.