UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEN 058 00 (02/20)

SELF INSURED RETENTION ENDORSEMENT

(CONDITION PRECEDENT - with administrator requirement)

This endorsement modifies the Conditions provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS, is amended to include the following:

SCHEDULE

Amount and Basis of Self-Insured Retention	
$	per Occurrence
$	per Claim

Aggregate – N/A

The insurance provided by this policy is subject to the following additional provisions, which in the event of conflict with any other provisions elsewhere in the policy, shall control the application of the insurance to which this endorsement applies:

1. Condition Precedent Self-Insured Retention

a. The total limit of liability of the Company as stated in the policy Declarations shall apply in excess of the applicable Self-Insured Retention stated in the above Schedule and as set forth below. The limits of insurance applicable to such coverages will not be reduced by the amount of such Self-Insured Retention.

b. The Company's obligations under this policy to any insured, including defense and indemnity, apply only to the amount in excess of the Self-Insured Retention, and satisfaction of the Self-Insured is a **condition precedent** to any of our obligations under this policy to any insured. In the event the insured does not comply any requirement set forth in this Endorsement, no claim expenses or defense costs, damages, loss, cost or expense will be

payable by us. A separate condition precedent Self-Insured Retention applies to each individual or organization that qualifies as an insured under this policy.

c. The Self-Insured Retention shall remain applicable even if the Named Insured files for bankruptcy, discontinues business or otherwise becomes unable to or unwilling to pay the Self-Insured Retention. The Named Insured's bankruptcy, insolvency, or inability to pay the Self-Insured Retention shall not increase our obligations or liability under this policy. The risk of insolvency is retained by the Named Insured and is not transferable to us.

d. The Self-Insured Retention may be satisfied only by payments actually made by the insured seeking coverage under this policy, and only by payments made following written notice to us by such insured of the underlying "occurrence," claim or “suit”. Such insured must satisfy or pay the full amount of the applicable Self-Insured Retention directly, without reimbursement or contribution from any other source, including but not limited to, subcontractors, other insureds, other insurers, additional insureds or their carriers, reinsurers, or any other persons or entities. Sums paid by any others on the Named Insured's behalf, or on behalf of any other insured seeking coverage under this policy, do not apply to reduce or satisfy the applicable Self-Insured Retention under this policy. Compliance with this provision and the other requirements of this Endorsement are **conditions precedent** for any coverage (defense and/or indemnity) under the policy.

e. As a condition precedent to the Company’s obligations to provide indemnity, coverage or defense hereunder to any insured, that insured shall first, have the obligation and duty, upon receipt of notice of any incident, claim, offense or “occurrence” that may give rise to a “suit”, to provide at its own expense a proper investigation and defense of any claim. Additionally, the insured will exercise utmost good faith, diligence, and prudence to accept any reasonable offer of settlement within the Self-Insured Retention. No insured may settle any claim or “suit” which exceeds the applicable Self-Insured Retention amount without our prior written consent.

f. The insured shall notify us promptly and in writing of any "occurrence," claim, or "suit" which either **(1)** presents potential liability exposure in excess of the Self-Insured Retention, or **(2)** without regard to the extent of potential liability, arises from or results in any of the following actual or alleged injuries:

death; brain damage; paraplegic or quadriplegic impairment; amputations or serious functional or sensory impairment or injury to the face, any major limb, or any nerve(s) or organ (including sight, hearing, smell, feel, taste); severe burns; multiple fractures; permanent total or partial disability; psychological or neurological impairment; or any other serious bodily injury.

g. The insured's obligation to provide for its own defense and investigation is terminated upon the exhaustion of the Self-Insured Retention as described above. The insured is required and shall provide written evidence of its own payments of amounts within the Self-Insured Retention, and will keep the Company notified of the amounts incurred by the insured and the status of the satisfaction of the Self-Insured Retention. The insured must notify us promptly and in writing when the Self-Insured Retention is **50%** satisfied, and when it is **75%** satisfied. Only fees and costs paid by the subject insured following tender of the claim or suit to us, and for which the evidence and notice of payments has been timely provided to us, shall apply to satisfy the Self-Insured Retention.

h. Alternatively, at our sole election, upon our request the insured shall pay over and deposit with us the Self-Insured Retention amount as specified, to be applied by us as payment toward any damages, claim expenses, or other costs incurred by us in the handling or settlement of any claim, “occurrence” or “suit”. If we make such an election, we shall have the right to negotiate a reasonable settlement which is more than, equal to, or less than the Self-Insured Retention amount (and will return the balance to you, if any, of any unused Self-Insured Retention). Payment of the Self-Insured Retention is due immediately upon receipt of our request. As noted above, in the event that any insured fails or refuses, for any reason, to promptly pay to us the applicable Self-Insured Retention amounts following our request, no claim expenses or defense costs, damages, loss, cost, or expense will be payable by us.

i. In the event of a “suit” we shall have the right to select defense counsel, even if the amount claimed in the suit is unspecified or less than the applicable Self-Insured Retention amount. If the insured selects its own counsel, then such fees will not apply towards the Self-Insured Retention amount unless the counsel and rates are approved by us in advance and in writing.

j. We shall have, at our option, the right to negotiate the settlement of any claim we deem expedient both within and in excess of the applicable Self-Insured Retention amount, but we shall obtain your consent prior to entering into any settlement of any claim which is equal to or less than the Self-Insured Retention amount. If you refuse to consent to any settlement recommended by us within the Self-Insured Retention and legal proceedings in connection with such claim(s) continue, our total liability for such claim(s) shall not exceed the amount determined by subtracting the applicable total Self-Insured Retention amount from the amount for which the claim(s) could have been settled, and including “defense costs” incurred with our consent to the date of such refusal, and we shall have no liability with respect to such claim if that difference is zero or negative.

k. With respect to any claim under this insurance which has been tendered to us and which may exceed the Self-Insured Retention amount, we may pay any or all of the Self-Insured Retention and/or related defense expenses to effect settlement of such claim. You shall remain responsible for any amounts paid within the applicable Self-Insured Retention amounts, and such amount paid by us shall be reimbursed promptly by you.

l. The applicable Self-Insured Retention amount reflected in the Schedule of this endorsement above apply as follows:

(1) If a "Per Occurrence" Self-Insured Retention amount is shown in the Schedule of this endorsement, you shall be responsible for payment of all damages and "defense costs” for each “occurrence” or offense, until you have paid the applicable Self-Insured Retention amounts and “defense costs” equal to the Per Occurrence amount shown in the Schedule. The Per Occurrence “amount” is the most you will pay for Self-Insured Retention amounts and “defense costs” arising out of any one “occurrence” or offense, regardless of the number of persons or organizations making claims or bringing suits because of the “occurrence.”

(2) If a "Per Claim" Self-Insured Retention amount is shown in the schedule of this endorsement, you shall be responsible for payment of all damages and “defense costs” for each claim until you have paid the applicable Self-Insured Retention amounts and “defense costs” equal to the Per Claim amount shown in the Schedule. The per claim amount is the most you will pay for Self-Insured Retention amounts

and “defense costs” sustained by any one person or one organization as a result of any one occurrence or offense, however it applies separately to each claimant (person or organization), regardless of how many claimants are asserting claims in any claim or "suit."

(3) If an "Aggregate" Self-Insured Retention amount is shown in the Schedule of this endorsement, the Aggregate amount is the most you will pay for all Self-Insured Retention amounts and "defense costs” incurred under this policy. If no entry appears in the Schedule of this endorsement as Aggregate, then your obligation for payment of Self-Insured Retention amounts and “defense costs” applies in accordance with the Per Occurrence or Per Claim provisions, as applicable.

(4) Except for any defense costs that we may elect to pay, you shall pay all such “defense costs” and damages for “bodily injury”, “property damage," "personal or advertising injury," medical payments, or any other such coverage’s which may be included in the policy, equal to the applicable Self-Insured Retention amounts. If any final judgment or settlement and “defense costs” is less than the applicable Self-Insured Retention amounts stated above, we shall have no obligation to reimburse you or pay “defense costs” under this policy.

2. Settlement of Claim

You may not settle any claim or suit which exceeds any “self insured retention” amount indicated in the Schedule of this endorsement without our written permission to do so. If you fail to obtain such written permission, we shall have no obligation to provide coverage (defense or indemnity) arising from that "occurrence, claim, or "suit" under this policy.

3. Authorized Claim Service Provider

a. You shall employ a third-party claim service provider acceptable to us for the purpose of providing claim services for the administration of claims and settlement of losses within the applicable Self-Insured Retention amount. You shall pay all fees, charges, and costs of the claim service provider in addition to the Self-Insured Retention amounts, without any reimbursement from us.

b. In the event of cancellation, expiration or revision of the claims service contract between you and the claim service provider, you shall notify us in writing within (10) calendar days of such change and shall replace the claim service provider with another claims service provider that is acceptable to us.

c. You or the authorized claim service provider must notify us promptly in writing of any:

(1) Potential exposure which equals or exceeds the level of penetration of the applicable Self-Insured Retention amount;

(2) Loss reserve established which equals or exceeds the level of notification of potential penetration of the applicable Self-Insured Retention amount as provided above in Paragraph I(G);

(3) Potential judgment, if the claim prevails, without regard to liability, which equals or exceeds the level of notification of potential penetration of the applicable Self-Insured Retention amount; and

(4) Suit, in the event a suit is filed, and we shall have the right to appoint defense counsel, even if the amount claimed in the suit is unspecified or less than the applicable Self-Insured Retention amount.

4. Reporting of Claims Within Self-Insured Retention

a. Within forty-five (45) days after the end of the policy term, you must give us a listing of all existing claims or suits within the Self Insured Retention Amounts. At a minimum, such listing will include the following for each claim or suit:\

(1) A description of each claim or "suit";
(2) The date of the occurrence or offense;
(3) The amount paid and/or reserved for future payments for loss and defense costs; and
(4) The current status of the claim or suit

b. Quarterly thereafter, you are required to give us an updated listing of the status of all claims or suits, both paid and reserved, until all claims or "suits" for the policy period are closed or settled.

c. Compliance with the reporting requirements set forth in this endorsement is a condition precedent to coverage. You acknowledge that in the event of non-compliance, we shall not be required to establish prejudice resulting from the non-compliance, but shall be automatically relieved of liability with respect to the claim, "occurrence," or "suit."

5. Representations

By acceptance of this policy you agree that you will not procure insurance for all or any part of the Self-Insured Retention amounts shown in the Schedule of this endorsement. If such insurance is procured, there will be no coverage under this policy.

6. Definitions

a. “Self Insured Retention” means:

The amount or amounts which you or any insured must pay for all "defense costs" and compensatory damages which you or any insured shall become legally obligated to pay because of "bodily injury," "property damage," "personal or advertising injury," medical payments, or any other such coverage included in the policy, sustained by one or more persons or organizations, subject to the terms and conditions set forth above.

b. “Defense costs” means the reasonable expenses directly incurred by an insured in the defense of a tendered “suit” and shall include only reasonable and necessary court costs and expenses, reasonable attorney and paralegal fees commensurate with panel counsel rates in the area, and reasonable expenses for experts, depositions, alternative dispute resolution, or costs reasonably chargeable to discovery, defense or settlement of a “suit,” to which coverage under this policy applies.

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.