

2nd CASUALTY EXCESS OF LOSS REINSURANCE AGREEMENT
(hereinafter referred to as the “Agreement”)

Between

OREGON PUBLIC ENTITY EXCESS POOL
(hereinafter referred to as the “Company” or “OPEEP”)

and

GREAT AMERICAN INSURANCE COMPANY
(hereinafter referred to as the “Reinsurer” or “Subscribing Reinsurer”)

Effective: July 1, 2018

Table of Contents

ARTICLE I- BUSINESS COVERED.....	1
ARTICLE II- TERM	2
ARTICLE III- TERRITORY	3
ARTICLE IV- LIMIT AND RETENTION.....	3
ARTICLE V- DEFINITIONS.....	4
ARTICLE VI- EXCLUSIONS.....	7
ARTICLE VII- EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS JUDGMENTS	9
ARTICLE VIII- REFERRALS	10
ARTICLE IX- UNDERWRITING / CLAIMS ADMINISTRATOR	10
ARTICLE X- CLAIMS.....	11
ARTICLE XI- ACCESS TO RECORDS	12
ARTICLE XII- INSOLVENCY.....	12
ARTICLE XIII- ARBITRATION	13
ARTICLE XIV- OFFSET	16
ARTICLE XV- REINSURANCE PREMIUM, REPORTS AND REMITTANCES	16
ARTICLE XVI- SALVAGE AND SUBROGATION.....	17
ARTICLE XVII- TAXES	18
ARTICLE XVIII- NON-ASSIGNMENT	18
ARTICLE XIX- FEDERAL TERRORISM EXCESS RECOVERY	18
ARTICLE XX- CURRENCY	18
ARTICLE XXI- ENTIRE AGREEMENT	19
ARTICLE XXII- MODE OF EXECUTION	19
ARTICLE XXIII- GOVERNING LAW.....	19
ARTICLE XXIV- ERRORS AND OMISSIONS	19
ARTICLE XXV- INTERMEDIARY	20
APPENDIX A- PRICING	21
INTEREST AND LIABILITIES AGREEMENT	22
ATTACHMENT 01: NUCLEAR INCIDENT EXCLUSION CLAUSE LIABILITY - REINSURANCE U.S.A. (BRMA 35A)	23

2nd CASUALTY EXCESS OF LOSS REINSURANCE AGREEMENT

This Agreement is made and entered into by and between OREGON PUBLIC ENTITY EXCESS POOL, Salem, Oregon (hereinafter referred to as the “Company” or “OPEEP”) on the one part, and GREAT AMERICAN INSURANCE COMPANY, Cincinnati, Ohio (hereinafter referred to as “Reinsurer” or “Subscribing Reinsurer”) on the other part.

WITNESSETH:

The Reinsurer hereby reinsures the Company to the extent and on the terms and conditions and subject to the exceptions, exclusions and limitations hereinafter set forth and nothing hereinafter shall in any manner create any obligations or establish any rights against the Reinsurer in favor of any third parties or any persons not parties to this Agreement.

ARTICLE I- BUSINESS COVERED

A. The Reinsurer agrees to indemnify the Company, on an excess of loss basis, for Ultimate Net Loss paid by the Company as a result of losses occurring during the term of this Agreement under the Company’s Coverage Documents for business with effective dates during the term of this Agreement and underwritten by the Company. Such business classified by the Company as General Liability, Automobile Liability and Public Officials Liability, per the Coverage Document for the specific Member, except as excluded under the Agreement, subject to all other terms and conditions set forth in this Agreement. The following outlines the individual coverage sections, per the Company’s Coverage Document:

Coverage A: Liability arising under Oregon Revised Statutes 30.260 to 30.300; asserted pursuant to ORS 30.260 to 30.300; and caused by an Occurrence.

Coverage B: Liability arising under 42 U.S. Code 1983; 42 U.S. Code 2000e, et seq. (Title VII of the Civil Rights Act of 1964); 29 U.S. Code 621, et seq. (Age Discrimination in Employment Act of 1967); The Americans With Disabilities Act; The Civil Rights Act of 1991; 42 U.S. Code 1981; 42 U.S. Code 3601, et seq. (The Fair Housing Act); ORS Chapter 659; ORS Chapter 659A; ORS 652.355; ORS 654.062; FMLA or any law amendatory thereof, provided such liability is caused by an Occurrence.

Coverage C: Tort Liability for Bodily Injury, Personal Injury and Property Damage for which the Member is legally liable under the laws of any jurisdiction other than the State of Oregon and other than any United States Federal Jurisdiction to which the Coverage Document applies caused by an Occurrence. Tort Liability for the negligence of others assumed by the Named Member under

contract, except as limited by the definition of the term “Member” in the Coverage Document

For the avoidance of doubt, Members with limits of liability in their respective Policy, issued by the Company, less than or equal to the Per Member Retention of \$10,000,000 outlined in Article IV- Limit and Retention shall not be covered by this Agreement.

- B. The Company and the Reinsurer have agreed on the Company’s underwriting guidelines, Policies and Coverage Documents, forms, endorsements and amendments as respects the Business Covered and it is understood and agreed that the Company shall not make any Material Changes to the underwriting guidelines and Policies without the Reinsurer’s prior written approval. The Company shall advise the Reinsurer and provide underwriting information (including exposure information and loss data) when referring any New Members who meet any of the criteria outlined in Article VIII- Referrals.

ARTICLE II- TERM

- A. This Agreement shall become effective as of 12:01 A.M., Local Standard Time, July 1, 2018 and shall expire as of 12:01 A.M., Local Standard Time, July 1, 2019.
- B. This Agreement may be terminated early only upon the prior written consent of both parties.
- C. At expiration or termination, at the Company’s option:
1. The Reinsurers shall remain liable for all Policies in force at expiration or termination of this Agreement; however, the liability of the Reinsurers shall cease with respect to losses occurring subsequent to the first anniversary, natural expiration or cancellation of each Policy ceded, whichever first occurs, but in no event for any losses occurring more than twelve (12) months after termination or expiration; (“Run-Off”); or
 2. The Reinsurers shall be relieved of all liability hereunder for any losses occurring with a date of loss subsequent to expiration or termination of this Agreement (“Cut-Off”).

However, as respects Claims Made Coverage, this Agreement will apply to claims reported under any Extended Reporting Period as provided under the Coverage Documents reinsured hereunder if the date of loss occurs on or after the retroactive date and prior to the expiration date of this of this Agreement. Premium paid for such Extended Reporting Period shall be included within the reinsurance premium paid under this Agreement.

- D. The Company shall pay reinsurance premium for any Run-Off period in accordance with the Article entitled REINSURANCE PREMIUM, REPORTS AND REMITTANCES of this Agreement. If the Company elects the Cut-Off option, the Reinsurers shall refund to the Company any unearned reinsurance premium applicable to the unexpired liability (calculated on a pro rata basis) less any commission allowed by the Reinsurers thereon at conclusion of the Run-Off if option C(1) above is elected, or at termination if option C(2) above is elected. The Reinsurers shall continue to be liable for their proportionate share of the outstanding losses (reported or unreported) on Policies ceded hereunder with a date of loss prior to the conclusion of the Run-Off, or expiration or termination, as the case may be.
- E. Should any Policy be extended, continued, or renewed due to regulatory or other legal restrictions, this Agreement shall automatically provide extended coverage at the request of the Company until those Policies are actually terminated by the Company. The Reinsurer shall be entitled to reinsurance premium on such Policies as calculated by the Company in accordance with the terms of this Agreement. This provision shall not apply and the Reinsurer will not be liable for longer than the Run-Off period elected above, in the event that the Company has secured reinsurance for the Business Covered that reinsures inforce Policies on substantially similar terms as to risk retained and ceded, or has advised the Reinsurer that the Company intends to hold the business net and for its own account.
- F. Should this Agreement terminate while a Loss Occurrence is in progress, the entire loss arising out of the Loss Occurrence shall be subject to this Agreement and its terms and conditions.

ARTICLE III- TERRITORY

This Agreement applies only to Coverage Documents issued in the State of Oregon, but shall also cover incidental exposures elsewhere.

ARTICLE IV- LIMIT AND RETENTION

- A. The Company shall retain and be liable for the first \$10,000,000 Ultimate Net Loss, per Occurrence, per Member, regardless of the number of lines of business or coverages involved (hereinafter referred to as “Per Member Retention”). The Reinsurer shall then be liable for the amount by which such Ultimate Net Loss exceeds the Per Member Retention, subject to the limit of liability outlined in the respective Member’s original Policy. However, the Reinsurer’s liability shall never exceed \$5,000,000 Ultimate Net Loss, per Occurrence, per Member, regardless of the number of lines of business or coverages involved.

Further, the Reinsurer’s liability, per Member, during the term of this Agreement, shall not exceed two times the Reinsurer’s per Occurrence limit of liability for the respective Member. For example, if the Member has original Policy limits of

\$13,000,000, the Reinsurer shall not be responsible for more than \$6,000,000 during the term of the Agreement for that respective Member (i.e., (\$13m - \$10m) x 2)

- B. The Company's Per Member Retention described in Paragraph A above shall include any applicable Member deductibles or self-insured retentions.
- C. As respects Extra Contractual Obligation and Excess Judgments covered hereunder:

This Agreement shall protect the Company for Extra Contractual Obligations and/or Excess Judgments, as defined in the EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS JUDGMENT Article of this Agreement, that arise out of Coverage Documents covered hereunder. Recovery under this Agreement for Extra Contractual Obligations and/or Excess Judgment awards shall be in addition to any indemnity loss covered hereunder and the Reinsurer shall not be liable for more than \$1,000,000 for any Extra Contractual Obligations and/or Excess Judgment awards, separately and/or in any combination.

ARTICLE V- DEFINITIONS

- A. The term "Member" for the purpose of this Agreement shall mean the entity to whom the Coverage Document reinsured hereunder is issued by the Company.
- B. The term "Coverage Documents", "Policy" or "Policies", whenever used herein, shall mean OPEEP's liability to its Members under the agreement between OPEEP and its Members covering the classes of business indicated in the Business Covered Article and endorsements, riders, and other provisions and terms provided in a declaration, endorsement, or other form and authorized and executed in accordance with OPEEP's authority, and with limits no higher than \$15,000,000 including OPEEP and member retention under any one Coverage Document and in no event broader than the Coverage Document, except as may be specifically accepted as provided for herein.
- C. The term "Loss Occurrence" shall mean:

As regards Members not a part of Member Citycounty Insurance Services (CIS):

- 1. an incident, event, act, error or omission which occurs during the Coverage Document Period, or
- 2. a series of related incidents, events, acts, errors or omissions; or a continuous or repeated exposure to substantially the same general conditions, which occur during the coverage period. If the occurrence begins in one Coverage Document Period and ends in another, the

occurrence shall be deemed to have taken place during the first such Coverage Document Period. Such incidents, events, acts, errors or omissions, or continuous or repeated exposures to substantially the same conditions shall be deemed to be a single occurrence for purposes of determining the “per occurrence” limit of liability and deductible, if any. Only the coverage and limits in effect for the first coverage period shall apply and only one “per occurrence” limit shall be available for each such multi-period occurrence regardless of the number of coverages under this coverage agreement which may apply to such occurrence.

With regard to Member Citycounty Insurance Services (CIS):

1. an incident, event, act, error or omission which occurs during the Coverage Document Period: or
2. a series of related incidents, events, acts, errors or omissions; or a continuous or repeated exposure to substantially the same general harmful conditions, which occur during the Coverage Document Period. If the occurrence begins in one Coverage Document Period and ends in another, the occurrence shall be deemed to have taken place during the last such Coverage Document Period. Such incidents, events, acts, errors or omissions, or continuous or repeated exposures to harmful conditions shall be deemed to be a single occurrence for purposes of determining the “per occurrence” limit of liability and deductible, if any. Only the coverage and limits in effect for the last coverage period shall apply and only one “per occurrence” limit shall be available for each such multi-period occurrence regardless of the number of coverages under this coverage agreement which may apply to such occurrence.

The above definition of Occurrence with regard only to Citycounty Insurance Services shall apply to all occurrences subsequent to July 1, 2006. Any Occurrence occurring prior to July 1, 2006 shall not be covered under this Agreement.

- D. The term “Coverage Document Period” as used herein means each annual period the Coverage Document is in effect. Coverage Documents in effect for a period longer than one year shall be deemed to have separate annual Coverage Document Periods.

If the date of any loss occurring under the Company’s Coverage Document cannot be specifically determined, the date of loss shall be the inception date of the Coverage Document; the Coverage Document Period shall be deemed not to exceed 12 calendar months.

- E. “Claims Made Coverage” as used herein, shall mean the Pool’s Coverage Documents reinsured hereunder which require that a suit or demand be first received by a Member/insured during the Coverage Document period and/or first reported to the

Pool during the reinsured Coverage Document period or an Extended Reporting Period reinsured hereunder for a loss which occurred on or after a retroactive date designated in the claims made coverage under the Coverage Document.

- F. “Extended Reporting Period” as used in this Agreement shall mean a specific time period after the end of the Coverage Document period, within which covered claims may be reported with respect to loss occurrences happening between the retroactive date and the end of the Coverage Document period.
- G. The term “Material Change” shall mean any deviation from the Company’s current Coverage Documents or Underwriting Guidelines in place at the inception of this Agreement or changes mutually agreed thereafter that may affect the Reinsurer’s liability under this Agreement in any manner and to any extent.
- H. The term “Ex-gratia Settlements”, as used in this Agreement, will mean all settlements of losses not covered under the express terms of the Policies that are primarily motivated by the customer- business relationship. “Ex-gratia Settlements” will not include settlements of losses which (1) arise from court decisions or other judicial acts or orders nor (2) settlements made to avoid costs that could be incurred in connection with potential or actual litigation relating to coverage issues arising under the Policies.
- I. The term "Ultimate Net Loss" shall mean the sum or sums paid by the Company for which it is liable, under Coverage Documents reinsured hereunder, including any Loss Adjustment Expenses, as hereinafter defined. Ultimate Net Loss shall also include 80% of Extra Contractual Obligations and 80% of the Excess Judgments, as provided in the EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS JUDGMENTS Article. All sums for which the Company is liable under the Coverage Documents reinsured hereunder shall be subject to deductions for all inuring reinsurances or insurances whether collectible or not, and all reimbursements or recoveries and any subrogation or salvages received. The Reinsurer's liability hereunder shall not increase by reason of the inability of the Company to collect from any other reinsurer or insurer, for any reason, any amount that may be due from such reinsurer or insurer.
- J. The term "Loss Adjustment Expenses" shall mean all expenses which have been paid by the Company in the investigation, adjustment, settlement or defense of specific claims covered under Coverage Documents of the Company reinsured hereunder, but not including office, administrative or overhead expenses of the Company or salaries and expenses of its officials and employees.

In the event a verdict or judgment is reduced by an appeal or a settlement, subsequent to the entry of a judgment, resulting in an ultimate saving on such verdict or judgment, or a judgment is reversed outright, the expense incurred in securing such final reduction or reversal shall (1) be prorated between the Reinsurer

and the Company in proportion that each benefits from such reduction or reversal and the expense incurred up to the time of the original verdict or judgment shall be prorated in proportion to each party's interest in such verdict or judgment; or (2) when the terms and conditions of the Company's Coverage Documents reinsured hereunder include expenses as part of the Coverage Document limit, be added to the Company's Ultimate Net Loss.

ARTICLE VI- EXCLUSIONS

- A. The reinsurance provided under this Agreement is subject to the exclusions set forth below. Any exceptions to these exclusions shall be individually submitted by the Company to the Reinsurer for inclusion hereunder, and, if specially accepted in writing by the Reinsurer, shall then be covered under the terms of this Agreement, except to the extent the terms of this Agreement are modified by the acceptance.
- B. The reinsurance provided under this Agreement shall not apply to the following:
1. Exclusions referenced in OPEEP's Coverage Document effective July 1, 2018 (on file with the Reinsurer).
 2. Business ceded from any Pool (except the Company reinsured hereunder), Association (including Joint Underwriting Associations), Syndicate, Exchange, Plan, Fund or other facility directly as a member, subscriber or participant, or indirectly by way of reinsurance or assessments. The phrase "business derived from any Pool" is not intended to preclude OPEEP from adding new Members currently residing in other pools or other Public Entity Pools subject to underwriting approval.
 3. Liability of the Company arising from its participation or membership, whether voluntary or involuntary, in any insolvency fund, any guarantee fund, association, , plan or other facility which provides for the assessment of, payment by, or assumption by the Company of a part or the whole of any claim, debt, charge, fee or other obligations of an insurer, or its successors or assigns, which has been declared insolvent by any authority having jurisdiction.
 4. Liability excluded by the provisions of the Nuclear Incident Exclusion Clause Liability- Reinsurance U.S.A. (BRMA 35A) attached hereto. The word "Reassured" used therein means "Company."
 5. All lines of business not specifically covered hereunder.
 6. Coverage underwritten or accepted for the Company by a managing general agent, managing general underwriter or any other third party except the standard interim binding authority granted by the Company

to its duly authorized agents.

7. The Company's liability, including all loss, cost or expense, beyond circumscribed policy provisions, including but not limited to, exemplary, consequential or compensatory damages, resulting from a claim of an insured or an insured's assignee against the Company, its agents or employees (except as provided hereunder for Extra Contractual Obligations and Excess Judgments as described in the EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS JUDGMENTS Article.)
8. All loss, cost or expense directly or indirectly arising out of, resulting as a consequence of or related to War. "War", as utilized herein, shall mean war whether or not declared, civil war, martial law, insurrection, revolution, invasion, bombardment or any use of military force, usurped power or confiscation, nationalization or damage of property by any government, military or other authority.
9. All loss, cost or expense arising out of or related to, either directly or indirectly, any "Terrorist Activity," as defined herein, and any action taken to hinder, defend against or respond to any such activity. This exclusion applies regardless of any other cause or event that in any way contributes concurrently or in any sequence to the loss, cost or expense.
10. All loss, cost or expense directly or indirectly arising out of, resulting as a consequence of or related to Pollution, whether or not there is another cause of loss which may have contributed concurrently or in any sequence to a loss.

"Pollution" means any actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

This exclusion shall not apply to the extent that such liabilities would be covered under OPEEP's Coverage Document effective July 1, 2018.
11. Directors' and Officers' Liability Coverage, except for Public Entity or Non-Profit Director's and Officers' Liability Coverage
12. Liability, including all loss, cost or expense, arising out of, resulting as a consequence of or related to securities laws or regulations.
13. Environmental Impairment Liability Coverage.

14. Aggregate Excess of Loss or Stop Loss Coverages.
15. Retroactive coverage.
16. All loss, cost, expense, injury, damage, liability or legal obligation arising out of or in any way related to the toxic properties of lead, or any material or substance containing lead.
17. Ex-gratia settlement
18. Property, Crime and Auto Physical Damage, as defined in the Company's Coverage Document.

ARTICLE VII- EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS JUDGMENTS

- A. As reinsured under this Agreement, the Company shall be protected for 80% of any Extra Contractual Obligation and/or 80% Excess Judgment which are awarded by a court of competent jurisdiction against the Company. Such Extra Contractual Obligation and/or Excess Judgment shall be added to the amount of the award or settlement within the Company's policy limit and the sum thereof shall be considered one loss subject to the exclusions and limitations set forth in this Agreement.
- B. "Extra Contractual Obligation" shall be defined as those liabilities, not covered under any other provision of this Agreement, and any legal costs and expenses incurred in connection therewith, which arise from the Company's handling of any claim on business covered hereunder, including but not limited to, the failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud, or bad faith, in rejecting an offer of settlement, in the preparation of the defense, in the trial of any action against its insured or in the preparation or prosecution of an appeal consequent upon such action.
- C. "Excess Judgment" shall mean any amount in excess of the Company's policy limits, but otherwise within the coverage terms of the policy, that is paid by the Company, together with any legal costs and expenses incurred in connection therewith, which award results from the failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud, or bad faith, in discharging its duty to defend, in preparing the defense in an action against its insured or in discharging its duty to prepare or prosecute an appeal consequent upon such action.
- D. For the purpose of the application of this Agreement, an Extra Contractual

Obligation shall be deemed to have arisen on the same date as the original loss that gave rise to the Extra Contractual Obligation.

- E. This Article shall not apply where the Extra Contractual Obligation and/or Excess Judgment has been incurred due to the fraud or criminal act of a member of the Board of Directors, an officer, an agent or an employee of the Company, or any other person or organization involved in the presentation, defense or settlement of any claim covered hereunder, whether acting individually or collectively or in collusion with any person or organization.
- F. Recoveries from any form of insurance or reinsurance, whether separately purchased from another insurance carrier or self insurance issued by the Company to itself, which protects the Company against claims which are the subject matter of this Article, will inure to the benefit of the Reinsurer and shall be first deducted to arrive at the amount of any Extra Contractual Obligation and/or Excess Judgment hereunder, whether collectible or not.
- G. The coverage provided under this Article shall not apply where the laws, regulations or public policy of an applicable jurisdiction would prohibit such coverage. If any provision of this Article shall be rendered illegal or unenforceable by the laws, regulations or public policy of any jurisdiction, such provision shall be considered void in such jurisdiction, but this shall not affect the validity or enforceability of any other provision of this Agreement or the enforceability of such provision in any other jurisdiction.

ARTICLE VIII- REFERRALS

- A. The Company is required to refer any prospective new Member who are not currently a member of OPEEP (non-CIS only) to the Reinsurer for approval, including pricing.
- B. Such prospective new Member shall be individually submitted by the Company to the Reinsurer for inclusion hereunder, and, if accepted in writing by the Reinsurer, shall then be covered under the terms of this Agreement.

ARTICLE IX- UNDERWRITING / CLAIMS ADMINISTRATOR

The Company and the Reinsurer have mutually agreed that the Company shall perform all underwriting and claim administration duties and it is understood and agreed that the Company shall not contract with or assign any third party to perform underwriting or claims administration duties without the prior written approval of the Reinsurer.

ARTICLE X- CLAIMS

- A. Notwithstanding anything in this Agreement to the contrary, the Company shall immediately notify the Reinsurer in writing, by electronic mail or facsimile, of each Loss Occurrence hereunder, upon posting any loss and/or loss adjustment expense reserve and/or payment in the amount of fifty percent (50%) or more of the applicable retention hereunder, cumulatively or in any single posting, in respect of each such Loss Occurrence.
- B. Any notice hereunder shall be accompanied by all essential information of which the Company has knowledge regarding the Loss Occurrence, including the following minimum required information, Company claim number, Member name, Coverage Document number and type, date and location of loss, occurrence and claim facts, the initial coverage, liability, damage, exposure and settlement analysis, paid loss and loss adjustment expense, subrogation, salvage, reimbursements or other available recoveries, loss and loss adjustment expense reserves.
- C. In addition to the foregoing, the following categories of claims shall be reported in writing to the Reinsurer immediately, regardless of the liability of the Member or coverage under the Coverage Document:
1. Fatalities;
 2. Spinal cord injuries with paralysis;
 3. Serious burns;
 4. Brain injuries;
 5. Amputations;
 6. Sexual Abuse;
 7. Class action suits;
 8. Serious sensory impairments;
 9. Serious disfigurement or scarring;
 10. Extra Contractual Obligation or Excess Judgment Claims, if covered hereunder;
 11. Land use actions;
 12. Major organ injuries.
- D. The Company shall also provide notice to the Reinsurer in writing, with full particulars, promptly upon gaining knowledge of any substantial changes in the previously reported loss, without delay and not later than within 30 days of gaining such knowledge. "Substantial changes" shall mean, with regard to any one loss; the initiation or cessation of any litigation or alternative dispute process and any findings therein or the initiation or cessation of any settlement discussions or the posting of any additional reserve and/or payment in the amount of 25% or \$500,000, whichever is greater, or more of the cumulative posting to date.

- E. The Company shall promptly provide a written response with full documentation for any inquiry from the Reinsurer relevant to the claim.
- F. It is understood that when so requested the Company will afford the Reinsurer an opportunity to be associated with the Company, at the expense of the Reinsurer, in the adjustment, settlement or defense of any claim, suit or proceeding involving this Agreement; and the Company and the Reinsurer shall cooperate in every respect in the adjustment, settlement or defense of such claim, suit or proceeding.
- G. The Reinsurer shall pay any balance due hereunder within 30 days of the Reinsurer's receipt of the Company's billing. However, if the Reinsurer has not received the information or documentation required hereunder, the Reinsurer will pay any confirmed portion of the balance and will pay any residual balance due within 30 days of the Reinsurer's receipt of the information or documentation required hereunder.

ARTICLE XI- ACCESS TO RECORDS

The Company shall place at the disposal of the Reinsurer, and the Reinsurer shall have the right to inspect, through its authorized representatives, at all reasonable times during the currency of this Agreement and thereafter, the books, records and papers of the Company which in any manner relate to the subject matter of the business reinsured hereunder or this Agreement.

ARTICLE XII- INSOLVENCY

In the event of the insolvency of the Company and the appointment of a conservator, liquidator or statutory successor, the reinsurance provided by this Agreement shall be payable by the Reinsurer directly to the Company or to its liquidator, receiver or statutory successor on the basis of reported claims allowed by the liquidation court under the Agreement or Agreements reinsured. Subject to the right of offset and the verification of coverage, the Reinsurer shall pay its share of the loss without diminution because of the insolvency of the Company. The liquidator, receiver or statutory successor of the Company shall give written notice of the pendency of each claim against the Company on a policy or bond reinsured within a reasonable time after such claim is filed in the insolvency proceeding. During the pendency of such claim, the Reinsurer may, at its own expense, investigate such claim and interpose in the proceeding where such claim is to be adjudicated any defense or defenses which it may deem available to the Company, its liquidator or receiver or statutory successor. Subject to court approval, any expense thus incurred by the Reinsurer shall be chargeable against the Company as part of the expense of liquidation to the extent of such proportionate share of the benefit as shall accrue to the Company solely as a result of the defense undertaken by the Reinsurer. The reinsurance shall be payable as set forth above except where this Agreement specifically provides for the payment of reinsurance proceeds to another party in the event of the

insolvency of the Company.

ARTICLE XIII- ARBITRATION

- A. Any and all disputes between the Company and the Reinsurer arising out of, relating to, or concerning this Agreement, whether sounding in Agreement or tort and whether arising during or after expiration or termination of this Agreement, shall be submitted to the decision of a board of arbitration composed of two (2) arbitrators and an umpire (“Board”) meeting at a site in the city in which the principal headquarters of the Company are located. The arbitration shall be conducted under the Federal Arbitration Act and shall proceed as set forth below.
- B. A notice requesting arbitration, or any other notice made in connection therewith, shall be in writing and be sent certified or registered mail, return receipt requested to the affected parties. The notice requesting arbitration shall state in particular all issues to be resolved in the view of the claimant, shall appoint the arbitrator selected by the claimant and shall set a tentative date for the hearing, which date shall be no sooner than ninety (90) days and no later than one hundred fifty (150) days from the date that the notice requesting arbitration is mailed. Within thirty (30) days of receipt of claimant’s notice, the respondent shall notify claimant of any additional issues to be resolved in the arbitration and of the name of its appointed arbitrator.
- C. The members of the Board shall be impartial, disinterested and not currently representing any party participating in the arbitration, and shall be current or former senior officers of insurance or reinsurance concerns, experienced in the line(s) of business that are the subject of this Agreement. The Company and the Reinsurer as aforesaid shall each appoint an arbitrator and the two (2) arbitrators shall choose an umpire before instituting the hearing. As time is of the essence, if the respondent fails to appoint its arbitrator within thirty (30) days after having received claimant’s written request for arbitration, the claimant is authorized to and shall appoint the second arbitrator. If the two (2) arbitrators fail to agree upon the appointment of an umpire within thirty (30) days after notification of the appointment of the second arbitrator, within ten (10) days thereof, the two (2) arbitrators shall apply ARIAS U.S. (“ARIAS”) procedures to appoint an umpire for the arbitration with the qualifications set forth above in this Article. If the use of ARIAS procedures fails to name an umpire, either party may apply to a court of competent jurisdiction to appoint an umpire with the above required qualifications. The umpire shall promptly notify in writing all parties to the arbitration of his selection and of the scheduled date for the hearing. Upon resignation or death of any member of the Board, a replacement shall be appointed in the same fashion as the resigning or deceased member was appointed.
- D. The claimant and respondent shall each submit initial briefs to the Board

outlining the facts, the issues in dispute and the basis, authority, and reasons for their respective positions within thirty (30) days of the date of notice of appointment of the umpire. The claimant and the respondent may submit a reply brief to the Board within ten (10) days after filing of the initial brief(s). Initial and reply briefs may be amended by the submitting party at any time, but not later than ten (10) days prior to the date of commencement of the arbitration hearing. Reasonable responses shall be allowed at the arbitration hearing to new material contained in any amendments filed to the briefs but not previously responded to.

- E. The Board shall consider this Agreement as an honorable engagement and shall make a decision and award with regard to the terms expressed in this Agreement, the original intentions of the parties to the extent reasonably ascertainable, and the custom and usage of the insurance and reinsurance business that is the subject of this Agreement. Notwithstanding any other provision of this Agreement, the Board shall have the right and obligation to consider underwriting and submission-related documents in any dispute between the parties.
- F. The Board shall be relieved of all judicial formalities and the decision and award shall be based upon a hearing in which evidence shall be allowed though the formal rules of evidence shall not strictly apply. Cross-examination and rebuttal shall be allowed. The Board may request a post-hearing brief to be submitted within twenty (20) days of the close of the hearing.
- G. The Board shall render its decision and award in writing within thirty (30) days following the close of the hearing or the submission of post-hearing briefs, whichever is later, unless the parties consent to an extension. Every decision by the Board shall be by a majority of the members of the Board and each decision and award by the majority of the members of the Board shall be final and binding upon all parties to the proceeding. Such decision shall be a condition precedent to any right of legal action arising out of the arbitrated dispute which either party may have against the other. However, the Board is not authorized to award punitive, exemplary or enhanced compensatory damages.
- H. The Board may award: (i) interest at a rate not in excess of that set forth in the Article entitled LATE PAYMENTS, calculated from the date the Board determines that any amounts due the prevailing party should have been paid to the prevailing party, and (ii) applicable reasonable Attorneys' fees and costs.
- I. Either party may apply to a court of competent jurisdiction for an order confirming any decision and the award; a judgment of that Court shall thereupon be entered on any decision or award. If such an order is issued, the Attorneys' fees of the party so applying and court costs will be paid by the party against whom confirmation is sought.

- J. Except in the event of a consolidated arbitration, unless otherwise determined by the Board each party shall bear the expense of the one arbitrator appointed by or for it and shall jointly and equally bear with the other party the expense of any stenographer requested, and of the umpire. The remaining costs of the arbitration proceedings shall be finally allocated by the Board.
- K. Subject to customary and recognized legal rules of privilege, each party participating in the arbitration shall have the obligation to produce those documents and as witnesses at the arbitration those of its employees, and those of its affiliates as any other participating party reasonably requests, providing always that the same witnesses and documents be obtainable and relevant to the issues before the arbitration and not be unduly burdensome or excessive in the opinion of the Board.
- L. The parties may mutually agree as to pre-hearing discovery prior to the arbitration hearing and in the absence of agreement, upon the request of any party, pre-hearing discovery may be conducted as the Board shall determine in its sole discretion to be in the interest of fairness, full disclosure, and in furtherance of a prompt hearing, decision and award by the Board.
- M. The Board shall be the final judge of the composition of the Board, the procedures of the Board, the conduct of the arbitration, of the rules of evidence, the rules of privilege, discovery and production and of excessiveness and relevancy of any witnesses and documents upon the petition of any participating party. To the extent permitted by law, the Board shall have the authority to issue subpoenas and other orders to enforce their decisions. The Board shall also have the authority to issue interim decisions or awards in the interest of fairness, full disclosure, and a prompt and orderly hearing and decision and award by the Board.
- N. Upon request made to the Board not later than ten (10) days after the umpire's appointment, the Board may order a consolidated hearing as respects common issues between the Company and all affected Reinsurers participating in this Agreement if the Board is satisfied in its discretion that the issues in dispute affect more than one Reinsurer and a consolidated hearing would be in the interest of fairness, and a prompt and cost-effective resolution of the issues in dispute.
- O. If the parties mutually agree to or the Board orders a consolidated hearing, all other affected participating Reinsurers shall join and participate in the arbitration under time frames established by the Board and will be bound by the Board's decision and award unless excused by the Board in its discretion. A consolidated hearing shall not result in any change or modification of any Reinsurer's liability for its participation that is several, but not joint shall remain the same.

- P. Any Reinsurer may decline to actively participate in a consolidated arbitration if in advance of the hearing, that Reinsurer shall file with the Board a written agreement in form satisfactory to the Board to be bound by the decision and award of the Board in the same fashion and to the same degree as if it actively participated in the arbitration.
- Q. In the event of an order of consolidation by the Board, the arbitrator appointed by the original Reinsurer shall be subject to being, and may be, replaced within thirty (30) days of the decision to have a consolidated arbitration by an arbitrator named collectively by the Reinsurers or in the absence of agreement, by the Lead Reinsurer, or if there is no Lead Reinsurer involved in the dispute, the Reinsurer with the largest participation in this Agreement affected by the dispute. In the event two (2) or more Reinsurers affected by the dispute each have the same largest participation, they shall agree among themselves as to the replacement arbitrator, if any, to be appointed. The umpire shall be the final determiner in the event of any dispute over replacement of that arbitrator. All other aspects of the arbitration shall be conducted as provided for in this Article provided that (1) each party actively participating in the consolidated arbitration will have the right to its own attorney, position, and related claims and defenses; (2) each party will not, in presenting its position, be prevented from presenting its position by the position set forth by any other party; and (3) the cost and expense of the arbitration including the expense of any stenographer, will be borne equally by each party actively participating in the consolidated arbitration (exclusive of Attorney's fees, which will be borne by the respective retaining party unless otherwise determined by the Board) or as the Board shall determine to be fair and appropriate under the circumstances.
- R. Nothing in this Article shall preclude any of the parties engaged in an arbitration from settling the dispute and withdrawing from an arbitration established to resolve that dispute.

ARTICLE XIV- OFFSET

The Company and the Reinsurer shall have the right to offset any balance or amounts due as billed from one party to the other under the terms of this Agreement. The party asserting the right of offset may exercise such right any time whether the balances due as billed are on account of premiums or losses or otherwise and immediately inform the Intermediary accordingly. In the event of the insolvency of any party, offset shall be as permitted by applicable insolvency or liquidation law.

ARTICLE XV- REINSURANCE PREMIUM, REPORTS AND REMITTANCES

- A. As deposit premium for the reinsurance provided by this Agreement, the Company shall pay the Reinsurer an annual deposit premium of \$51,150 by September 30, 2018.

- B. The reinsurance rate(s) herein shall be as outlined in the attached Appendix A. Within 45 days after the cancellation or expiration of this Agreement, the Company shall render to the Reinsurer a statement of the actual Members written during the term of this Agreement, as well as a calculation of the premium due hereunder computed by the Company in accordance with Appendix A. Any additional premium due the Reinsurer shall be forwarded to the Reinsurer with the statement.
- C. Payment by the Reinsurer of its proportion of loss and expense paid by the Company will be made by the Reinsurer to the Company promptly after proof of payment by the Company and coverage hereunder is received by the Reinsurer.
- D. The Company shall also provide any other information as may be required by the Reinsurer for completion of the Reinsurer's NAIC financial statements.

ARTICLE XVI- SALVAGE AND SUBROGATION

- A. The Reinsurer shall be subrogated, as respects any loss for which the Reinsurer shall actually pay or become liable, but only to the extent of the amount of payment by or the amount of liability to the Reinsurer, to all the rights of the Company against any person or other entity who may be legally responsible in damages for said loss. The Company hereby agrees to enforce such rights, but in case the Company shall refuse or neglect to do so, the Reinsurer is hereby authorized and empowered to bring any appropriate action in the name of the Company or its Members, or otherwise to enforce such rights. In the event a loss occurs, the Company shall not waive any subrogation rights without prior written consent of the Reinsurer.
- B. Any recoveries, salvages or reimbursements applying to business covered under this Agreement shall always be used to reimburse the excess carriers (from the last to the first, beginning with the carrier of the last excess), according to their participation, before being used in any way to reimburse the Company for its primary loss.
- C. All salvages, recoveries, reimbursements or other amounts recovered, after deduction of expenses applicable thereto, recovered or received subsequent to a loss settlement under this Agreement shall be applied as if recovered or received prior to the aforesaid settlement and all necessary adjustments shall be made by the parties hereto, provided always, that nothing in this clause shall be construed to mean that losses under this Agreement are not recoverable until the Company's Ultimate Net Loss has been ascertained. Expenses hereunder shall exclude all office, administrative and overhead expenses of the Company and all salaries and expenses of its officials and employees except those of salaried adjusters.

ARTICLE XVII- TAXES

The Company will be liable for all taxes on premiums reported to the Reinsurer hereunder and will reimburse the Reinsurer for such taxes where the Reinsurer is required to pay the same.

ARTICLE XVIII- NON-ASSIGNMENT

No rights, duties or obligations of the parties under this Agreement shall be assigned by either party without the prior written consent of the other party, which consent may be withheld by either party in its sole unfettered discretion. Any purported assignment in the absence of such consent shall be void and ineffective.

ARTICLE XIX- FEDERAL TERRORISM EXCESS RECOVERY

- A. As respects the Insured Losses of the Company for each Program Year, it is hereby agreed that to the extent the Company's total reinsurance recoverables for Insured Losses, whether collected or not, combined with the financial assistance available to the Company under the Act exceeds the aggregate amount of Insured Losses paid by the Company, less any other recoveries or reimbursements, (the "Excess Recovery"), a share of the Excess Recovery shall be paid to the Reinsurer. The payment of the Reinsurer's share of such excess amounts shall be deemed to be an amount equal to the proportion that the Reinsurer's payment of Insured Losses under this Agreement bears to the Company's total collected reinsurance recoverables for Insured Losses.
- B. The parties agree that the method set forth herein for determining an Excess Recovery is intended to be consistent with the United States Treasury Department's construction and application of Section 103 (g)(2) of the Act and, to the extent it is inconsistent, it shall be amended to conform with such construction and application.
- C. "Act" as utilized herein shall mean the Terrorism Risk Insurance Act of 2002 and any subsequent amendment thereof or any regulations promulgated there under. "Insured Losses" and "Program Year" as utilized herein shall follow the definitions as provided in the Act.

ARTICLE XX- CURRENCY

Wherever the word "dollar" and the "\$" appear in this Agreement, they shall mean United States Dollars.

ARTICLE XXI- ENTIRE AGREEMENT

- A. This Agreement constitutes the entire agreement between the parties with respect to the business covered by the Agreement, except for separate Agreements expressly disclosed within the Agreement or in an exhibit incorporated by reference.
- B. This Article shall not be construed to limit the admissibility of evidence regarding the formation, interpretation, purpose or intent of the Agreement.

ARTICLE XXII- MODE OF EXECUTION

- A. This Agreement may be executed by:
 - 1. An original written ink signature of paper documents.
 - 2. An exchange of facsimile or scanned copies showing the original written ink signature of paper documents.
 - 3. Electronic signature technology employing computer software and a digital signature or digitizer pen pad to capture a person's handwritten signature in such a manner that the signature is unique to the person signing, is under the sole control of the person signing, is capable of verification to authenticate the signature and is linked to the document signed in such a manner that if the data is changed, such signature is invalidated.
- B. The use of any one or a combination of these methods of execution shall constitute a legally binding and valid signing of this Agreement. This Agreement may be executed in one or more counterparts, each of which, when duly executed, shall be deemed an original.

ARTICLE XXIII- GOVERNING LAW

This Agreement will be governed by and interpreted in accordance with the laws of the State of Oregon U.S.A.,

ARTICLE XXIV- ERRORS AND OMISSIONS

Inadvertent delays, errors or omissions made by the Company in connection with this Agreement shall not relieve the Reinsurer from any liability which would have attached had such delay, error or omission not occurred, provided always that such shall be rectified as soon as possible provided that the liability of the Reinsurer shall not exceed beyond the coverage provided by this Agreement nor to extend coverage to the Coverage Document that are not the Business Covered hereunder. The Company, however, shall not be liable for any Extra-Contractual Obligation and/or

Excess Policy Limit award resulting from such inadvertent delay, errors or omission made by the Company.

ARTICLE XXV- INTERMEDIARY

Willis Administrative Services Corp., dba: Willis Pooling, 775 Yard Street, Suite 200, Columbus, Ohio 43212 is hereby recognized as the Intermediary negotiating this Agreement. The Intermediary will disseminate to the parties all communications respecting the business reinsured hereunder. Communications between the Company and the Reinsurer, including but not limited to any and all notices, statements, reports or other information relating to this Agreement shall be transmitted through the Intermediary

2nd CASUALTY EXCESS OF LOSS REINSURANCE AGREEMENT

Effective: July 1, 2018

Between

OREGON PUBLIC ENTITY EXCESS POOL
(hereinafter referred to as the “Company” or “OPEEP”)

and

GREAT AMERICAN INSURANCE COMPANY
(hereinafter referred to as the “Reinsurer” or “Subscribing Reinsurer”)

APPENDIX A- PRICING

The following is meant to detail the reinsurance pricing for covered business, as referenced in Article XV- Reinsurance Premium, Reports and Remittances.

OPEEP Members (i.e., as of the effective date of this Agreement):

Members currently purchasing insurance from the Company can be written at the following premium levels:

Layer of Coverage	Counties	CIS Members	Min. Premium / \$1m
	Rate / \$ Exposure Base	Rate / \$ Exposure Base	
\$1m xs \$10m	1.8290%	0.0072%	\$1,500
\$1m xs \$11m	1.6461%	0.0064%	\$1,500
\$1m xs \$12m	1.4815%	0.0058%	\$1,500
\$1m xs \$13m	1.3334%	0.0052%	\$1,500
\$1m xs \$14m	1.2000%	0.0047%	\$1,500
\$5m xs \$10m	7.49000%	0.0293%	\$7,500
Rating Base	Population	Materials and Services	

Exposure Base (current members):

- 1) *Current CIS Members:* Materials and Services Budget
- 2) *Current Non-CIS Members (3 Counties):* Population, as reported on application

Non CIS Members (i.e., as of the effective date of this Agreement):

To be referred to the Reinsurer per the provisions of the Referrals Article

INTEREST AND LIABILITIES AGREEMENT

attached to and forming part of the

2nd CASUALTY EXCESS OF LOSS REINSURANCE AGREEMENT
(hereinafter referred to as the "Agreement")

Between

OREGON PUBLIC ENTITY EXCESS POOL
(hereinafter referred to as the "Company" or "OPEEP")

and

GREAT AMERICAN INSURANCE COMPANY
(hereinafter referred to as the "Reinsurer" or "Subscribing Reinsurer")

It is hereby mutually understood and agreed by and between the Company and the Subscribing Reinsurer that as of 12:01 a.m., Local Standard Time, July 1st, 2018, the Subscribing Reinsurer's share in the interest and liabilities of the Reinsurers on the attached Agreement shall be:

Subscribing Share: 100.00%

The share of the Subscribing Reinsurer shall be separate and apart from the shares of the other Reinsurers and will not be joint with those of the other Reinsurers, and the Subscribing Reinsurer will in no event participate in the interest and liabilities of the other Reinsurers.

IN WITNESS WHEREOF, the parties hereto have caused this Interest and Liabilities Agreement to be executed by their duly authorized representatives.

Signed at _____ Salem, Oregon
Oregon Public Entity Excess Pool

Signed by: _____

Title: _____

This (day) of (month), 20 (year)

and

Signed at _____ Marietta, Georgia

Great American Insurance Company

Signed by: Casey D Withers

Title: Divisional VP

This 17th (day) of December (month), 20 18 (year)

ATTACHMENT 01: NUCLEAR INCIDENT EXCLUSION CLAUSE
LIABILITY - REINSURANCE U.S.A. (BRMA 35A)

1. This reinsurance does not cover any loss or liability accruing to the Reassured as a member of, or subscriber to, any association of insurers or reinsurers formed for the purpose of covering nuclear energy risks or as a direct or indirect reinsurer of any such member, subscriber or association.

2. Without in any way restricting the operation of paragraph 1 of this Clause, it is understood and agreed that for all purposes of this reinsurance all the original policies of the Reassured (new, renewal and replacement) of the classes specified in Clause II of this paragraph 2 from the time specified in Clause III in this paragraph 2 shall be deemed to include the following provision (specified as the Limited Exclusion Provision):

Limited Exclusion Provision*

- i. It is agreed that the policy does not apply under any liability coverage, to (*injury, sickness, disease, death or destruction (bodily injury or property damage)*) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability.
- ii. Family Automobile Policies (liability only), Special Automobile Policies (private passenger automobiles, liability only), Farmers Comprehensive Personal Liability Policies (liability only), Comprehensive Personal Liability Policies (liability only) or policies of a similar nature; and the liability portion of combination forms related to the four classes of policies stated above, such as the Comprehensive Dwelling Policy and the applicable types of Homeowners Policies.
- iii. The inception dates and thereafter of all original policies as described in II above, whether new, renewal or replacement, being policies which either
 - (a) become effective on or after 1st May, 1960, or
 - (b) become effective before that date and contain the Limited Exclusion Provision set out above; provided this paragraph 2 shall not be applicable to Family Automobile Policies, Special Automobile Policies, or policies or combination policies of a similar

nature, issued by the Reassured on New York risks, until 90 days following approval of the Limited Exclusion Provision by the Governmental Authority having jurisdiction thereof.

3. Except for those classes of policies specified in Clause II of paragraph 2 and without in any way restricting the operation of paragraph 1 of this Clause, it is understood and agreed that for all purposes of this reinsurance the original liability policies of the Reassured (new, renewal and replacement) affording the following coverages:

Owners, Landlords and Tenants Liability, Contractual Liability, Elevator Liability, Owners or Contractors (including railroad), Protective Liability, Manufacturers and Contractors Liability, Product Liability, Professional and Malpractice Liability, Storekeepers Liability, Garage Liability, Automobile Liability (including Massachusetts Motor Vehicle or Garage Liability)

shall be deemed to include, with respect to such coverages, from the time specified in Clause V of this paragraph 3, the following provision (specified as the Broad Exclusion Provision):

Broad Exclusion Provision*

It is agreed that the policy does not apply:

- I. Under any Liability Coverage, to (*injury, sickness, disease, death or destruction* (**bodily injury or property damage**))

(a) with respect to which an insured under the policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or

(b) resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.

- II. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to (*immediate medical or surgical relief* (**first aid** to expenses incurred with

respect to *(bodily injury, sickness, disease or death)* **(bodily injury** resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.

III. Under any Liability Coverage, to *(injury, sickness, disease, death or destruction)* **(bodily injury or property damage** resulting from the hazardous properties of nuclear material, if

(a) the nuclear material (1) is at any nuclear facility owned by, or operated by or on behalf of, an insured, or (2) has been discharged or dispersed therefrom;

(b) the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or

(c) the *(injury, sickness, disease, death or destruction)* **(bodily injury or property damage** arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories, or possessions or Canada, this exclusion (c) applies only to *(injury to or destruction of property at such nuclear facility)* **(property damage to such nuclear facility and any property thereat.**

IV. As used in this endorsement:

“Hazardous properties” include radioactive, toxic or explosive properties; “nuclear a “source material”, “special nuclear material”, and “byproduct material” have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof; “spent fuel” means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor; “waste” means any waste material (1) containing byproduct material other than tailings or wastes produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (2) resulting from the operation by any person or organization of any nuclear facility included under the first two paragraphs of the definition of nuclear facility; “nuclear facility” means:

(a) any nuclear reactor,

(b) any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or

device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations; “nuclear reactor” means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

(With respect to injury to or destruction of property, the word “injury” or “destruction” (“property damage” includes all forms of radioactive contamination of property. (includes all forms of radioactive contamination of property.

V. The inception dates and thereafter of all original policies affording coverages specified in this paragraph 3, whether new, renewal or replacement, being policies which become effective on or after 1st May, 1960, provided this paragraph 3 shall not be applicable to:

(a) Garage and Automobile Policies issued by the Reassured on New York risks, or

(b) statutory liability insurance required under Chapter 90, General Laws of Massachusetts, until 90 days following approval of the Broad Exclusion Provision by the Governmental Authority having jurisdiction thereof.

4. Without in any way restricting the operation of paragraph 1 of this Clause, it is understood and agreed that paragraphs 2 and 3 above are not applicable to original liability policies of the Reassured in Canada and that with respect to such policies this Clause shall be deemed to include the Nuclear Energy Liability Exclusion Provisions adopted by the Canadian Underwriters’ Association or the Independent Insurance Conference of Canada.

**NOTE:* The words printed in italics in the Limited Exclusion Provision and in the Broad Exclusion Provision shall apply only in relation to original liability policies which include a Limited Exclusion Provision or a Broad Exclusion Provision containing those words.