EMPLOYERS LIABILITY AND STOPGAP

This endorsement provides insurance under the policy to which it is attached.

GENERAL SECTION

A. The Coverage Form
This endorsement is a contract of insurance between you (the employer named in item 1 of the Declarations) and us (the insurer named in the Declarations). The only agreements relating to this insurance are stated in this endorsement. The terms of this endorsement may not be changed or waived except by endorsement issued by us to be part of this endorsement.

B. Who Is Insured
You are insured if you are an employer named in item 1 of the Declarations. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

C. Workers Compensation Law
Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in the Declarations. It includes any amendments to that law which are in effect during the policy period. It does not include the provisions of any law that provide nonoccupational disability benefits.

D. State
State means any state of the United States of America, and the District of Columbia.

E. Locations
This policy covers all your workplaces in states listed in the Declarations unless you have other insurance or are self-insured for such workplaces.

PART ONE - EMPLOYERS LIABILITY INSURANCE

A. How This Insurance Applies
This Employers Liability Insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death. However:

1. The bodily injury must arise out of and in the course of the injured employee's employment by you;
2. The employment must be necessary or incidental to your work in a state or territory listed in the Declarations;
3. Bodily injury by accident must occur during the policy period;
4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period; and
5. If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or possessions, or Canada.

B. We Will Pay
We will pay all sums you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:
1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against such third party as a result of injury to your employee;

2. For care and loss of service; and

3. For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee;

provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and

4. Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

C. Exclusions
This insurance does not cover:

1. Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner.

2. Punitive or exemplary damages because of bodily injury to an employee in violation of law;

3. Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;

4. Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;

5. Bodily injury intentionally caused or aggravated by you, or bodily injury resulting from an act which is determined by a court to have been committed by you with the belief that an injury is substantially certain to occur.

6. Bodily injury occurring outside the United States of America, its territories or possessions, and Canada. This exclusion does not apply to bodily injury to a citizen or resident of the United States of America or Canada who is temporarily outside these countries;

7. Damages arising out of the discharge of, coercion of, or discrimination against any employee in violation of law;

8. Bodily injury to a master or member of the crew of any vessel;

9. Bodily injury to any person in work subject to the Longshoremen's and Harbor Workers' Compensation Act (33 USC Sections 901-950) or any amendment to that law;

10. Bodily injury to any person in work subject to the Federal Coal Mine Health and Safety Act of 1969 (30 USC Sections 931-942) or any amendment to that law;

11. Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60) or any amendment to that law;

12. Bodily injury sustained by any member of the flying crew of any aircraft; or

13. Any claim for bodily injury with respect to which you are deprived of any defense or defenses or are otherwise subject to penalty because of default in premium payment or any other failure to comply with the provisions of the workers compensation law or laws of a state shown in the Declarations.

D. We Will Defend
We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

E. We Will Also Pay
We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

1. Reasonable expenses incurred at our request; but not loss of earnings;

2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;

3. Litigation costs taxed against you;

4. Interest on a judgment as required by law until we offer the amount due under this insurance; and

5. Expenses we incur.
F. Other Insurance
We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

G. Limits of Liability
Our liability to pay for damages is limited. Our limits of insurance are shown in the Declarations. They apply as explained below.

1. Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
   A disease is not bodily injury by accident unless it results directly from bodily injury by accident.

2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
   Bodily injury by disease does not include disease that results directly from bodily injury by accident.

3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

H. Recovery From Others
We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

I. Actions Against Us
There will be no right to action against us under this insurance unless:

1. You have complied with all the terms of this policy; and

2. The amount you owe has been determined with our consent or by actual trial and final judgment.
   This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability.

PART TWO - YOUR DUTIES IF INJURY OCCURS
Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

1. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.

2. Promptly give us all notices, demands and legal papers related to the injury, claim, proceeding or suit.

3. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.

4. Do nothing after an injury occurs that would interfere with our right to recover from others.

5. Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

PART THREE - PREMIUM
A. Final Premium
The premium for this endorsement is shown in the Declarations.

PART FOUR - CONDITIONS
A. Inspection
We have the right, but are not obligated to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.
B. Long Term Policy
If the policy period is longer than one year and sixteen days, all provisions of this endorsement will apply as though a new endorsement were issued on each annual anniversary that this is in force.

C. Transfer of Your Rights and Duties
Your rights or duties under this endorsement may not be transferred without our written consent.

D. Cancellation
1. You may cancel this endorsement. You must mail or deliver advance notice to us stating when the cancellation is to take effect.
2. We may cancel this endorsement. We must mail or deliver to you not less than ten days advance written notice stating when the cancellation is to take effect. Mailing that notice to you at your mailing address shown in item 1 of the Declarations will be sufficient to prove notice.
3. The policy period will end on the day and hour stated in the cancellation notice.
4. Any of these provisions that conflict with a law that controls the cancellation of the insurance in this endorsement is changed by this statement to comply with that law.

E. Sole Representative
The insured first named in item 1 of the Declarations will act on behalf of all insureds to change this endorsement, receive return premium, and give or receive notice of cancellation.