



**NATIONAL UNION FIRE INSURANCE COMPANY OF
PITTSBURGH, PA.
(A Capital Stock Company)
70 PINE STREET
NEW YORK, N.Y. 10270-0150**

EDUCATORS PROFESSIONAL LIABILITY INSURANCE

DECLARATIONS

RENEWAL OF: 982-7930 POLICY NUMBER: 492-3709

ITEM 1. NAMED INSURED:

The State of Florida and The Districts' School Boards as Employer, or Sponsor of Charter Schools, as Employer of Full-time and Part-time Educators and Administrative Personnel, including Student Teachers and Interns.

MAILING ADDRESS:

**C/O The Department of Management Services
The Division of State Purchasing
4050 Esplanade Way, Suite 315
Tallahassee, FL 32399**

**ITEM 2. POLICY PERIOD: From: July 1, 2005 To: July 1, 2006
(12:01 A.M. standard time at the address stated in Item 1. above).**

ITEM 3. LIMITS OF LIABILITY:

**Coverage A & B \$ 2,000,000 per Insured per Wrongful Act
 \$ 3,000,000 aggregate per Wrongful Act**

Coverage C \$ 2,000 per Bail Bond per Insured.

Coverage D \$ 500 per claim per Insured.

ITEM 4. FORMS ATTACHED: Manuscript Florida Educator's Policy Form

ITEM 5. CONTINUITY DATE: November 20, 2001

ITEM 6. RATE AND PREMIUM:

PER Full-time Educator -	\$ 4.68
PER Part-time educator -	\$ 2.98
PER Administrative Employee -	\$ 8.93

Adjustment - The premium specified below is provisional and is based on the number of members anticipated at inception. The Named Insured agrees to maintain a record of the number of insureds and report the number of insureds semi-annually as of October 1, 2005 and April 1, 2006. At the end of the policy term a premium adjustment will be made.

Deposit Premium: \$ 1,217,974

Premium for Certified Acts of Terrorism Coverage under Terrorism Risk Insurance act 2002; \$12,059 included in policy premium. Any coverage provided for losses caused by an act of terrorism as defined by TRIA (TRIA Losses) may be partially reimbursed by the United States under a formula established by TRIA as follows: 90% of TRIA Losses in excess of the insurer deductible mandated by TRIA, the deductible to be based on a percentage of the insurer's direct earned premiums for the year preceding the act of terrorism.

AUTHORIZED REPRESENTATIVE

Agent / Broker

Arthur J. Gallagher & Company
8200 N.W. 41 st Street, Suite 200
Miami, FL 33166

**TERRORISM EXCLUSION ENDORSEMENT
(WITH AN EXCEPTION FOR CERTIFIED ACTS OF TERRORISM UNDER THE TERRORISM RISK
INSURANCE ACT OF 2002)**

In consideration of the premium charged, It is hereby understood and agreed that exclusion (e) is deleted in its entirety and replaced with the following:

- (e) alleging or arising out of injury, sickness, disease, death or destruction due to war, whether or not declared, civil war, insurrection, rebellion, or revolution, or any act or condition incidental to any of the foregoing.

In consideration of the premium charged it is further understood and agreed that this insurance does not apply to any loss, injury, damage, claim or suit, arising directly or indirectly as a result of or in connection with "terrorism" including but not limited to, any contemporaneous or ensuing loss caused by fire, looting or theft.

DEFINITION - The following definition of terrorism shall apply:

"Terrorism" means the use or threatened use of force or violence against person or property, or commission of an act dangerous to human life or property, or commission of an act that interferes with or disrupts an electronic or communication system, undertaken by any person or group, whether or not acting on behalf of or in any connection with any organization, government, power, authority or military force, when the effect is to intimidate, coerce or harm a government, the civilian population or any segment thereof, or to disrupt any segment of the economy.

This exclusion does not apply to a certified "act of terrorism" defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions or amendments. For purposes of this endorsement and in compliance with the Terrorism Risk Insurance Act of 2002, an "act of terrorism" shall mean:

(1) Act of Terrorism -

(A) Certification. - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States of America, in concurrence with the Secretary of State, and the Attorney General of the United States of America --

(i) to be an act of terrorism;

(ii) to be a violent act or an act that is dangerous to --

(I) human life;

(II) property; or

(III) infrastructure;

(iii) to have resulted in damage within the United States of America, or outside of the United States of America in the case of --

- (l) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States of America, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States of America), regardless of where the loss occurs, or at the premises of any United States mission];
 - (II) the premises of a United States mission; and
 - (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States of America or to influence the policy or affect the conduct of the United States Government by coercion.
- (B) Limitation. -- No act shall be certified by the Secretary as an act of terrorism if --
- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to any coverage for workers' compensation; or
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (C) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (D) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



**NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA.
175 WATER STREET
NEW YORK, N.Y. 10038**

EXCESS EDUCATORS PROFESSIONAL LIABILITY INSURANCE

The Company agrees with the Named Insured set forth in the Declarations made a part hereof, in consideration of payment of the premium and subject to the limits of liability, exclusions, conditions and other terms of this policy;

INSURING AGREEMENTS

Coverage A—Excess Liability Coverage

The Company shall pay on behalf of any Insured all sums, in excess of an Employer's:

1. commercial general liability,
2. errors and omissions coverage,
3. employment practices liability policies, and
4. any other valid and collectible insurance;

(the "Listed Coverages") which such Insured shall become obligated to pay by reason of liability imposed by law for Damages and Defense Expenses resulting from any claim first made against the Insured during the Policy Period (as set forth in Item 2 of the Declarations) and reported to the Company in writing as provided in this policy during the Policy Period, for any Wrongful Act committed or omitted during or prior to the Policy Period. Such wrongful acts must arise from such Insured's Professional Activities.

Coverage B—Liability Coverage

1. *Damages*: Only in the event that no Listed Coverage affords or may afford valid and collectible coverage to a claim, this policy shall pay on behalf of any Insured all sums which such Insured shall become obligated to pay by reason of liability imposed by law for Damages resulting from any claim first made against the Insured during the Policy Period and reported to the Company in writing as provided in this policy during the Policy Period, for any Wrongful Act committed or omitted during or prior to the Policy Period. Such wrongful acts must arise from such Insured's Professional Activities.

2. *Defense*: The Company has the right and duty to defend a suit brought against an Insured alleging a Wrongful Act even if the suit is groundless, false or fraudulent. The Company has the right to settle any suit if the Company believes that it is proper to do so.

The Company has the right to investigate any claim.

Claim expenses are part of and subject to our Limit of Liability. Our duty to defend ends after the applicable Limit of Liability has been exhausted by payment of claim expenses or damages.

In all events, the Company's maximum Limit of Liability for all Loss in the aggregate arising from all Claims under Coverages A and B policy which allege the same or Related Wrongful Acts, shall be an amount no greater than the Limit of Liability listed in Item 3 of the Declarations.

Coverage C--Bail Bonds

The Company shall reimburse an Insured for any premium for Bail Bonds required of an Insured arising out of Professional Activities committed or omitted during the Policy Period. Such premium shall not exceed the amounts set forth in Item 3 of the Declarations, per insured and per year. The Company shall not have any obligation to apply for or furnish any such bond.

Coverage D—Excess Assault-Related Personal Property Damage

The Company shall reimburse an Insured in excess of:

1. Employers'
 - (a) commercial general liability,
 - (b) errors and omissions coverage,
 - (c) employment practices liability policies, and
 - (d) any other valid and collectible insurance; and
2. such Insured's
 - (a) Homeowners,
 - (b) Personal Property Floaters, and
 - (c) any other valid and collectible insurance

for up to \$500 in damage to or destruction of an Insured's personal property occurring during the Policy Period that is directly and proximately caused by an assault upon such Insured while such Insured is performing Professional Activities. This coverage does not apply to damage or destruction of a vehicle of any kind, or to damage to or destruction of leased or loaned property.

DEFINITIONS

- a. "Damages" means any amount that an Insured shall be legally required to pay because of judgments, arbitration awards or the like rendered against such Insured, or for

settlements negotiated by the Company; provided that damages shall not include any amounts for which such Insured is not financially liable or for which there is no legal recourse against such Insured, taxes, fines, the costs and expenses of complying with any injunctive or other form of equitable relief, or matters that may be deemed uninsurable under the law.

- b. "Defense Expenses" means all reasonable and necessary fees charged by an attorney appointed by the Company in connection with any suit brought against an Insured alleging a Wrongful Act, as well as all other reasonable and necessary fees, costs and expenses incurred in the defense or investigation of a claim by the Company or by an Insured as provided herein. Claim expenses do not include salary charges or expenses of any Named Insured or any of their employees.
- c. "Named Insured" means:
 - (1) The State of Florida, and
 - (2) The Districts' School Boards as Employer or Sponsor of Charter Schools as Employer of Full-time and Part-time Educators and Administrative Personnel, including Student Teachers and Interns.
- d. "Insured" means:
 - (1) *automatically*: any person who is a full time educator employed by a Named Insured, including Student Teachers and Interns; and
 - (2) *optional*: where a Named Insured has provided the Company with confirmation, whether at this policy's inception or thereafter, that a part time educator or administrator purchased the coverage under this policy, then such part time educator or administrator while they are employed by a Named Insured.
- e. "Professional Activities" means activities of an Insured in the course and scope of his or her duties as an employee of a Named Insured.
- f. "Wrongful Act" means any negligent act, error, omission or breach of duty in the performance or failure to perform Professional Activities.
- g. "Related Wrongful Acts" shall mean Wrongful Acts which are the same, related or continuous, or Wrongful Acts which arise from a common nucleus of facts. Claims can allege Related Wrongful Acts regardless of whether such Claims involve the same or different claimants, Insureds or legal causes of action.

AUTOMATIC COVERAGE EXTENSIONS

- 1. If a Named Insured should hire a new:
 - (1) full time educator; or
 - (2) a part time educator or administrator who elects to purchase the coverage under this policy,

during the policy period, then coverage shall be automatically extended to such educator as of the official date of hire for Wrongful Acts on or after such date. Each and every Named Insured, separately or on a consolidated basis through the State of Florida, shall report changes in personnel to the Company on a semi-annual basis as of October 1, 2005 and April 1, 2006 to:

Eastern Zone—Vice President
Professional Liability Division

National Union Fire Insurance Company of Pittsburgh, Pa.
(At the address set forth above.)

TERRITORY

This policy applies to claims made anywhere in the world.

EXCLUSIONS

This policy does not apply any claim:

- (a) alleging or arising out of activities of an Insured that are not Professional Activities;
- (b) alleging or arising out of activities of an Insured that are carried on in a private business, private professional endeavor or private school;
- (c) alleging or arising out of the ownership, maintenance, operation, use, loading or unloading of vehicles of any kind;
- (d) alleging or arising out of liability assumed by the Insured under any contract or agreement;
- (e) alleging or arising out of injury, sickness, disease, death or destruction due to war or terrorism, whether or not declared, civil war, insurrection, rebellion, or revolution, or to any act or condition incidental to any of the foregoing;
- (f) alleging or arising out of any obligation for which the Insured or any carrier may be held liable under worker's compensation, unemployment compensation, disability benefits or similar laws;
- (g) alleging or arising out of the rendering or failing to render, teach or supervise medical, surgical, dental, nursing, or other similar services;
- (h) alleging or arising out of any dishonest, fraudulent, criminal or malicious acts other than corporal punishment, provided, however, that this exclusion does not apply to coverage afforded under Insuring Agreement C;
- (i) alleging or arising out of claims brought by any employee or former employee of a Named Insured; provided, however, that this exclusion shall not apply to: (i) any claim made or suit brought against an Insured by or on behalf of another employee of a Named Insured if such claim or suit arises out of a Wrongful Act as a member of a Board of Commission, established by the State of Florida, which has as its purposes the licensure or certification of educators, or the setting of standards for the licensure or certification of educators, and (ii) any claim made or suit brought against an Insured by or on behalf of a minor or incompetent child of an employee of a Named Insured, if such claim or suit arises out of a Wrongful Act;
- (j) alleging or arising out of any Wrongful Act whereby an Insured intentionally causes damage of any nature to another person or entity, provided, however that this exclusion does not apply to (i) claims arising from corporal punishment of any student or pupil administered by or at the direction of such Insured while performing Professional Activities or (ii) coverage afforded under Insuring Agreement C;

- (k) alleging or arising out of any action seeking declaratory judgments, injunctive relief, or other similar proceeding, unless the relief prayed for therein also seeks damages which are covered under Coverages A or B.
- (l) alleging or arising out of any activities of any Insured while acting as a member of any school board or similarly constituted body.
- (m) arising out of any sexual molestation or harassment, established by final adjudication, admission of such Insured or otherwise in fact or to which an Insured pleads nolo contendere or no contest, at which time the Insured may be required, at the Insurer's sole discretion, to reimburse the Company for Defense Expenses advanced;
- (n) alleging or arising out of any claims, accusations or charges brought against any Insured, and to any obligation or duty of the Company to afford defense for such claims, accusations or charges, which are made because of any damages or injury arising out of Human Immune Deficiency Virus (HIV) Acquired Immune Deficiency Syndrome (AIDS), no matter how transmitted;
- (o) alleging or arising out of bodily injury, property damage, personal injury or advertising injury arising out of, in connection with or relating to the existence, monitoring, removal, transport, storage, installation or use of, testing for or contamination from, asbestos, mold or any hazardous, illegal or infectious substances;
- (p) arising out of any pending or prior litigation as of the Continuity Date set forth in the Declarations, or from the same or substantially related facts as alleged in such pending or prior litigation;
- (q) arising out of the same or related Wrongful Acts alleged or contained in any Claim which has been reported, or in any circumstances of which notice has been given, under any policy of which a this policy is a renewal or replacement or which it may succeed in time;
- (r) alleging or arising out of a Wrongful Act occurring prior to the Continuity Date if, as of that date, a Named Insured or an Insured knew or could have reasonably foreseen that such Wrongful Act did or would result in a Claim against an Insured;
- (s) alleging or arising out of:
 - (1) the purchase, sale, offer of or solicitation of an offer to purchase or sell securities;
 - (2) any violation of any securities law, including provisions of the Securities Act of 1933, or the Securities Exchange Act of 1934, as amended, or any regulation promulgated under the foregoing statutes, or any federal, state or local laws similar to the foregoing statutes (including "Blue Sky" laws), whether such law is statutory, regulatory or common law; or
 - (3) any violation of the Organized Crime Control Act of 1970 (commonly known as "Racketeer Influenced And Corrupt Organizations Act" or "RICO"), as amended, or any regulation promulgated thereunder or any similar federal, state or local law similar to the foregoing, whether such law is statutory, regulatory or common law;
- (t) alleging, arising out of common, based upon, attributable or in any way involving, directly or indirectly:
 - (1) the actual, alleged or threatened discharge, dispersal, release or escape of Pollutants, or

(2) any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize Pollutants,

including but not limited to any Claim alleging Damages to the Employer;

“Pollutants” include (but are not limited to) any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste; and Waste includes (but is not limited to) materials to be recycled, reconditioned or reclaimed;

- (u) alleging or arising out of any breach of fiduciary duty, responsibility, or obligation in connection with any employee benefit or pension plan, including violation of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 (ERISA) or amendments thereto, or similar statutory or common law of the United States of America or any state or jurisdiction therein;
- (v) alleging or arising out of any employment practices liability or any discrimination therein, including, but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy;
- (w) alleging or arising out of infringement of patent;
- (x) alleging or arising out of any misappropriation of trade secret or infringement of patent, copyright, trademark, trade dress or any other intellectual property right or any right of privacy;
- (y) alleging or arising out of:
 - 1. false arrest, detention or imprisonment;
 - 2. libel, slander or defamation of character; or
 - 3. wrongful entry or eviction.

CONDITIONS

1. Limits of Liability

The Limits of Liability stated in the Declarations are the limits of the Company’s liability for all Damages, Defense Expenses, or other attorney fees, charges, expenses, judgments, issuance of awards, settlements, and interest accrued on awards prior to the entry of judgment .

2. Notice to the Company

- (a) Notice of a claim shall be given in writing to the following address:

AIG Technical Services, Inc.
P.O. Box 1000
New York, NY 10268

If mailed, the date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice.

A claim shall be considered to have been first made against an Insured when written notice of such claim is received by any Insured, by a Named Insured on the behalf of any Insured or by the Company, whichever comes first.

- (b) A Named Insured or any Insured shall, as a condition precedent to the obligations of the Insurer under this policy, give written notice to the Company of any claim made against an Insured as soon as practicable during the Policy Period.
- (c) If written notice of a claim has been given to the Company pursuant to Condition 2(b) above, then any claim subsequently made against the Insureds and reported to the Insurer alleging, arising out of, based upon or attributable to the facts alleged in that claim for which such notice has been given shall be considered first made at the time such prior claim was first made.
- (c) If during the Policy Period the Company or an Insured shall become aware of any circumstances which may reasonably be expected to give rise to a claim being made against such Insureds, and shall give written notice to the Company of the circumstances and the reasons for anticipating such a claim, with full particulars as to dates, persons and entities involved, then any claim which is subsequently made against an Insured and reported to the Company alleging, arising out of, based upon or attributable to such circumstances, shall be considered made at the time such notice of such circumstances was first given.

3. Your Assistance and Cooperation

- (1) Each and every Insured agrees to cooperate with and help the Company
- (a) in making settlements, subject to sub-paragraph (3) herein;
 - (b) in enforcing any legal rights an Insured or the Company may have against anyone who may be liable to an Insured;
 - (c) by attending depositions, hearings and trials; and
 - (d) by securing and giving evidence, and obtaining the attendance of witnesses.
- (2) Each and every Insured shall take such actions which, in such Insured's judgment, are deemed necessary and practicable to prevent or limit Damages or Defense Expenses arising from such Insured's Wrongful Acts.
- (3) Insureds shall not admit any liability, assume any financial obligation or pay out any money without the Company's prior written consent. If such Insured does so, such Insured shall have done so at his or her own expense.

In addition, no Insured shall take any action, or fail to take any required action, without our written consent, which prejudices the Company's rights under this policy.

4. Action Against Company

No action shall lie against the Company, unless as a condition precedent thereto, the Insured shall have fully complied with all terms of this policy, or until the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Insured, the claimant and the Company. Any person or organization or the legal representative thereof who has accrued such judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization any right to join the Company as co-defendant in any action against the Insured to determine the Insured's liability. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of any of its obligations hereunder.

5. Other Insurance

If other insurance, excluding policies issued by the Company, is available to the Insured covering a loss also covered by this policy, then this policy shall apply in excess of, and shall not contribute with, such other insurance.

If any other policy issued by the Company also applies to a loss which would be covered by this policy then this policy will pay its share of the loss based on the percentage this policy's limit of liability bears to the total limits of liability of all insurance available to pay the loss.

Other Insurance includes but is not limited to:

- (a) Insurance, coverage or benefits provided by school boards, school districts or any similar entity;
- (b) Insurance, coverage or benefits provided by the National Education Association or similar organization; and
- (c) Insurance, coverage or benefits provided by self-insurance, trusts, pools, risk retention groups, captive insurance companies, or any other insurance plan or agreement of risk assumption.

6. Subrogation

In the event of any payment under this policy, the Company shall be subrogated to all the Insured's right of recovery therefor against any person or organization and the Insured shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The Insured shall do nothing after a loss to prejudice such rights.

7. Changes

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver or a change in any part of this policy or estop the Company from asserting any right under the terms of this policy; nor shall the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

8. Cancellation

This policy may be canceled by the Named Insured for any reason by surrender thereof to the Company or any of its authorized agents or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This policy may be canceled by the Company only for non-payment of premium by mailing to the Named Insured at the address shown on the policy, written notice stating when not less than ten days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender of the effective date and hour of cancellation stated in the notice shall become the end of the policy period. Delivery of such written notice either by the Named Insured or by the Company shall be equivalent to mailing.

If the Named Insured or the Company cancels the policy, earned premium shall be computed on a pro rata basis. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective. Any other premium adjustment or return premium as would apply had cancellation not been affected shall be computed substituting the date of cancellation for the expiration date of this policy.

9. Terms of Policy Conformed to Statute

Terms of this policy, which are in conflict with the statutes of the state wherein this policy is issued, are hereby amended to conform to such statutes.

IN WITNESS WHEREOF, the Company has caused this policy to be signed by its president and secretary and countersigned where required by law on the Declarations page by a duly authorized representative of the Company.