

U.S. Ski & Snowboard

Club Liability Insurance Program



FY2023-2024



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Lockton Companies thanks you for the opportunity to discuss your insurance and risk management program. This summary is a brief overview of that program and is based on the exposure information you provided. Please refer to the policies for complete terms, conditions, limitations, definitions, and exclusions. Higher limits may be available upon request.

Lockton Companies does not guarantee, or make any representation in regard to, and expressly disclaims responsibility for, the financial condition of insurance companies with which we place business. Any rating information contained in this document has been obtained by a third-party rating agency, and we do not represent or warrant its accuracy.

Commercial general liability

This is a general overview of insurance coverage that applies to the U.S. Ski & Snowboard club liability insurance program (CLIP). It is not a complete explanation of all policy provisions or specifics of the policy benefits. No coverage is extended, and no representations are made, other than what is stated in the actual insurance policies.

Insurer	State National Insurance Company
General liability limit summary	General liability: \$5,000,000 each occurrence Policy aggregate: \$5,000,000

The most that can be paid for any one occurrence (e.g., one accident) is \$5,000,000 on the general liability policy.

Defense costs are outside of the general liability policy limits. For example, if a CLIP club is sued and it costs \$2,000,000 to defend the suit and there is a settlement of \$100,000, the portion of the policy's general aggregate that is "used" by this claim is \$100,000.

General liability

Description	Amount
Each occurrence limit	\$5,000,000
Self-insured retention*	Zero
General aggregate limit	\$5,000,000 per club
Participant legal liability per occ./agg.**	\$5,000,000/\$5,000,000
Personal & advertising injury	\$1,000,000
Products & completed operations aggregate	\$1,000,000
Damage to premises rented to you	\$300,000

*U.S. Ski & Snowboard CLIP Club is responsible for payment of any applicable retention.

**Participant legal liability coverage is contingent upon participant being a member in good standing with properly signed Waiver and Release of Liability agreements for all U.S. Ski & Snowboard members.

Sexual abuse and molestation liability limits of insurance

Description	Amount
Per victim*	\$1,000,000 per victim/\$1,000,000 policy aggregate

*Sexual abuse and molestation coverage is contingent upon compliance with SafeSport training, background screening requirements, the Minor Athlete Abuse Prevention Policy (MAAPP), U.S. Ski & Snowboard's athlete safety policies and no one-on-one travel between minor athletes and adult participants.

General liability scope of coverage

- Who is eligible to apply?
 - All U.S. Ski & Snowboard member clubs except cross country only member clubs who may apply under a separate plan.
- Who is insured?
 - The U.S. Ski & Snowboard Member club and the members and supervisory staff of those clubs
 - U.S. Ski & Snowboard member coaches and U.S. Ski & Snowboard member officials while acting in their capacity as such on behalf of those clubs
 - U.S. Ski & Snowboard member participants, event organizers (directly related to the organizer's conduct of the U.S. Ski & Snowboard sanctioned event as an event organizer)
- When does coverage apply?
 - During ski and snowboarding competition
 - While training to compete and conditioning to compete in ski and snowboard competition that is supervised by a U.S. Ski & Snowboard CLIP Member Club representative
 - During club activities supervised by a representative of a U.S. Ski & Snowboard CLIP Member club, including fundraising activities that are not otherwise excluded (as outlined in the "Coverage does not apply to losses arising from" section).
 - U.S. Ski & Snowboard sanctioned events (meaning a schedule agreement has been executed) and/or activities conducted or approved by U.S. Ski & Snowboard: All U.S. Ski & Snowboard sanctioned events require 100% membership (visiting participants not permitted).
- Coverage does not apply to losses arising from:
 - Non-ski and/or snowboarding related events or competitions sanctioned by organizations other than a ski and snowboarding organization
 - Events normally conducted under U.S. Ski & Snowboard sanction/schedule agreements for which no sanction/schedule agreement is in place
 - Hang gliding
 - Parasailing
 - Parachuting
 - Tobogganing
 - Luge
 - Bungee jumping
 - Hot air balloon rides
 - Mechanical bulls

- Saddle animals
- Velcro jumps
- Cheerleading pyramids over 2-1/2 persons high and cheerleading activities using trampolines and springboards
- Saddle animal rides
- Petting zoos
- Racing or speed contest involving autos
- Racing or speed contest involving watercraft
- Racing or speed contest involving aircraft
- Parades – riding on floats or motorized devices
- Pep rallies
- Paintball
- Racetrack risks
- Boating
- Motorsports
- Rodeo
- Mechanical rides
- Tug of war
- Licensed daycare/preschool operations
- Repetitive type injuries to horses/ponies
- **Telemark events**
- **Biathlon events**
- **Any events involving firearms**
- **Ski touring or skiing in the backcountry on unmarked or unpatrolled areas.**

If you are considering organizing a non-sanctioned event or competition, we recommend you contact U.S. Ski & Snowboard to confirm the event/competition is eligible for coverage.

Note: All activities must comply with appropriate U.S. Ski & Snowboard discipline rules and procedures as set forth in the sport specific U.S. Ski & Snowboard Competition Guides and U.S. Ski & Snowboard Club Development Program Handbook posted at www.usskiandsnowboard.org.

Other activities that fall outside the scope of U.S. Ski & Snowboard's coverage:

- Automobiles/transportation – No coverage. The standard general liability policy excludes coverage for losses arising out of the use of an automobile and therefore, all activities involving automobiles are not covered (including transportation of U.S. Ski & Snowboard CLIP Member club's members). It is recommended that U.S. Ski & Snowboard CLIP Member clubs secure automobile liability coverage from a local insurance agent for transportation exposures.
- Directors and officers insurance – No coverage. Directors and officers insurance is not automatically included with this program.
- Standard business exposures – No coverage. If your club engages in activities that are not covered by CLIP you may want to seek additional insurance policies.

Excess accident medical limits

Insurer	Zurich American Insurance Company
Excess accident medical maximum benefits	\$25,000 <i>The first \$6,250 of benefits is payable at 80% of allowable expense, the next \$20,000 is payable at 100% of allowable expense.</i>
U.S. Ski & Snowboard general member medical deductible	\$2,000 (per person/injury) <i>The deductible must be satisfied within 365 days of the accident date</i>

Notes:

- Initial treatment must be received within 180 days of the injury.
- Benefits are payable for 104 weeks from the date of the covered accident. Medical expense will be paid only for such expense which is not recoverable from any other insurance policy.

Accidental death & dismemberment benefits

Description	Amount
Principal sum	\$10,000
Loss period	Loss within 180 days of injury

Loss schedule

Description	Amount
Loss of life	Principal sum
Loss of both feet, both hands or both eyes	Principal sum
Loss of one hand and one foot	Principal sum
Loss of one hand & one eye or one foot & one eye	Principal sum
Loss of speech and hearing	Principal sum
Loss of one hand, one foot or one eye	One-half principal sum
Loss of thumb and index finger of the same hand	One-fourth principal sum
Loss of hearing in one ear	One-fourth principal sum

Notes:

- "Loss of hand or hands or foot or feet" means severance at or above the wrist or ankle joint, respectively.
- "Loss of eye or eyes" means the total and irrecoverable loss of the entire sight thereof.
- "Loss of speech and hearing" means the total and irrecoverable loss thereof. Loss of hearing that can be corrected by use of any hearing aid or device shall not be considered an irrecoverable loss.
- "Loss of thumb and index finger of the same hand" means complete severance through or above the metacarpophalangeal joint of both digits.
- \$500,000 aggregate limit for any one covered accident.

Excess accident medical scope of coverage

- Who is insured?
 - The U.S. Ski & Snowboard Member club and the members and supervisory staff of those clubs
 - U.S. Ski & Snowboard member coaches and U.S. Ski & Snowboard member officials while acting in their capacity as such on behalf of those clubs
 - U.S. Ski & Snowboard member participants, event organizers (directly related to the organizer's conduct of the U.S. Ski & Snowboard sanctioned event as an event organizer)
- When does coverage apply?
 - While participating in any U.S. Ski & Snowboard sponsored or sanctioned activities or registered event, and traveling (domestic or international) directly and uninterrupted to and from such activity or event. Activity or event must be supervised, directed or approved by an authorized representative of the policyholder.
- Coverage does not apply to losses arising from:
 - Events normally conducted under the U.S. Ski & Snowboard Sanction/Schedule agreement for which no sanction/schedule agreement is in place
 - Fundraisers
 - Any event/activity other than camping, meetings, and award banquets that does not involve athletics
 - Paintball
 - Skydiving
 - Bungee jumping
 - White-water rafting
 - Outdoor rock climbing
 - Skateboarding unless activity takes place at a commercial skateboarding facility and organized by the CLIP member club
 - Rock-wall climbing unless the activity is supervised by a professional instructor and organized by the CLIP member club
 - Surfing unless the activity is supervised by a professional instructor and organized by the CLIP member club
 - Ropes course unless the activity is supervised by a professional instructor and organized by the CLIP Member Club

- General policy exclusions:
 - Suicide
 - War or any act of war
 - Involvement in active military service
 - Illness or disease
 - Participation in a felony
 - Parasailing, bungee jumping, heli-skiing, scuba diving or any other extra hazardous activity
 - Intoxication while operating a motor vehicle
 - Being under the influence of any prescription drug, controlled substance or hallucinogen unless prescribed
 - Travel or flight except as a fare-paying passenger
 - Cardiovascular event or stroke
 - Participation in any team sport or any other athletic activity unless mentioned in covered activities
 - Any condition for which the insured is entitled to benefits under workers' compensation
 - Riding or driving in any type of motor vehicle as part of a speed contest or race

Certificates of insurance

All participating U.S. Ski & Snowboard CLIP member clubs receive a certificate of insurance (proof of coverage) following registration as a U.S. Ski & Snowboard CLIP Member club and acceptance by the insurance company. For this reason, all U.S. Ski & Snowboard CLIP applications are contingent upon the U.S. Ski & Snowboard CLIP member club receiving its certificate of insurance.

If a U.S. Ski & Snowboard CLIP member club needs to provide a certificate of insurance to a venue or facility and the venue or facility requires additional insured status, these certificates may be obtained by submitting a request for a certificate of insurance along with the CLIP application each season.

This summary is a brief overview of coverage. Please refer to the policies for complete terms and conditions. Higher limits may be available upon request.

How to request a certificate of insurance:

- The Certificate Request Form link can be found on U.S. Ski & Snowboard's website.
 - Please include the venue or facility's legal name and address.
 - Please allow a minimum of two days for processing requests.
- Additional guidelines:
 - Do not offer to name venues or facilities as additional insureds.
 - You should only request to add entities as additional insureds when it is a requirement for using the facility.
 - It is the club's responsibility to provide copies of the certificate of insurance to their own additional insured venue or facility.
 - All certificates of insurance that you receive should be filed in a safe place.

U.S. Ski & Snowboard background screening and SafeSport requirements

Any adult member of U.S. Ski & Snowboard who is appointed to a position of authority over, or who has regular contact with athletes must clear periodic criminal background screening and complete SafeSport training annually. This includes U.S. Ski & Snowboard adult members in a position of authority over or in regular contact with athletes and those whom the club formally designates to be in a position of authority over athletes, and the U.S. Ski & Snowboard club governance board members, unless a prior exemption exists.

Sexual abuse and molestation insurance coverage is contingent upon adult member compliance with the background screening and SafeSport requirements as set forth by U.S. Ski & Snowboard to be a member in good standing. (Note: Based on membership type, there may be other requirements that need to be fulfilled prior to a member being in "good standing" with U.S. Ski & Snowboard.)

- Who does this apply to?
 - Designated club administrators
 - Club Board of Directors
 - Adult members affiliated with the club
- Who does this not apply to?
 - Short-term members
 - Alpine Masters members not in a position of authority over or in regular contact with athletes

Background screening compliance

- All adult background checks must be completed before coverage is in effect. Please refer to www.us skiandsnowboard.org for details.
- In the event a member's background check comes back as unacceptable, the member and club will be notified, his/her/their membership will be considered null and void, and the member will not be allowed to participate in any U.S. Ski & Snowboard sanctioned events/activities or club activities.
- Note that coverage will not apply if an adult member of a U.S. Ski & Snowboard CLIP member club who is in a position of authority over or in regular contact with athletes is not screened and an abuse and a molestation claim arises, as a result of the coach, official or volunteer who was not screened.
- Please keep in mind that a condition of being a U.S. Ski & Snowboard CLIP member club is that all your members are also members of U.S. Ski & Snowboard in good standing, so it is not anticipated that you will have club representatives who are in a position of authority over or are in regular contact with athletes who are not members of U.S. Ski & Snowboard. No coverage is available for sexual abuse and molestation claims if a loss rises from an individual for whom a background check was conducted.

SafeSport training compliance

- U.S. Ski & Snowboard prohibits the following conduct:
 - Sexual misconduct
 - Physical misconduct
 - Emotional misconduct
 - Bullying, threats, and harassment
 - Hazing
 - Willfully tolerating misconduct
- As a condition of membership, all U.S. Ski & Snowboard members are required to complete annual SafeSport training and agree to abide by the SafeSport Code and the Minor Athlete Abuse Prevention Policy (MAAPP) as detailed on the U.S. Ski & Snowboard website at <https://www.uskiandsnowboard.org/safesport-athlete-safety>.
- Every U.S. Ski & Snowboard member must report suspected violations of the SafeSport Code. If you suspect that a child is experiencing misconduct of a sexual nature, don't investigate yourself. Call local child protection authorities (police or child welfare office) and the SafeSport hotline (833-5US-SAFE).
- If you have a doubt on whether misconduct is occurring, please err on the side of reporting.
- Conduct which does not involve sexualized conduct, but which may violate one of the six categories of prohibited conduct (as stated above), may be reported to: uskiandsnowboardsafesport@uskiandsnowboard.org.

Additional reporting resources

SAFESPORT HELPLINE

- The Center for SafeSport provides 24-hour support via the SafeSport Helpline or by calling 833-5US-SAFE.
- **Reporting suspected violations of sexualized conduct:** <https://www.safesport.org/report-a-concern>
- **U.S. Center for SafeSport Programs:** Further, the U.S. Center for SafeSport provides a wide range of SafeSport resources, including online education and awareness. All coaches and those in a position of authority over athletes are required to take the online SafeSport course.

REPORTING SUSPECTED VIOLATIONS OF SEXUALIZED CONDUCT

<https://www.safesport.org/report-a-concern>

U.S. CENTER FOR SAFESPORT PROGRAMS

Further, the U.S. Center for SafeSport provides a wide range of SafeSport resources, including online education and awareness. All coaches and those in a position of authority over athletes are required to take the online SafeSport course.

U.S. Ski & Snowboard risk management resources/ items for consideration

Risk management contacts

- U.S. Ski & Snowboard has partnered with Lockton Companies to assist U.S. Ski & Snowboard with its risk management needs. Members of the U.S. Ski & Snowboard CLIP may contact Sheryl Barnes at sheryl.barnes@usskiandsnowboard.org or a member of Lockton's U.S. Ski & Snowboard service team at 303.414.6000 for additional insurance/risk management information.

Coaches' clinics

- Coaches' clinics are available for U.S. Ski & Snowboard club coaches to secure up-to-date information on the safest coaching methods. Certification of coaches at different levels is also available. For more information on these clinics, contact the U.S. Ski & Snowboard Sport Education Department at 435.647.2050 or sporteducation@usskiandsnowboard.org.

Contracts

- Your club may be required to execute an agreement with another entity (for example, to use a facility for ski practice) and it is important that you fully understand the terms and conditions of the proposed agreement. Most agreements include hold harmless and indemnification language, and we encourage you to take the following best practices into consideration when reviewing the indemnity and hold harmless provisions of any agreement.

Acceptable

- Other party indemnifies and holds U.S. Ski & Snowboard CLIP member club harmless for losses, and U.S. Ski & Snowboard CLIP member club doesn't indemnify or hold other party harmless; or
- Each party is responsible for its own negligence – mutual indemnification and hold harmless; or
- U.S. Ski & Snowboard CLIP member club indemnifies and holds other party harmless but not for losses arising from other party's negligence (or other party's sole or gross negligence). This is acceptable although above options are preferable.

Not acceptable

- U.S. Ski & Snowboard CLIP member club indemnifies other party and holds them harmless for any and all losses (including those arising from other party's own negligence), and other party doesn't indemnify or hold the U.S. Ski & Snowboard CLIP member club harmless.

U.S. Ski & Snowboard club liability insurance program

(Effective July 1, 2023 through June 30, 2024)

2023/2024 REGISTRATION FEES*

Description	Amount
Small CLIP club (club with 24 or fewer members) base fee	\$1,785
Large CLIP club (club of 25 or more members) base fee	\$3,150
Plus, per member participant fee for either club	\$15/per member participant

*Fees include U.S. Ski & Snowboard club membership and club membership benefits

Fees will be assessed based on your estimate of total participants and then reconciled with your actual participant count. For example, a large club of 50 members would pay only \$3,750. If there are discrepancies, you will be billed/credited at the end of the season.

It will be important to review your roster online at www.us skiandsnowboard.org and notify U.S. Ski & Snowboard Member Services of any additions and changes needed, as coverage will be dependent on your final club affiliation history.

Only U.S. Ski & Snowboard Member Clubs are eligible to participate in the U.S. Ski & Snowboard Club Liability Insurance Program. Eligibility for U.S. Ski & Snowboard club membership requires compliance with the following club minimum Standards.

Club minimum standards requirements

- Agree to support and align with U.S. Ski & Snowboard's mission, values and code of conduct.
- Agree to adhere to SafeSport code and the U.S. Ski & Snowboard Minor Athlete Abuse Prevention Policies (MAAPP), U.S. Ski & Snowboard's concussion policy and background screening protocol for all those in a position of authority over or in regular contact with athletes.
- Demonstrate that club leadership, including employees and board members, and those whom the club appoints to positions of authority over athletes are U.S. Ski & Snowboard members in good standing, (academic faculty and staff, such as teachers, who are not directly involved in sport programs with athletes are exempt from membership).
- Provide evidence of legal existence in their state of primary business operations. For example, clubs must show that they are a licensed business entity in good standing. Examples of documentation may include a current business license, certificate of good standing from state of incorporation, a link to the business' page in the secretary of state's business lookup in the state you are incorporated or other proof of business existence.
- Demonstrate that they possess general liability insurance. This requirement may be satisfied either by joining U.S. Ski & Snowboard's CLIP program or providing U.S. Ski & Snowboard with evidence of coverage comparable to that provided by CLIP. If through another entity, our club will provide U.S. Ski & Snowboard with a certificate of insurance (COI) naming U.S. Ski & Snowboard as an additional insured.

The CLIP club insurance application is subject to review and approval by member services. The submission of this application does not obligate U.S. Ski & Snowboard to accept the application or to issue a policy. The applicant declares to the best of their knowledge and belief, after reasonable inquiry, the statements made in the application and any attachments or information submitted with the application, are true and complete.

U.S. Ski & Snowboard reserves the right to deny coverage under the CLIP program to any club after reviewing the application and making a risk assessment/management decision based on several factors including but not limited to the club meeting minimum standards, prior claims, and risk history. Coverage will not be denied on the basis of race, gender and gender identity, color, sexual orientation or religion.

Our club acknowledges that master's members have two membership options: Alpine Master and Alpine Master (w/requirements). Our club accepts responsibility to determine if its Alpine Masters will be in a position of authority over or have regular contact with athletes and determine if its Alpine Masters need to complete criminal background screening and SafeSport education.

General liability policy minimum recommended standards

- A.M. Best rating of "A" or better
- \$1,000,000 each occurrence/\$2,000,0000 policy aggregate
- Sexual abuse and molestation coverage: Coverage for alleged or actual abuse and molestation claims
- Participant legal liability: Coverage for bodily injury claims arising from sports participation, including coverage for concussion/head trauma related claims
- Spectator liability: Coverage for bodily injury claims arising from spectators
- Who is an insured: Includes members and supervisory staff of the ski club, officials, coaches, and some volunteers
- Coverage for ski and snowboard competition, training, and club activities

CLIP ineligible: U.S. Ski & Snowboard clubs that are owned or operated by a parent entity (from which insurance may be obtained) such as resort competition centers, resort-run clubs and universities, municipalities are not eligible for CLIP.

To become a U.S. Ski & Snowboard CLIP member club:

1. You must be a U.S. Ski & Snowboard member club (application enclosed).
2. 100% U.S. Ski & Snowboard membership mandatory, including all competitors, coaches, officials, non-U.S. Ski & Snowboard athletes, and volunteers including supervisory staff and boards of directors.
3. Conduct activities in accordance with the rules and procedures set forth in the U.S. Ski & Snowboard Competition Guides.

Please note that applications will not be processed without above requirements being met.

How to enroll

- Complete and sign the U.S. Ski & Snowboard Member Club Liability Insurance Application Form. Calculate and pay your membership fees based on your estimated club participant count.
- Verify that all your club's participants hold appropriate current U.S. Ski & Snowboard memberships. You can do this by going to www.usскиandsnowboard.org and using the Member Lookup tool and/or the Club Roster tool listed under membership tools. Submit changes (additions/deletions) to: membership@usскиandsnowboard.org.
- U.S. Ski & Snowboard accepts VISA, MasterCard, American Express, Discover Card and checks.
- Submit completed application:
 - By email: membership@usскиandsnowboard.org
 - By mail: U.S. SKI & Snowboard Club Liability Insurance Program
Attn: Member Services, PO Box 100
Park City, UT 84060

After your U.S. Ski & Snowboard club has enrolled

Please check your U.S. Ski & Snowboard club roster periodically. Review your roster and notify U.S. Ski & Snowboard Member Services at membership@usскиandsnowboard.org of any additions and changes to keep your roster accurate.

Liability insurance coverage for your U.S. Ski & Snowboard CLIP member club begins provisionally upon receipt of your completed application, certification approved, verification that the 100% membership requirement has been met, and certificate of insurance is issued. Excess accident medical coverage for individual members is included in U.S. Ski & Snowboard membership fees and is in effect the day the membership fee and completed membership application for each member is received. **Because of this, it is important that each participant's membership application is processed by U.S. Ski & Snowboard before participation in your club activities.**

Note: All U.S. Ski & Snowboard club liability insurance program benefits are written on a "master policy" issued to U.S. Ski & Snowboard.

Important issues

Lockton Companies, LLC, and each of its Series, together with its/their respective domestic subsidiaries and affiliates (collectively, "Lockton"), are committed to being the worldwide value and service leader in insurance brokerage, risk management, employment benefits and retirement services. The services a particular Lockton company provides to each client ("Client") will be subject to these Terms of Business in the absence of conflicting terms in a written services agreement executed by Lockton and Client. Client's direction for Lockton to render consulting, insurance/risk management consulting and/or brokerage services on its behalf shall be deemed Client's agreement to be bound by the terms contained herein.

SURPLUS LINES; INSURANCE PREMIUMS AND RELATED TAX OBLIGATIONS

Lockton may not be able to procure insurance in the admitted marketplace on the terms and conditions specified by Client. In such event, Lockton's insurance proposal may include placements with insurer(s) not licensed to transact insurance in a particular jurisdiction and not subject to the supervision of such state's insurance department. Any such surplus lines coverage will be made pursuant to applicable insurance laws governing the placement of insurance with nonadmitted insurers. A state insurance guaranty fund will not respond in the event the surplus lines insurer should become insolvent. Furthermore, policy forms, conditions, premiums and deductibles used by surplus lines insurers may be different from those found in policies used in the admitted market.

Client is responsible for all insurance premiums due and any applicable surplus lines, sales, use, excise or other taxes for insurance coverage placed by Lockton. If Client fails to pay any premium in full by the due date indicated on the premium invoice, the coverage may be subject to cancellation by the insurer(s), and such nonpayment, in addition to any nonpayment of fees or expenses due to Lockton as set forth herein, shall be considered a material breach of these Terms of Business.

ACCURACY AND COMPLETENESS OF INFORMATION

Client shall be solely responsible for the accuracy and completeness of all information furnished to Lockton and/or to underwriters, insurers, insurance-related intermediaries and/or other third parties as necessary for the services contemplated herein. Lockton shall not be responsible for independently verifying the accuracy or completeness of any information that Client provides, and Lockton shall be entitled to rely on such information. Lockton shall have no liability for any errors or omissions in any services provided to Client, including the placement of insurance on Client's behalf, that are the result of, arise from, or are based, in whole or part, on inaccurate or incomplete information provided to Lockton. Client understands that the failure to provide accurate and complete information to an insurer, whether intentional or by error, could result in the denial of claims or rescission of coverage altogether. Client will review all policy documents provided to Client by Lockton and shall inform Lockton of any inaccuracies, deficiencies or discrepancies contained therein.

CONFIDENTIALITY; DATA PROTECTION INFORMATION NOTICE

Lockton and Client acknowledge that the nature of Lockton's relationship with the Client is one in which the Client may disclose to Lockton certain of the Client's information ("Information"), some of which may be of a confidential or proprietary nature, to enable Lockton to provide services to Client. Client acknowledges and consents to Lockton's use and disclosure of Information in the course of performing marketing, servicing, claims handling, risk management and/or insurance renewal services for Client.

Lockton is committed to protecting the privacy and security of Client's Information deemed to constitute personal data pursuant to applicable data privacy law or regulation. In providing regulated insurance broking services, Lockton may receive such personal data directly from Client, in the case of an individual Client, or indirectly, in the case of a commercial Client on behalf of its employee insureds. Pursuant to applicable data protection laws, Lockton is deemed to be a "data controller." This means that Lockton is responsible for deciding how it holds and uses personal data about Client.

Lockton may use personal data received from Client in its role as an insurance intermediary. This may include for the purposes of quotation/inception, policy administration, claims processing, renewals, marketing and other purposes necessary for the provision of insurance throughout the insurance lifecycle.

For more information, please review Lockton's Privacy Notice available on our website. If you have any questions about the Privacy Notice or Lockton's collection or use of Client personal data, please contact compliance@lockton.com.

INTERMEDIARIES

When, in Lockton's professional judgment, it is necessary or appropriate, Lockton may utilize the services of foreign or domestic intermediaries to assist in the servicing, marketing and/or placement of Client's insurance/risk management programs. However, this may only be done after consultation with Client. Lockton will advise Client whether any proposed intermediary is affiliated with Lockton. Any such intermediary shall be compensated by commissions earned on placement of Client's policies handled by that intermediary, or by payment of a separate fee agreed to by Client and the intermediary if commissions are not properly payable on Client's placements. Such commissions and fees shall be in addition to the compensation paid to Lockton.

LOGOS

Unless otherwise instructed by Client, Lockton may, without notice to or consent by Client, use Client's logo, pictures and other publicly available information to effectively market Client's insurance programs or in Lockton's marketing materials.

INSURANCE PROPOSALS AND SUMMARIES

Insurance documents prepared by Lockton containing proposals to bind coverage, summaries of coverages and certificates of insurance placed are furnished to Client as a matter of information for Client's convenience. These documents are not intended to reflect the terms, conditions, limitations and exclusions of such policies, are not themselves insurance policies and do not amend, alter or extend the coverages afforded by such policies. The insurance afforded by the proposed or placed policies is subject to all the terms, conditions, limitations and exclusions contained in such policies.

USE OF A PARTICULAR INSURER

Lockton is not obligated to utilize any particular insurer. In addition, Lockton is not authorized to make binding commitments on behalf of any insurer, except under certain circumstances which Lockton shall endeavor to make known to Client. Lockton shall not be responsible for the solvency of any insurer or its ability or willingness to pay claims, return premiums or other financial obligations. Lockton does not guarantee or make any representation or warranty that insurance can be placed on terms acceptable to Client. Lockton will not take any action to replace Client's insurers unless Client instructs Lockton to do so.

NO RELIANCE

Any reports or advice provided by Lockton should not be relied upon as accounting, legal, actuarial or tax advice. In all instances, Lockton recommends that Client seek independent advice on such matters from professional accounting, legal, actuarial and tax advisors.

RESPONSIBILITY FOR INSURANCE PROGRAMS

Lockton will not be responsible for the adequacy or effectiveness of any insurance programs or policies implemented or placed by another broker, including, without limitation, any acts or omissions occurring prior or subsequent to Lockton's engagement.

RELATIONSHIP BETWEEN THE PARTIES

Client acknowledges and agrees that in no event shall Lockton owe any enhanced or special duties to Client, express or implied, in fact or by law, whether referred to as a special relationship or fiduciary relationship or otherwise, except to the extent required by applicable law.

COMPENSATION DISCLOSURE

Lockton is committed to delivering a superior client experience through our customer-centered service model. Lockton wins and keeps clients by operating with complete integrity. We fulfill that pledge by providing fulsome disclosure regarding Lockton's sources of income—whether received from insurance companies or third parties—to clients.

Unless applicable law or contractual agreement between Lockton and insurers states otherwise, any commission that Lockton is entitled to receive for any placements is fully earned at inception of the insurance program, and Lockton is entitled to retain such commissions in the event of a midterm cancellation of coverage or a reduction in coverage resulting in a premium adjustment.

Lockton may receive compensation in a number of ways, including 1) commissions paid by an insurer, calculated as a percentage of premiums, or 2) negotiated fees paid by a client in lieu of, or in addition to, commissions. These commissions or fees received are for the placement/renewal of a client's insurance/risk management program, day-to-day servicing, risk control services and/or other services Lockton has agreed to provide on a client's behalf.

Lockton may also be eligible to receive other forms of compensation such as incentive or contingency payments or bonuses and/or supplemental commissions from insurance companies, intermediaries (which may be affiliated with Lockton) or other third parties as a result of being an insurance broker (collectively, "Additional Compensation").

Contingency payments or bonuses are based on the overall performance of a partial or entire book of business Lockton places with an insurance company, and Lockton's eligibility and the amount of any such compensation may vary depending on the line of business and a number of "contingent" factors related to future performance such as overall premium volume, premium growth year over year, persistency, profitability and/or retention targets set by the insurer. As such, a contingency payment received by Lockton from an insurer is difficult to tie back to any particular client insurance policy. Additional Compensation in the form of supplemental commission is established at the beginning of each calendar year based on Lockton's historical and current performance typically measured using some or all of the same performance factors by which contingency payments are calculated. Lockton may also receive service fees from insurers for consulting, managing general agency arrangements and/or analytics or administration services specific to an insurer including, without limitation, consulting in the development of insurer sales, product and/or marketing plans to broaden available coverage for Lockton clients. These service fees are not tied to, dependent on or identified with any particular client or insurance placement.

At times, insurers may also request that Lockton Re, LLC, a reinsurance intermediary broker affiliate ("Lockton Re"), place facultative and/or treaty reinsurance on their behalf and compensate Lockton Re for any such placement(s), subject to Lockton Re's Terms of Business agreement.

Lockton may also receive interest or investment income on funds temporarily held by it, such as premiums or return premiums, service fees or other compensation from premium finance companies for administrative services provided to or on behalf of premium finance companies relative to the financing of client insurance premiums.

Please contact your Lockton representative if you have specific questions regarding the compensation Lockton receives as it relates to your account.

MODELING AND ANALYTICS SERVICES

Lockton provides various modeling and/or data analytics services to its clients ("Modeling and Analytics Services") and may provide such services to Client. Client authorizes Lockton to 1) disclose information it receives from Client, its insurers and/or third-party administrators to Lockton's affiliates, parents, employees, and/or to third parties as necessary to perform such Modeling and Analytics Services, and 2) contribute such information to benchmarking databases created by or for Lockton to facilitate the creation of analytic reports for its clients, provided that such reports shall not include any information that personally identifies Client or its employees.

Modeling and Analytics Services will be based upon a number of assumptions, conditions and factors, as well as information provided by third parties. If any such information provided to or utilized by Lockton is inaccurate, incomplete or should change, the Modeling and Analytics Services provided by Lockton could be materially affected. As Modeling and Analytics Services are subject to inherent uncertainty and involve variables beyond Lockton's control, actual results may differ materially from Lockton's projections. The parties agree that Lockton shall have no liability to Client if 1) Lockton is provided inaccurate or incomplete information or 2) actual results differ from Lockton's projections. Modeling and Analytics Services do not constitute, and are not intended to be a substitute for, independent actuarial, accounting or tax advice.

LIMITATION OF LIABILITY

IN NO EVENT SHALL A PARTY BE LIABLE TO THE OTHER FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, EXEMPLARY, SPECIAL OR PUNITIVE DAMAGES (INCLUDING, WITHOUT LIMITATION, LOST PROFITS AND LOST BUSINESS) ARISING OUT OF OR RELATED TO THESE TERMS OF BUSINESS, EVEN IF IT HAS BEEN ADVISED OR IS AWARE OF THE POSSIBILITY OF SUCH DAMAGES, AND REGARDLESS OF WHETHER ARISING IN TORT (INCLUDING NEGLIGENCE), CONTRACT OR OTHER LEGAL THEORY. IN ANY EVENT, THE LIABILITY OF ONE PARTY TO THE OTHER FOR ANY REASON AND UPON ANY CAUSE OF ACTION SHALL BE LIMITED TO TEN MILLION DOLLARS (\$10,000,000.00). THIS LIMITATION APPLIES TO ALL CAUSES OF ACTION IN THE AGGREGATE. NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED HEREIN, THE EXCLUSIONS AND LIMITATIONS OF LIABILITY CONTAINED HEREIN SHALL NOT APPLY TO 1) ANY DAMAGES AWARDED IN CONJUNCTION WITH A FINAL JUDICIAL DETERMINATION OF FRAUD OR GROSS NEGLIGENCE OR 2) PERSONAL INJURY, INCLUDING DEATH, OR DAMAGE TO TANGIBLE PERSONAL PROPERTY CAUSED BY THE NEGLIGENT, WILLFUL OR INTENTIONAL ACTS OF A PARTY OR ITS EMPLOYEES, AGENTS OR SUBCONTRACTORS. REFERENCES TO A PARTY HEREIN INCLUDE SUCH PARTY'S DIRECTORS, OFFICERS, EMPLOYEES, MEMBERS, AGENTS AND DOMESTIC AND INTERNATIONAL AFFILIATED ENTITIES. NOTWITHSTANDING THE FOREGOING, IF THE EXPRESS TERMS OF A FEE AGREEMENT OR CONSULTING AGREEMENT ARE INCONSISTENT WITH THIS PROVISION, THE TERMS OF THE FEE AGREEMENT OR CONSULTING AGREEMENT SHALL CONTROL AND SUPERSEDE THIS PROVISION.



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