



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY MEMORANDUM OF LIABILITY COVERAGE

DECLARATIONS

Item 1: Named Covered Party:

- California State University Risk Management Authority (CSURMA)
- The State of California as respects the Trustees of the California State University
- The California State University (CSU)
- All campuses of the CSU as listed in Item 5

Item 2: Coverage Period:

July 1, 2025 to July 1, 2026 at 12:01AM

Item 3: Limits of Liability:

\$10,000,000	Ultimate Net Loss - Each Occurrence or Wrongful Act
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Item 4: Sublimits of Liability (provided by Campus Liability Risk Pool):

\$5,000,000	Medical Malpractice (<i>for Medical Doctors and the Student Health Centers</i>)
\$1,000,000	Funds, Grants or Appropriations (<i>defense only</i>)
\$1,000,000	Land Use (<i>defense only</i>)
\$1,000,000	Nuclear Materials (limited coverage)
\$10,000,000	Automobile Liability – non-salaried drivers only, e.g., student volunteers. (<i>Note: This coverage is provided through (1) the State Motor Vehicle Liability Self-Insurance Program (VELSIP) administered by the State of California Office of Risk Management (ORIM) and (2) Reinsurance is purchased via the CSURMA AORMA Liability Program.</i>)
\$250,000	Intellectual Property Infringement (<i>defense only</i>)

Item 5: Member Deductibles (Ultimate Net Loss - Each Occurrence or Wrongful Act):

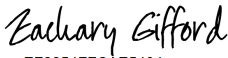
\$0	The State of California as respects the Trustees of the California State University
\$0	California State University Risk Management Authority (CSURMA)
\$50,000	California State University, Bakersfield
\$100,000	California State University, Channel Islands
\$250,000	California State University, Chico
\$250,000	California State University, Dominguez Hills
\$750,000	California State University, East Bay
\$250,000	California State University, Fresno
\$750,000	California State University, Fullerton



\$100,000	California State Polytechnic University, Humboldt
\$250,000	California State University, Long Beach
\$250,000	California State University, Los Angeles
\$50,000	California State University Maritime Academy
\$50,000	California State University, Monterey Bay
\$750,000	California State University, Northridge
\$500,000	California State Polytechnic University, Pomona
\$500,000	California State University, Sacramento
\$50,000	California State University, San Bernardino
\$900,000	San Diego State University
\$750,000	San Francisco State University
\$1,000,000	San Jose State University
\$500,000	California Polytechnic State University, San Luis Obispo
\$100,000	California State University, San Marcos
\$250,000	Sonoma State University
\$100,000	California State University, Stanislaus
\$100,000	California State University, Chancellor's Office

Item 6: Liability Claims Administrator:

The California State University
 Office of Systemwide Risk Management
 Attn: Director of Systemwide Risk Management
 562-951-4568 – Direct
 562-951-4859 – Fax
zgifford@calstate.edu – email

DocuSigned by:

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Authorized Signature



CALIFORNIA STATE UNIVERSITY RISK MANAGEMENT AUTHORITY

Campus Liability Coverage Program

Memorandum of Coverage

Various provisions in this Memorandum restrict coverage. Read the entire Memorandum carefully to determine Member rights, duties and what is and is not covered.

Throughout this Memorandum, words and phrases that appear in **boldface** type have special meanings. They are defined in SECTION I – DEFINITIONS and/or with respect to Covered Parties in SECTION IV – COVERED PARTIES.

The California State University Risk Management Authority (hereinafter called CSURMA) is an intergovernmental agency, risk sharing, joint powers authority, duly formed pursuant to California Government Code Sections 6500 *et seq.*

This Memorandum does not provide insurance, but instead provides for pooled self-insurance. This Memorandum is a negotiated agreement among the **Members** of the CSURMA, and none of the parties to the document are entitled to rely on any contract interpretation principles which require interpretation of ambiguous language against the drafter of such agreement. This document shall be applied according to the principles of contract law, giving full effect to the intent of the **Members** of the CSURMA, acting through the Board of Directors in adopting this document. As the CSURMA is not an insurer, it has no obligation to issue reservation of rights letters, nor does it have an obligation to provide “*Cumis*” counsel to a **Covered Party** in disputed coverage situations under Civil Code 2860. Finally, failure to provide notice to a **Covered Party** of any coverage dispute shall not operate to waive any of the provisions of this document.

SECTION I – COVERAGES

Subject to the **Member’s Deductible(s)**, CSURMA agrees:

To pay on behalf of the **Member** those sums for **Ultimate Net Loss** in excess of the **Member’s Deductible(s)** which the **Member** becomes obligated to pay as **Damages**;

1. By reason of liability assumed by the **Member** by contract because of **Bodily Injury or Property Damage, Personal Injury, Errors and Omissions, Employee Benefits Liability, Employment Practices Liability or Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies, caused by an **Occurrence or Wrongful Act**, or
2. By reason of liability imposed by law because of **Bodily Injury, Property Damage, Personal Injury, Errors and Omissions, Employment Practices Liability or Media Wrongful Acts** arising from operations of the **Member** to which this Memorandum applies, caused by an **Occurrence or Wrongful Act**.
3. By reason of liability imposed by law because of **Employee Benefits Liability** claims made during the **Coverage Period** to which this Memorandum applies, caused by an **Occurrence or Wrongful Act**.



SECTION II - DEFINITIONS

1. **Additional Covered Party** means any person(s), entity(ies) or organization(s) to whom the **Member** is obligated by virtue of a written contract to provide coverage solely with respect to **bodily injury, property damage and personal injury** arising out of and during the **Member's** operations or premises owned, rented or used by the **Member**; and

For which a certificate of coverage has been issued to such person(s); entity(ies) or organization(s) and is on file with CSURMA evidencing their status as an **additional covered party** under this coverage.

The limit and scope of coverage afforded to the **Additional Covered Party** shall be no broader than that which is required by such contract and shall in no event be broader than the coverage afforded by this Memorandum.

The coverage does not extend, either with respects to defense or indemnity, to the sole negligence or to the willful misconduct of any **Additional Covered Party**.

2. **Administration**, with respect to **Employee Benefits Liability**, means:
 - A. Providing information to **Employees**, including their dependents and beneficiaries, with respect to eligibility for or scope of **Employee Benefit Programs**;
 - B. Handling records in connection with the **Employee Benefit Program**; or
 - C. Effecting, continuing or terminating any **Employees'** participation in any benefit included in the **Employee Benefit Program**.

However, **Administration** does not include handling payroll deductions.

3. **Aircraft** means a vehicle designed for the transport of persons or property principally in the air.
4. **Automobile** means a licensed land motor vehicle or semi-trailer designed for travel on public roads, including any attached machinery, trailer or equipment.
5. **Bodily Injury** means **Bodily Injury**, sickness, disease or death, including but not limited to shock, mental anguish, mental injury and humiliation sustained by any person that occurs during the **Coverage Period**. **Bodily Injury** includes **Damages** claimed by any person or organization for care, loss of services or death resulting at any time from the **Bodily Injury**.
6. **Claim** means:
 - A. A civil proceeding against a **Member** in which **Damages** are sought on account of
 - 1) **Bodily Injury or Property Damage**,
 - 2) **Personal Injury**,
 - 3) **Errors and Omissions**,
 - 4) **Employee Benefits Liability**,
 - 5) **Employment Practices Liability**, or
 - 6) **Media Wrongful Acts**,



arising from an **Occurrence** or a **Wrongful Act** for which this coverage may apply, including an arbitration or other alternative dispute resolution proceeding in which monetary **Damages** are sought and to which the **Member** must or does submit with our written consent.

7. **Completed Operations Hazard** includes **Bodily Injury** and **Property Damage** arising out of operations or reliance upon a representation or warranty made at any time with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs after such operations have been completed or abandoned, and occurs away from premises owned by or rented to the **Member**. Operations include materials, parts or equipment furnished in connection therewith. Operations shall be deemed completed at the earliest of the following time:

- A. When all operations to be performed by or on behalf of the **Additional Covered Party** at the site of the operations have been completed.
- B. When all operations to be performed by or on behalf of the **Additional Covered Party** under the contract have been completed; or
- C. When the portion of the work out of which the injury or **Damages** arise has been put to its intended use by any person or organization other than another contractor or subcontractor working on the same project

Operations which may require further service or maintenance work, or correction, repair or replacement because of any defect or deficiency, but which are otherwise complete shall be deemed completed. The **Completed Operations Hazard** does not include **Personal Injury** or **Property Damage** arising out of:

- A. Operations in connection with the transportation of property unless the **Personal Injury** or **Property Damage** arises out of a condition in or on a vehicle created by the loading or unloading of that vehicle by any **Member**; or
- B. The existence of tools, uninstalled equipment or abandoned or unused materials.

8. **Coverage Period** means the period of coverage provided under this Memorandum as shown on the Declarations Page.

9. **Covered Individual(s)** means persons who are past or present elected or appointed officials, **Employees**, whether or not compensated, or authorized volunteers of the **Member**, while acting within the scope of their duties, office or employment for or on behalf of the **Member**, including while acting on outside boards at the direction of the **Member**. **Covered Individuals** do not include **Employees** of nonmember organizations, including, but not limited to alumni associations and volunteer university support groups.

10. **Dam** means any artificial barrier together with appurtenant works which:

- A. Is twenty-five feet (25) or more in height from the foot of a natural bed of stream or watercourse at the downstream toe of the barrier or from the lowest elevation of the outside limit of the barrier, if it is not across a stream, channel or watercourse, to the maximum possible water storage elevation; or
- B. Has water impounding capacity of fifty (50) acre feet or more.



Except, any such barrier which is not in excess of twenty-five (25) feet in height regardless of storage capacity, or which has a storage capacity not in excess of fifteen (15) acre feet regardless of height, shall not be considered a **Dam**; and, no structure specifically exempted from jurisdiction by the applicable state agency overseeing **Dams** shall be considered a **Dam**, unless such structure is under the jurisdiction of any agency of the federal government.

11. **Damages** means compensation in money which a **Covered Party** is legally obligated to pay as a result of a **Claim**.

Damages shall not include those sums determined to be owed by a **Covered Party** as contract **Damages**, including, but not limited to retroactive or prospective benefits, severance payments, or any **Damages** determined to be owed for breach of an express contract of employment or under an express obligation to make payments in the event of termination of employment. **Damages** shall also not include any wages, salary or benefits owed for work actually performed.

Damages with respect to **Employment Practices Liability** shall not include amounts awarded under a labor grievance or arbitration pursuant to a collective bargaining agreement.

Damages shall not include sums paid pursuant to any judgment or agreement, whether injunctive or otherwise, to undertake actions to correct past discriminatory or unlawful conduct or to establish practices or procedures designed to eliminate or prevent future discriminatory or other unlawful conduct, or any non-monetary relief.

Damages shall not include fines, penalties, sanctions, taxes or fees assessed against any **Covered Party**.

12. **Deductible** means the amount of each **Ultimate Net Loss** which the Member has to pay irrespective of the amount of the **Ultimate Net Loss** as shown on the Declarations page of this document.

13. **Discrimination**, as respects **Employment Practices Liability**, means the actual or alleged failure to employ, failure to promote, or the demotion, transfer, suspension, or termination of any **Employee** because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy. **Discrimination**, other than as respects **Employment Practices Liability**, means **Bodily Injury**, **Personal Injury** and/or **Errors and Omissions** arising from alleged acts, errors or omissions showing favor, prejudice or bias for or against a person because of race, color, creed, national origin, sex, sexual orientation or preference, religion, age, gender, disability or handicap or pregnancy.

14. **Employee** means:
 - A. Any person who has an assigned work schedule for the **Member** and is on the **Member's** regular payroll; and
 - B. Any person who is leased to the **Member** through a staffing or temporary agency and is working for the **Member** under the **Member's** supervision, including a **Leased Worker**.
 - C. **Employee** does not include independent contractors.
 - D. As respects **Employment Practices Liability** and **Employee Benefits Liability** and when appearing in boldface type in this Memorandum, means any present or former **Employee** of the **Member**; and



- E. Solely as respects **Employment Practices Liability** arising from alleged **Discrimination** with respect to negligent hiring, only, **Employee** includes an applicant for employment.
- F. Solely as respects **Employment Practices Liability**, independent contractors and/or persons working on retainer, while acting for or on behalf of the Member.

An **Employee's** status as a **Covered Party** will be determined as of the date of the **Occurrence** or **Wrongful Act** upon which a **Claim** involving the **Employee** is based.

- 15. **Employee Benefits Liability** means liability for actual or alleged Errors and Omissions in the Administration of a Member's Employee Benefit Program.
- 16. **Employee Benefits Program** means a program providing some or all of the following benefits to Employees:
 - A. Group life insurance, group accident or health insurance, dental, vision and hearing plans, and flexible spending accounts;
 - B. Profit sharing plans, Employee savings plans, Employee stock ownership plans, pension plans, and stock subscription plans; and
 - C. Unemployment insurance, social security benefits, workers' compensation, and disability benefits.
- 17. **Employment Practices Liability** means any circumstance relating to a past, present or prospective **Employee** of the **Member** (and the child, parent, brother or sister of that person) as a consequence of the following **Wrongful Acts** or alleged **Wrongful Acts**: wrongful dismissal, discharge, or termination, either actual or constructive, of employment; employment related misrepresentation; retaliation; wrongful failure or refusal to employ or promote; wrongful deprivation of career opportunity or reassignment; wrongful discipline; failure to grant tenure or negligent **Employee** evaluation; **Sexual or Workplace Harassment** or humiliation of any kind, including, but not limited to, the alleged operation of a harassing workplace environment; negligence resulting in **Damages** to a person that is a whistle-blower; unlawful **Discrimination**, whether direct, indirect, intentional or unintentional; failure to provide adequate **Employee** policies and procedures. **Employment Practices Liability** shall include actions brought under state, local, or federal law, whether common or statutory, and shall include, but not be limited to allegations of violations of the following federal laws, as amended, including regulations promulgated thereunder:
 - A. Americans With Disabilities Act of 1992 (ADA)
 - B. Civil Rights Act of 1991
 - C. Age **Discrimination** Empowerment Act of 1967 (ADEA), including the Older Workers Benefit Protection Act of 1990
 - D. Title VII of the Civil Rights Law of 1964, as amended (1983), including the Pregnancy **Discrimination** Act of 1978;
 - E. Civil Rights Act of 1866, Section 1981; and
 - F. Fifth and Fourteenth Amendments of the U.S. Constitution.



18. **Errors and Omissions** means a **Wrongful Act** by **Covered Individuals** individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
19. **Intellectual Property Infringement** means the unauthorized use, duplication, or sale of materials or products that are legally regarded as protected intellectual property. Intellectual property includes, but is not limited to, copyrights, patents, trademarks, service marks, industrial designs, domain names, literary and artistic works, product designs, symbols, commercial names and images, and trade secrets, whether registered or not.
20. **Land Subsidence** means the movement of land or earth, including, but not limited to, sinking or settling of land, earth movement, earth expansion, and/or contraction, landslide, slipping, falling away, caving in, eroding, earth sinking, and earth rising or shifting or tilting.
21. **Leased Worker** means any **Employee** who is under contract to the **Member** while performing duties defined under the contract with the Member.
22. **Loss Adjustment Expense** means all costs and expenses incurred by the **Member** in connection with the investigation, appraisal, negotiation, adjustment, settlement, litigation, defense or appeal of a specific **Claim** or loss covered hereunder, including but not limited to CSURMA approved defense attorney fees, court costs, costs of supersedes and appeal bonds, monitoring counsel expenses, subrogation, salvage and recovery expense. **Loss Adjustment Expense** shall include any allocated **Claims** expenses, salaries or overhead incurred by attorneys who are **Employees** of the California State University's Office of General Counsel. However, such expenses shall be limited at \$250 per hour. **Loss Adjustment Expense** shall also include fees and expenses of outside adjusters and others associated with specific **Claims**, but excluding any **Loss Adjustment Expense** and fees paid that are not allocable to a specific **Claim**. **Loss Adjustment Expense** does not include salaries and expense of **Member's Employees** except as provided above, as well as office and other overhead expenses.

Additionally, CSURMA may exercise the right to require that such counsel have certain minimum qualifications with respect to their competency including experience in defending **Claims** similar to the one against the **Member** and to require that independent counsel have errors and omissions coverage. The **Member** agrees to instruct counsel, whether independent or in-house, to respond to CSURMA request(s) for information regarding the **Claim** in a timely manner.
23. **Media Wrongful Act** means any error or omission arising out of the gathering, recording, collection, writing, editing, advertising, publication, dissemination, exhibition, broadcast, display on an internet site, or release, including but not limited to any actual or alleged:
 - A. Invasion or infringement of the right of privacy or publicity, including the torts of intrusion upon seclusion, publication of private facts, false light, or misappropriation of name or likeness;
 - B. Wrongful entry or eviction, trespass, eavesdropping, or other invasion of the right of private occupancy;
 - C. Libel, slander, disparagement, or publicity, false light, public disclosure or private facts, appropriation of name, persona or likeness, or any other form of defamation or harm to the character or reputation of any person or entity;
 - D. Outrage, infliction of emotional distress or prima facie tort;



- E. Infringement or dilution of trademark, trade name, trade dress, title, slogan, service mark or service name, domain name, deep linking or framing, including unfair competition in connection with such conduct;
 - F. Copyright infringement, plagiarism, piracy, breach of implied contract, or misappropriation of property rights, information or ideas;
 - G. Breach of a promise of confidentiality or anonymity;
 - H. Error or omission in content;
 - I. Unfair competition or conspiracy, but only when the allegation of unfair competition or conspiracy is based entirely upon one or more Media Wrongful Acts falling within sections A-H above;
 - J. Breach of an indemnification or hold harmless agreement relating to **Claims** arising out of the media, but only when such **Claims** allege a **Media Wrongful Act** falling within sections 1-9 above; solely when committed or allegedly committed by a **Covered Party** in is, her or its capacity as such and in connection with the creation or dissemination of media, or in connection with the creation or dissemination of advertising materials relating to media.
24. **Member** means the **Member** named on the Declarations Page.
25. **Mold(s)** means any fungus or mycota or any byproduct or type of infestation produced by such fungus or mycota, including but not limited to mold, mildew, mycotoxins, spores, bacterial pathogens, or any biogenic aerosols to include, but is not limited to, any superficial growth produced on damp or decaying organic matter or on living organisms, and fungi that produces **Molds**.
26. **Occurrence** means an accident, act, error, offense, omission or event **Media Wrongful Act** or **Wrongful Act** during the **Coverage Period**, including continuous or repeated exposure, which results in damages, neither expected nor intended by the **Member**. An **Occurrence** taking place over more than one **Coverage Period** shall be deemed to have taken place during the **Coverage Period** when the **Occurrence** ended and shall be treated as a single **Occurrence** in that **Coverage Period**.
26. **Personal Injury** means any of the following offenses:
- A. False arrest, detention or imprisonment, or malicious prosecution;
 - B. Publication or utterance of a libel or slander or of other defamatory or derogatory material, or a publication or utterance in violation of an individual's right of privacy;
 - C. Wrongful entry or eviction or other invasion of the right of private occupancy;
 - D. **Discrimination** or violation of civil rights other than **Employment Practices Liability**, not intentionally committed by or at the direction of the **Member**; and
 - E. Assault and battery not committed by or at the direction of, or with consent of the **Member**. However, this does not apply if committed or directed for the purpose of protecting persons from injury or death, or property from damage.



27. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals and **Waste**. **Waste** includes materials, which are intended to be or have been recycled, reconditioned or reclaimed. The term **Pollutant** as used herein is not defined to mean potable water or agricultural water or water furnished to commercial users. **Pollutants** includes any material defined as hazardous in Sections 66261.10 through 66261.126 of Title 22 of the California Code of Regulations.
28. **Products Hazard** includes **Bodily Injury** and **Property Damage** arising out of **your** products or reliance upon a representation or warranty with respect thereto, but only if the **Bodily Injury** or **Property Damage** occurs away from premises owned by or rented to **you** and after physical possession of **your** product (s) has been relinquished to others.
29. **Property Damage** means:
 - A. Physical injury to or destruction of tangible property which occurs during the Coverage Period, including the loss of use thereof at any time resulting therefrom;
 - B. Loss of use of tangible property, which has not been physically injured or destroyed, provided such loss of use is caused by an Occurrence or Wrongful Act during the Coverage Period.
30. **Sexual or Workplace Harassment** shall mean any actual, attempted or alleged unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, of a person by another person, or person acting in concert, which causes physical and/or mental injuries. **Sexual or Workplace Harassment** also includes the above conduct when:
 - A. Submission to or rejection of such conduct is made either explicitly or implicitly a condition of a person's employment, or a basis for employment, or a basis for employment decisions affecting a person; or
 - B. Such conduct has the purpose or effect of unreasonably interfering with a person's work performance or creating an intimidating, hostile or offensive work environment.

Sexual or Workplace Harassment does NOT include **Sexual Misconduct** as defined in this Memorandum.
31. **Sexual Misconduct** means:
 - A. The actual, attempted or alleged abuse or molestation of a person by another person, or persons acting in concert which causes physical and/or mental injuries. Sexual molestation includes: sexual abuse, sexual assault, sexual exploitation or sexual injury; or
 - B. The negligent employment, investigation, supervision, reporting to the proper authorities or failure to report the above of a Covered Person.
32. **Territory** means an **Occurrence** or a **Wrongful Act** that takes place during the **Coverage Period** anywhere in the world, as well as **Claims** brought anywhere in the world.
33. **Ultimate Net Loss** means the amount of paid **Claims** liability for **Damages** for which the **Member** is liable on a per **Occurrence** or **Wrongful Act** basis, either by (1) adjudication, or (2) compromise with the prior written consent of CSURMA, and which the **Member** actually pays in cash, after making proper deduction for all recoveries and salvages collectible. **Ultimate Net Loss** includes **Loss Adjustment Expenses**. **Ultimate Net Loss** shall not include any of the above-described



expenses for **Damages** against a **Member** or defense expenses incurred because of liability excluded by this Memorandum.

34. **Weapon** means any instrument, object, device, material, or substance that is capable of being used to inflict **Bodily Injury**, including, but not limited to, an **Unconventional Weapon** and/or a **Firearm**.
 - A. **Firearm** means any manual, semiautomatic, or automatic pistol, rifle, gun, shotgun, revolver, or other device capable of expelling or propelling one or more projectiles by the action of an explosive, combustible propellant, or compressed air.
 - B. **Unconventional Weapon** means a chemical, radiological, or biological agent, organism, or toxin.
35. **Wrongful Act** means any actual or alleged error, misstatement, omission, negligent act, or breach of duty, including misfeasance and nonfeasance by covered individuals individually or collectively in the discharge of their duties for the **Member**, or any matter claimed against them solely by reason of their being or having been public officials.
36. **Wrongful Termination** means the actual, alleged or constructive termination of an employment relationship between an **Employee** and a **Member** in a manner and/or a reason which is contrary to applicable law.
37. The following definitions are applicable only to **Exclusion 15 – Nuclear Material**:
 - A. **Hazardous Properties** include radioactive, toxic or explosive properties;
 - B. **Nuclear Material** means source material, special **Nuclear Material** or byproduct material;
 - C. Source material, special **Nuclear Material** and byproduct material have the meaning given in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - D. **Spent Fuel** means fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a **Nuclear Reactor**;
 - E. **Waste** means any **Waste** material, (a) containing a byproduct material and (b) resulting from the operation by any person or organization of any **Nuclear Facility** included within the definition of **Nuclear Facility** under paragraph a. or b. thereof;
 - F. **Nuclear Facility** means:
 - 1) Any **Nuclear Reactor**;
 - 2) 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**;
 - 3) 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 **Member** at the premises where such equipment or device is located consists of or contains more than 25 grams plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235; or



- 4) Any structure, basin, excavation site 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.

G. **Nuclear Reactor** means any apparatus designed or used to sustain nuclear fission in a 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 includes all forms of radioactive contamination of property.

SECTION III - DEFENSE AND SETTLEMENT

1. **CSURMA** has the right and duty to defend any **Claim** or **Suit** against the **Member** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage applies even if the **Claim** or **Suit** is groundless, false or fraudulent when the **Deductible** has been exhausted by the payment of **Damages** including **Loss Adjustment Expenses** to which this coverage applies and provided further that no insurer has a duty to defend or is defending such **Claim**.
2. **CSURMA** has no duty to defend the **Member** against any **Claim** or **Suit** seeking **Damages** arising out of any **Occurrence** or **Wrongful Act** to which this coverage does not apply.
3. When **CSURMA** assumes the defense of any **Claim** or **Suit** on the Member's behalf, **CSURMA** will:
 - A. Investigate, negotiate and settle the **Claim** or suit as **CSURMA** may deem expedient; and
 - B. Pay the following to the extent that they are not covered by any other coverage:
 - 1) Premiums on bonds to release attachments for amounts not exceeding our Limits of Coverage, but **CSURMA** is not obligated to apply for or furnish any such bond;
 - 2) Premiums on appeal bonds required by law to appeal any **Claim** or suit which **CSURMA** defends, but **CSURMA** is not obligated to apply for or furnish any such bond;
 - 3) All reasonable costs taxed against the **Member** in any **Claim** or suit that **CSURMA** defends;
 - 4) Pre-judgment interest awarded against the **Member** on that part of the judgment **CSURMA** pays. If **CSURMA** makes an offer to pay the applicable Limit(s) of Liability, then **CSURMA** will not pay any pre-judgment interest accrued for that period of time after the offer;
 - 5) All interest that accrues after entry of judgment and before **CSURMA** has paid, offered to pay or deposited in court the part of the judgment that is within



CSURMA's applicable Limit(s) of Liability; or

- 6) Reasonable **Member** expenses incurred with **CSURMA's** consent or at **CSURMA's** request.
 - 7) Attorney fees awarded against the Member and Additional Covered Party, provided the fees are attributable to a claim for compensatory damages covered by the Memorandum and not based on any contract.
4. **CSURMA** will not defend any **Claim** or **Suit** after our applicable Limit(s) of Liability has been exhausted by payments of judgments or settlements including **Loss Adjustment Expenses**.
 5. Except as provided in Paragraph A above, **CSURMA** will have no duty to defend any **Claim** or **Suit** against the **Member**. We will, however, have the right, but not the duty, to participate in the defense of any **Suit** and the investigation of any **Claim** to which this Memorandum may apply, and the **Member** shall cooperate fully with us in such participation. If **CSURMA** chooses to exercise this right, **CSURMA** will do so at **CSURMA's** own expense.
 6. All expenses **CSURMA** may incur in the defense of any **Claim** or **Suit** are included in the Limit of Liability and are not paid in addition to the Limit of Liability.
 7. If **CSURMA** assumes the control of the handling of a claim, the Member shall be obligated to pay at the direction of **CSURMA** any sum necessary for the settlement of a claim, or to satisfy liability imposed by law, up to the applicable **Deductible**.

SECTION IV - LIMITATIONS UPON CSURMA'S LIABILITY

Regardless of the number of (1) persons or entities covered under this Memorandum, or (2) persons or organizations who sustain injury or damage, or (3) **Claims** made or suits brought because of injury or damage, the **CSURMA's** liability for **Damages** is limited as follows:

The **CSURMA's** liability for **Damages** shall be only for the **Ultimate Net Loss** less the **Member's Deductible(s)** not to exceed the Limits of Liability shown in the Declarations, as the result of any one **Occurrence** or **Wrongful Act** or the amount shown in the Declarations because of all **Occurrences** for any one **Member** during each **Coverage Period**. There is no limit to the number of **Occurrences** or **Wrongful Acts** during the **Coverage Period** for which **Claims** may be made.

The **Member's Deductible(s)** as shown in the Declarations applies to each such **Occurrence** or **Wrongful Act** without regard to exclusions, limitations or exhaustion of aggregate limits in underlying or contributing coverage, insolvency of any insurance carrier or insurance pool, or any circumstances wherein underlying or contributing coverage is uncollectible.

This Memorandum applies to **Occurrences** or **Wrongful Acts**, which take place anywhere in the world during the specified **Coverage Period** stated in the Declarations of this Memorandum.

The term **Covered Party** is used severally and not collectively. The Limit of Liability and **Member's Deductible(s)** as stated in the Declarations apply separately to each **Covered Party**. In the event of an **Occurrence** for which more than one **Covered Party** is or may be held liable, one **Member** Deductible



and one Limit of Liability coverage will apply to all **Covered Parties**. CSURMA's liability for all **Covered Parties** shall not exceed the Limit of Liability set forth in Declarations. An **Occurrence** or **Wrongful Act** involving more than more than one **Member** shall be treated as a single **Occurrence** or **Wrongful Act**, and a single Limit of Liability and a single **Member's Deductible(s)** will apply to the **Occurrence** or **Wrongful Act**.

For the purpose of determining the CSURMA Limit of Liability and the **Member's Deductible(s)**, all **Damages** arising out of continuous or repeated exposure to substantially the same general conditions shall be considered as arising out of one **Occurrence** or **Wrongful Act**. An **Occurrence** or **Wrongful Act** with a duration of more than one **Coverage Period** shall be treated as a single **Occurrence** or **Wrongful Act** arising during the **Coverage Period** when the **Occurrence** or **Wrongful Act** ends, and under no circumstances shall the fact that said **Occurrence** or **Wrongful Act** have a duration of more than one **Coverage Period** entitle a **Covered Party** to more than one Limit of Liability or to coverage under more than one Memorandum.

Bodily Injury or **Personal Injury** damages resulting from **Sexual Misconduct** will be deemed to have occurred at the time of the last **Sexual Misconduct** and all such **Bodily Injury** or **Personal Injury** will be deemed to be a single occurrence whether committed by the same perpetrator or two or more perpetrators acting in concert and without regard to the number of (1) incidents of **Sexual Misconduct** taking place thereafter, (2) victims of **Sexual Misconduct**, or (3) locations where the **Sexual Misconduct** took place. Only the Memorandum of Coverage in effect during which such **Sexual Misconduct** last occurred will apply to such single **Occurrence** of **Sexual Misconduct**. Coverage does not apply to any **Covered Party** who is found by a court of law to have committed a criminal act of **Sexual Misconduct**.

Regardless of the number of claimants, **Members**, **Claims**, or locations involved, all **Ultimate Net Loss** suffered by one or more persons, which arises out of the operation, use, misuse, manipulation, handling, brandishing, possession, control, or discharge of one or more **Weapons**, and which has a common nexus of fact or circumstance, or is otherwise the result of a series of causally connected or interrelated events, the most we will pay for all **Ultimate Net Loss** will be subject to the highest single limit applicable. This limitation applies even if the **Claims** against any **Member** allege negligence or other wrongdoing in the supervision, hiring, employment, training or monitoring of others by that **Member** or negligence or other wrongdoing in the monitoring or securing of any premises, site or location by that **Member**.

SECTION V - COVERED PARTIES

The parties covered by the CSURMA:

1. The **Member**.
2. The following individually and collectively, when acting solely within the scope of their duties, office, or employment for the **Member**:
 - A. Governing Board.
 - B. Officers.
 - C. **Employees**.



- D. Non-compensated individuals, while acting for or on behalf of the **Member**. This includes individuals appointed and acting as volunteers. Volunteers include students who are enrolled in community service programs, but only while such students are performing services for credit that are valid for the student to meet the university's requirements for college graduation.
- 3. **Additional Covered Parties** as defined in Section II, 1. of this document.
- 4. **Covered Individuals** as defined in Section II, 9. of this document.

SECTION VI – EXCLUSIONS

This Memorandum shall not apply to, and CSURMA shall not be obligated to make any payment or defend any lawsuit in connection with any **Claim** or liability or **Damages**, with respect to:

- 1. Aircraft
The ownership, maintenance, loading or unloading, use or operation of any **Aircraft** capable of flight. This exclusion does not apply to static **Aircraft**.
- 2. Assault and Battery
Arising out of assault and battery, except for assault and battery committed by or directed for the purpose of protecting persons or property or where same are not committed by or at the direction of the **Member**.
- 3. Automobile
For any liability arising out of the use or entrustment to others of any **Automobile** owned or operated by or rented or loaned to any **Member**, but this exclusion does not apply to parking an **Automobile** on or on the ways next to premises the **Member** owns or rents, provided the **Automobile** is not owned by or rented or loaned to the **Member**.
- 4. Automobile Physical Damage
For any liability for damages to or destruction of any **Automobile** owned by, rented to, leased to or in charge of the **Member**.
- 5. Aviation Activities
The ownership, maintenance, loading or unloading, use or operation of any:
 - A. **Aircraft**
 - B. Airfields;
 - C. Runways;
 - D. Hangars; or
 - E. Buildings of other properties in connection with aviation activities.
 - F. Liability for **Damages** arising out of in-flight operations of **Aircraft** by or in the interest of the **Covered Party** except with respect to operations performed by scheduled common carriers or operations of **Aircraft** owned or operated by the United States government or



the State of California. The term in-flight as used in the foregoing means the period of time the **Aircraft** moves forward in taking off or in an attempt to take off until it has completed its landing run.

This exclusion shall not apply, however, to those areas open to the public for the purpose of entering, leaving, or using the airport facilities (including parking lots and garages).

This exclusion shall not apply, however, to the maintenance and operations of permanently stationary **Aircraft** used for instructional purposes only.

6. Bid Specifications / Cost Overruns

Claims arising out of:

- A. Estimates of probable cost or cost estimates being exceeded or faulty preparation of bid specifications or plans including architectural plans.
- B. Mechanic's lien claims, stop notice claims, change order claims, or similar claims by contractors for the value of services or materials provided; this exclusion extends to such claims however denominated, including claims of breach of oral or written contract, third-party beneficiary claims, *quantum meruit* claims, and/or open count claims.

7. Bodily Injury

To **Bodily Injury** to any of the **Member's Employees** arising out of and in the course of employment by the **Member**, but this exclusion does not apply to Workers' Compensation Coverage B, Employers Liability, or Stop Gap Liability, as defined by the National Council on Workers' Compensation Insurance, or Employment Practices Liability.

With respect to **Employment Practices Liability, Bodily Injury**, to any **Employee** of the **Member** arising out of and in the course of his/her employment by any **Member**; but this exclusion does not apply to liability assumed by any **Member** under any written contract.

8. CSU Managed Construction Projects

For any liability for damages assumed by the **Covered Parties** under any construction project contracts managed by the Chancellor's Office of the California State University or managed by a campus of the California State University, or both. However, CSURMA shall defend any actions or suits brought against any Member for such causes of action.

9. Contractual Obligations

The actual or alleged failure to perform or breach of any contract, agreement or other guarantee or promise, except this exclusion does not apply to any employment related contracts as provided under **Employment Practices Liability**. This exclusion does not apply to liability for **Damages** that the **Member** would have in the absence of the contract or agreement, or contractually assumed liability arising from the **Member's** operations; however, the agreement must arise out of or be incidental to the Member's operations and must be in place before the Occurrence and does not extend to professional liability of engineers.

10. Eminent Domain, Condemnation Proceedings or Inverse Condemnation

The **Claims** for loss or **Damage** or any liability arising out of or in connection with the principles of eminent domain, condemnation proceedings or inverse condemnation, or by whatever name used



whether such **Claims** are made directly against you or by virtue of any agreement entered into, by or on **your** behalf.

11. Employee Benefits Liability

- A. Arising out of an insufficiency of funds to meet any obligations under any plan included in the Employee Benefits Program
- B. Failure of any investment to perform;
- C. Errors in providing information on past performance of investment vehicles; or
- D. Advice given to any person with respect to that person's decision to participate or not to participate in any plan included in the Employee Benefits Program.
- E. For any **Employee Benefits Liability Claim** for benefits to the extent that such benefits are available, with reasonable effort and cooperation of the **Covered Party**, from the applicable funds accrued or other collectible insurance.
- F. For taxes, fines or penalties, including those imposed under the Internal Revenue Code or any similar state or local law.

12. Funds, Grants or Appropriations

For the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations for the return of such funds, grants, or appropriations for any reason. However, CSURMA will defend any action or suits brought against any **Covered Party** for the actual or alleged use, misuse, mismanagement or loss of funds, grants, or appropriations or for the return of such funds, grants or appropriations for such causes of action, unless their alleged conduct was outside the scope of employment.

13. Intellectual Property Infringement

For any liability for **Damages**, fines, penalties, sanctions, taxes, fees, contract damages, or any other costs or expenses arising from any **Claim**, suit, or proceeding arising from allegations related to **Intellectual Property Infringement**. However, CSURMA shall defend the **Member** up to an amount not exceeding \$250,000 **Ultimate Net Loss** for such liability. Nothing herein shall act to increase the limit of liability. CSURMA AORMA shall not pay any expenses related to a **Member's** (or any other entity's) pursuit of **Damages**; or for abatement, enforcement, or other remedies, for its own **Intellectual Property Infringement** claims.

14. Intentional Conduct

- A. For any liability based on the **Member's** obtaining of financial gain to which the **Member** was not legally entitled.
- B. For any liability arising out of the willful violation of a penal code or ordinance committed by or with the knowledge or consent of any **Member, Covered Individual or Additional Covered Party**; except that any act pertaining to any one **Member** shall not be imputed to any other **Member** for the purpose of determining the application of this exclusion.

15. Lack of Occurrence or Wrongful Act



For injuries or **Damages** which do not arise out of an **Occurrence** or **Wrongful Act** as defined in this Memorandum;

16. Land Use

To any liability for **Damages** arising from any **Claim**, suit or proceeding arising from allegations related to land use, land planning or land development. However, CSURMA shall defend the **Covered Party** up to an amount not exceeding \$1,000,000 **Ultimate Net Loss** for such liability.

This exclusion shall not apply, however, to any land use litigation where suits or **Claims** for land use litigation are a result of negligence proven on the part of a **Covered Party**. Nothing herein shall act to increase the Limits of Liability stated in the Declarations page.

17. Member vs. Member

Claims by any **Member** against its own past or present elected or appointed officials, employees or volunteers, where such claim seeks damages or restitution payable to the **Member**.

18. Non-Compensatory Amounts and/or Damages

For any non-monetary equitable redress or form of relief other than the payment of monetary **Damages**, including but not limited to, declaratory, injunctive or administrative relief or specific performance award, or any cost to defend or cost or expense to comply with any declaratory, injunctive or administrative relief or specific performance award.

19. Nuclear Material

To any liability for **Damages** arising out of injury, sickness, disease, death or destruction:

A. For any loss or liability accruing to the **Covered Party** 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.

1) It is agreed that this Memorandum does not apply under any liability coverage, to injury, sickness, disease, death or destruction, **Bodily Injury** or **Property Damage** with respect to which a **Member** under the Memorandum is also a **Covered Party** 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. The **Member** is, or had such coverage 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.

B. Resulting from the **Hazardous Properties** of **Nuclear Material**, if:

1) The **Nuclear Material** is at any **Nuclear Facility** owned by, or operated by or on behalf of a **Member**, or has been discharged or dispersed therefrom;

2) 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 a **Member**; or



- 3) The injury, sickness, disease, death or destruction arises out of the furnishing by a **Member** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operations 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 part 3 applies only to injury to or destruction of property at such **Nuclear Facility**.

However, this Exclusion shall not apply to liability arising from the use of radioactive materials in instructional laboratories operated by the **Member** and/or research activities sponsored by the **Member** or California State University.

20. Pollution

For any loss, cost, or expense:

- A. Arising out of, or that would not have occurred in whole or in part but for, the actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants** at any time, however, wherever or whenever occurring and by whomever caused or alleged to have been caused;
- B. Arising out of any **Claim**, suit, governmental direction or request, request, demand or order, whether by or on behalf of a governmental authority or not, that any **Covered Party** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or in any way respond to, or assess the effects of pollution or **Pollutants**:
 - 1) At any premises owned, rented or occupied by the **Covered Party**;
 - 2) At or from any site or location used by or for the **Covered Party** or others for the handling, storage, dispersal, processing or treatment of **Waste**;
 - 3) Which are at any time transported, handled, stored, treated or disposed of; or processed as **Waste** by or for the **Covered Party** or any person or organization for whom the **Covered Party** may be legally responsible; or
 - 4) At or from any site or location on which the **Covered Party** or any contractors or subcontractors working directly or indirectly on the **Covered Party's** behalf are performing operations:
 - a) If the **Pollutants** are brought on or to the site or location in connection with such operation; or
 - b) If the operations are to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize the **Pollutants**.

Subparagraph (A) and (B.1) do not apply to **Bodily Injury** or **Property Damage** arising out of heat, smoke or fumes from a hostile fire.

As used in this exclusion, a hostile fire means one, which becomes uncontrollable or breaks out from where it was intended to be.

Provided, however, that this exclusion does not apply to:

- A. Discharge, dispersal, release or escape directly caused by hostile fire, explosion, lightning, windstorm, vandalism or malicious mischief; or



- B. **Bodily Injury or Property Damage** which is within the **Product Hazard** of the **Completed Operations Hazard**; or
- C. Loss or Damage caused by the collision, upset or overturn of any **Automobile**; or
- D. A discharge, dispersal, release or escape of **Pollutants** that meets all of the following conditions:
 - 1) It was accidental and was neither expected nor intended by the **Covered Party**.
 - 2) It was instantaneous and was demonstrable as having commenced at a specific time and date during the term of this coverage.
 - 3) Its commencement became known to the Risk Manager or Executive Director of the **Covered Party** within ten (10) calendar days.
 - 4) Its commencement was reported in writing within forty (40) calendar days of becoming known to the Risk Manager or Executive Director of the **Covered Party**.
 - 5) Reasonable effort was expended by the **Covered Party** to terminate the situation as soon as conditions permitted.

Nothing contained in this exclusion shall operate to provide any coverage with respect to:

- A. Any site or location used by others on the **Covered Party's** behalf, principally for the handling, storage, disposal, dumping, processing or treatment of **Waste** material.
- B. Any fines, penalties or exemplary **Damages**.
- C. Any clean-up costs ordered by the Superfund program, or any federal, state or local governmental authority. However, this specific exclusion (3) shall not serve to deny coverage for third party clean-up costs otherwise covered by this endorsement simply because of the involvement of a governmental authority;
- D. Acid rain;
- E. Clean up, removal, containment, treatment, detoxification or neutralization of **Pollutants** situated on premises the **Member** currently owns, rents or occupies or owned, rented or occupied at the time of the actual discharge, dispersal, seepage, migration, release or escape of said **Pollutants**; or
- F. Water pollution caused by oil or by its derivatives.

21. Property Damage

For the cost to modify any building or property in order to make said building or property more accessible or accommodating to any disabled or incapacitated person.

Arising from **Property Damage** to:

- A. Property owned by a **Covered Party**; or



- B. Property rented or leased to a **Covered Party** where the **Covered Party** had assumed liability for damage to or destruction of such property, unless the **Covered Party** would have been liable in the absence of such assumption of liability or contractual liability

22. Watercraft

Arising out of the ownership, maintenance, operation, use, entrustment to others, loading or unloading of any watercraft owned or operated by or rented or loaned by any **Covered Party**, but this exclusion does not apply to:

- A. Watercraft while ashore on premises owned or rented by **Covered Party**;
- B. Watercraft less than fifty-one (51) feet in length at the waterline.
- C. Watercraft with no self-propulsion capabilities, regardless of length.
- D. Rowing or sculling shells regardless of length.

23. Under Errors and Omissions Liability:

- A. Based on **Covered Party's** obtaining of financial gain to which the **Covered Party** was not legally entitled.
- B. Arising out of the willful violation of a penal code or ordinance committed by or with knowledge of consent of any **Covered Party**; except that any act pertaining to any one **Covered Party** shall not be imputed to any other **Covered Party** for the purpose of determining the application of this exclusion.
- C. Refund or restitution of taxes, fees, or assessments.

24. Under Media Wrongful Acts:

- A. Based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any actual or alleged infringement, contributing to the infringement, or inducing the infringement of any patent.
- B. Actual or alleged violation of any federal, state or local statute, law or regulation regarding the dissemination of unsolicited communications, including but not limited to unsolicited telephone calls, facsimiles and electronic mail; or
- C. Liability of any **Member** arising in whole or in part, out of any **Covered Party** obtaining remuneration or financial gain to which the **Covered Party** was not legally entitled;
- D. Liability arising out of the willful violation of a penal statute, code or ordinance committed by or with the knowledge or consent of any **Member**; except that any act for which a **Covered Party** is responsible shall not be imputed to any other **Covered Party** for purposes of this subpart 3.
- E. Arising out of oral or written publication of material, if done by or at the direction by **you** with knowledge of its falsity.

This exclusion does not apply to liability arising from the managerial, advisory, supervisory, or controlling obligations of any **Covered Party** over the action of another **Covered Party**;



SECTION VII – CONDITIONS

1. Action Against CSURMA - No action shall lie against CSURMA unless, as a condition precedent thereto, the **Covered Party** shall have fully complied with all the terms of this Memorandum nor until the amount of the **Covered Party's** obligation to pay shall have been finally determined whether by judgment against the **Covered Party** after actual trial or by written agreement of the **Covered Party**, the claimant and CSURMA. Said judgment shall not be deemed final, if an appeal be prosecuted therefrom, until the suit shall have been finally determined on appeal. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this document to the extent of the coverage afforded by this document. Nothing contained in this document shall give any person or organization any right to join CSURMA as a co-defendant in any action against the **Covered Party** to determine such **Covered Party's** liability. Under no circumstances shall CSURMA be liable for consequential damages, “bad faith” damages, or any sums beyond the amounts due under Section I - Coverages, plus interest at the same rate as the CSURMA earned on investments for the time period involved.
2. Arbitration:
 - A. In the event that a question or dispute arises between CSURMA and a **Covered Party** concerning the applicability of the coverage provided by this document to an **Occurrence** or **Wrongful Act** or **Claim** against the **Covered Party**, either the **Covered Party** or CSURMA may make a written request for arbitration. Where such a request is made, arbitration shall be a condition precedent to the filing of any civil action concerning, or in any way arising out of, such question or dispute.
 - B. If a **Covered Party** and CSURMA fail to agree upon an arbitrator, each party will select an arbitrator. The two arbitrators will select a third. If they cannot agree within thirty (30) days, either may request selection by a judge of a court having jurisdiction. Each party will bear the expense it incurs, and the two parties will bear the expense of the third arbitrator equally. Local rules of law as to procedure and evidence will apply. A decision agreed to by two of the arbitrators will constitute a determination of the matter in question or dispute.
 - C. Except as otherwise provided above, arbitration hereunder shall be conducted as provided in Title 9 of the California Code of Civil Procedure (Code of Civil Procedure Section 1280, *et seq.*).
3. Assignment: No assignment of interest under this Memorandum shall bind CSURMA without its written consent and endorsed hereon.
4. Cancellation and Termination:

Coverage provided under this Memorandum may be terminated at any time in accordance with the terms set forth in the CSURMA Joint Powers Agreement, the Bylaws and the Policies and Procedures.
5. Changes to the Memorandum: This Memorandum may not be amended or changed in any respect, nor shall any provision of this Memorandum be deemed to have been waived by CSURMA, unless and until a written endorsement which expressly amends this Memorandum or waives a provision thereof has been duly issued by CSURMA and made a part of this Memorandum, unless the



CSURMA Policies and Procedures regarding claims reporting and claims administration and litigation management have been amended by CSURMA.

6. Claims Settlement: As stated in the CSURMA Policy and Procedures regarding Claims Reporting and Claims Administration and Litigation Management.
7. Contribution Payment: The annual contribution payment shall be due and payable upon inception of coverage and each renewal thereafter. The amount of the annual contribution will be computed in accordance with CSURMA's rules and rates. CSURMA shall not be required to perform any obligations under this Memorandum if contributions are not paid.
8. Duties in the Event of Occurrence, Wrongful Act, Claim or Suit: The following provisions and the provisions of the CSURMA Memorandum and Policy and Procedure on Claims Reporting and Claims Administration and Litigation Management are conditions precedent to coverage under this Memorandum. The **Covered Party's** failure to comply with any of these provisions will be cause for a reduction in or denial of coverage by CSURMA.
 - A. In the event of any **Occurrence** or an offense which may result in a claim, suit or proceeding against a **Covered Party**, written notice (includes e-mail correspondence, fax transmissions and original hard copy notifications) shall be given by the **Member** to CSURMA as soon as practicable.
 - B. When the **Member** submits the first claim report, the following information shall be included, if available and applicable:
 - 1) How, when and where the **Occurrence** or offense took place;
 - 2) The names and addresses of any injured persons and witnesses;
 - 3) The nature and location of any injury or damage arising out of the **Occurrence** or offense;
 - 4) Incident reports;
 - 5) Investigation reports;
 - 6) Police reports;
 - 7) Claim notices and **Member** and any other involved **Covered Party** response(s);
 - 8) Medical reports; and
 - 9) Other information helpful to CSURMA.
 - C. The **Member** and any other involved **Covered Party** shall provide immediate notice of any Pleadings, Summons, Complaints and any other legal papers received by the **Member** or other involved **Covered Party** to the CSURMA Claims Administrator and authorize CSURMA to obtain records and other information;



- D. The **Member** and any other involved **Covered Party** will cooperate with CSURMA in the investigation or settlement of the claim, suit or proceeding or defense against and assist CSURMA, in the enforcement of any right against any person or organization which may be liable to the **Member** because of injury or damage to which this coverage may also apply.
9. Inspection and Audit: CSURMA shall have the right, but not the obligation, to inspect the **Member's** property and operations at any time. Neither our right to make inspections, nor the making thereof, nor any report thereon shall constitute an undertaking, on behalf or benefit of the **Member** or others, to determine or warrant that such property or operations are safe or healthy.
- The **Member** shall maintain records of such information as is necessary for premium computation, and shall send copies of such record to CSURMA at the end of the **Coverage Period** and at such times during the **Coverage Period** as we may direct. CSURMA may examine and audit **Member's** books and records as they relate to this Memorandum at any time during the **Coverage Period** and extensions thereof and within three (3) years after the final termination of this Policy.
10. No Voluntary Payments: Except as stated below, no **Member** will, except at that **Member's** own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without the consent of CSURMA.
- With respect to **Employment Practices Liability**, as stated in CSURMA Policy and Procedure on Claims Reporting, in no event shall any payments be made by CSURMA for any costs incurred to defend a covered **Claim** more than thirty (30) days prior to written notification of an **Occurrence**, offense, **Claim** or suit to CSURMA.
- Moreover, no settlement of any **Claim** shall be paid by CSURMA without prior written authorization of CSURMA.
- As requested, CSURMA shall be entitled to complete access to the **Member's** claim file, the defense attorney's complete file, and all investigation material and reports, including all evaluations and information on negotiations. The **Member** shall be responsible to report on the progress of the litigation and any significant developments at least quarterly to CSURMA, and to provide CSURMA with simultaneous copies of all correspondence provided to the covered party by its defense attorneys and/or agents.
11. Other Coverage: It being recognized that similar coverage contracts contain Other Insurance Clauses, it is therefore intended, understood and agreed that:
- A. Notwithstanding the terms and conditions of any Other Insurance Clause of Clauses in any policy or policies where other coverage is available to the **Covered Party** (whether such policy is issued to the **Covered Party** or extends to it as employer, employee or agent in any other capacity), the coverage afforded hereunder is intended to be, and shall be, excess coverage; and under no circumstances shall the coverage afforded hereunder be considered pro-rata, concurring or co-existent.
- B. If any other coverage is available to the **Covered Party**, whether such coverage is called excess over, or pro-rata with other valid and collectible insurance or not, the coverage afforded hereunder shall not apply until such other coverage has been exhausted, provided that this clause does not apply with respect to excess insurance purchased specifically to be in excess of this document.



12. Separation of Covered Parties: Except with respect to the Section III – Limitations Upon CSURMA's Liability, and any rights or duties specifically assigned to this Memorandum, this coverage applies:
 - A. As if each **Covered Party** were the only **Covered Party**; and
 - B. Separately to each **Covered Party** against whom the **Claim** is made or suit is brought.
13. Statutory Provisions: Terms of the Memorandum which are in conflict with the statutes of the State of California are amended to conform to such statutes.
14. Subrogation/Transfer of Rights of Recovery Against Others to CSURMA: CSURMA shall be subrogated to the extent of any payment hereunder, to all of **Member's** rights of recovery and **Member** shall do nothing after loss to prejudice such rights and shall do everything necessary to secure such rights. **Member** may elect to waive their rights to subrogation prior to a loss. To the extent that **Member** elects to waive such rights, CSURMA shall have no right of subrogation. Any amount recovered shall be apportioned as follows:

Any interest, including yours, having paid an amount in excess of **Member's Deductible(s)** plus the Limit of Liability hereunder shall be reimbursed first to the extent of actual payment. CSURMA shall be reimbursed next, to the extent of actual payment hereunder. If any balance then remains unpaid, it shall be applied to reimburse the Member. The expense of all such recovery proceedings shall be apportioned in the ratio of the respective recoveries. If there is no recovery in proceedings conducted solely by **Member**, then **Member** shall bear the expenses thereof.