

Personal Umbrella Policy



Arbella Mutual Insurance Company

A MUTUAL INSURANCE COMPANY

HOME OFFICE:
1100 Crown Colony Drive
Quincy, MA 02169
617-328-2800

This is not a complete and valid contract without an accompanying **DECLARATIONS** properly executed.

The annual meeting of the Arbella Mutual Insurance Company under its By-laws is scheduled to be held at its home office in Quincy, MA on the third Tuesday of June each year, at 11:00 AM. (If any change in the annual meeting is made pursuant to the By-laws, notice thereof will be given as provided in the By-laws.)

The company issuing this policy is shown on the **DECLARATIONS**.

Mutual Policy Condition

This policy is non-assessable. You are a member of the company while this policy is in force. As a member, you will be entitled to receive any dividends declared on this policy by the Board of Directors. The Board of Directors retains the sole right to determine whether any dividends will be declared and, if so, the amount and the date of payment.

You are hereby notified that by virtue of this policy, you are a member of the Arbella Mutual Insurance Company and are entitled to vote either in person or by proxy at any and all meetings of said company.

Please read your policy. Part of your policy is a page marked “**DECLARATIONS**”. It shows the types and the amounts of coverage you have purchased. As you read the policy, check the **DECLARATIONS** to make sure it shows exactly what you intended to buy. If there is any question, call your agent or company right away.

ATTACH DECLARATIONS PAGE, DECLARATIONS SCHEDULES AND ENDORSEMENTS HERE

This is not a complete and valid contract without an accompanying DECLARATIONS PAGE properly executed.

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PERSONAL UMBRELLA POLICY

In this policy, “you” and “your” refer to the Named Insured as shown on the Declarations and the spouse if a resident of the same household. “We,” “us” and “our” refer to the Company providing this insurance. All bold-faced words and phrases have special meaning. Refer to the DEFINITIONS, page 1.

AGREEMENT

We will provide the insurance described in this policy in return for the premium and compliance with all applicable provisions of this policy.

DEFINITIONS

1. **Auto** means a private passenger motor vehicle or trailer subject to motor vehicle registration. **Motorized land vehicles** are not **autos** except while being towed by an **auto** as described in the preceding sentence.
2. **Bodily injury** means bodily harm, sickness or disease, including required care, loss of services and death that results.
3. **Business** means any part-time or full-time trade, profession or occupation.
4. **Business property** means:
 - a. Property on which a **business** is conducted; or
 - b. Property rented or held for rental, in whole or in part, to others.
5. **Insured** means:
 - a. You;
 - b. The following residents of your household:
 - (1) your **relatives**, wards or foster children;
 - (2) anyone below the age of 21 under the care of a person named above.
 - c. Any person using an **auto**, **motorized land vehicle**, or watercraft, which is owned by you and covered under this policy, provided that you gave permission for the type of use. Any person using a temporary substitute for such **auto** or **motorized land vehicle** is also an **insured**.
 - d. Any other person or organization by only with respect to the legal responsibility for acts or omissions of you or any **insured** while you or any **insured** is using an **auto**, **motorized land vehicle** or watercraft covered under this policy. However, the owner or lessor of an **auto**, **motorized land vehicle** or watercraft loaned to or hired for use by an **insured** or on an **insured's** behalf, is not an **insured**.
 - e. With respect to animals owned by you or any **insured**, any person or organization legally responsible for such animals. However, a person or organization using or having custody of such animals in the course of any **business** or without the consent of the owner is not an **insured**.
6. **Loss** means:
 - a. an accident, including continuous or repeated exposure to substantially the same general harmful conditions, that results in **bodily injury** or **property damage** during the policy period;
 - b. an offense, including a series of related offenses, committed during the policy period, that results in **personal injury**.
7. **Motorized land vehicle** means a motorized land conveyance, other than an **auto**.
8. **Personal injury** means injury, other than **bodily injury**, arising out of one or more of the following offenses:
 - a. false arrest, detention or imprisonment, or malicious prosecution;
 - b. libel, slander or defamation of character or
 - c. invasion of right of private occupancy, wrongful eviction or wrongful entry.
9. **Property damage** means physical injury to, destruction of, or loss of use of tangible property. All such loss of use shall be deemed to have taken place at the time of the accident that caused it.
10. **Relative** means any person related to you by blood, adoption, or marriage.
11. **Residence premises** means:
 - a. the one, two, three, or four family dwelling, other structures, and grounds; or
 - b. that part of any other building;Where you reside and which is shown as the **residence premises** on the Declarations.
12. **Retained limit** means the greater of:
 - a. the total limits of liability of any Underlying Insurance providing coverage for the **loss**. The limits shown on the Declarations are the minimum to be maintained by you for **Required Underlying Insurance**; or
 - b. the amount shown on the Declarations as “Self-Insured Retention.” This amount applies only if this policy applies and no Underlying Insurance provides coverage for the **loss**.
13. **Required Underlying Insurance** means:

The types of coverage and limits listed on the Declarations page under “Type of Policy or Coverage and Required Underlying Limits”, including but not limited to the specific policies shown, which you are required to maintain in force at limits equal to or greater than shown.

COVERAGES

1. Insuring Agreement:

We will pay damages, in excess of the **retained limit**, for:

- a. **bodily injury** or **property damage** for which an insured becomes legally liable due to a **loss** to which this insurance applies; and
- b. **personal injury** for which an **insured** becomes legally liable due to one or more offenses listed under the definition of **personal injury** to which this insurance applies.

Damages include prejudgment interest awarded against the **Insured**.

2. Defense and Settlement:

- a. if a claim is made or a suit is brought against an **insured** for damages because of **bodily injury**, **personal injury** or **property damage** caused by **loss** to which this insurance applies, we:
 - (1) will investigate and settle any claim or suit which may result as we decide is appropriate; and
 - (2) will provide a defense at our expense by counsel of our choice unless the **loss** is covered by any Underlying Insurance or **Required Underlying Insurance** or would have been covered if **Required Underlying Insurance** were in force. We will do this even if the suit is groundless, false or fraudulent.

We may join, at our expense, with the **insured** or any underlying insurer in the investigation, defense or settlement of any claim or suit which we believe may require a payment under this policy. We will not contribute to costs and expenses incurred by any underlying insurer, or which any underlying insurer is obligated to provide.

Our duty to defend any claim or suit arising out of a single **loss** ends when the amount we have paid for that **loss** equals the Personal Umbrella "Policy Limit" shown on the Declarations.

In any country where we are prevented from defending an **insured** because of laws or other reasons, we will pay any expense incurred with our written consent for the **insured's** defense.

- b. When we defend a claim or suit under this policy, we will pay:
 - (1) the cost of:
 - (a) bonds to release attachments up to the "Policy Limit"; and
 - (b) appeal bonds for any suit we defend.We have no obligation to apply for or furnish such bonds.
 - (2) all reasonable expenses incurred at our request by any **insured**;
 - (3) court costs and expenses on judgments assessed against any **insured**.

- (4) interest which occurs after entry of the judgment and before we pay or tender, or deposit in court that part of any judgment within the Personal Umbrella "Policy Limit"; and
- (5) wages lost because an **insured** is absent from work at our request up to \$250 per day to a total of \$5,000.

Payments under Defense and Settlement, except a settlement payment, are in addition to the Personal Umbrella "Policy Limit."

3. Limit of Liability:

The most we will pay for a single **loss** under this policy is the amount shown on the Declarations as Personal Umbrella "Policy Limit." This limit is the most we will pay regardless of the number of insureds, claims made, persons injured, vehicles involved or exposures or premiums shown on the Declarations.

EXCLUSIONS

We do not provide coverage:

1. For any **loss** arising out of any **insured's** ownership, maintenance, use, operation, loading or unloading, entrustment to others or supervision of any **autos**, **motorized land vehicles**, or watercraft:
 - a. owned by or furnished for the regular use of any **insured** other than you; or
 - b. for vicarious liability for the actions of a child or minor whether or not statutorily imposed upon the **insured**.

This exclusion does not apply to:

- (1) any **auto** you are driving or you own; or
- (2) any **motorized land vehicle** or watercraft you are operating.

2. For **bodily injury** or **property damage** arising out of an act which is expected or intended by an **insured** to cause **bodily injury** or **property damage**. This Exclusion applies even if the **bodily injury** or **property damage**:
 - a. is of a different kind, quality or degree than expected or intended; or
 - b. is sustained by a different person or entity than expected or intended.

However, this Exclusion does not apply to:

- a. **bodily injury** resulting from the use of reasonable force by an **insured** to protect persons or property; or
 - b. **bodily injury** or **property damage** resulting from the use of reasonable force by an **insured** to prevent or eliminate danger in the operation of **autos**, **motorized land vehicles** or watercraft.
3. For **bodily injury** or **personal injury** to:
 - a. you; or
 - b. the following residents of your household:
 - (1) your **relatives**, wards or foster children;
 - (2) anyone below the age of 21 under the care of a person named above.

4. For **property damage** to:
 - a. **property** owned by the **insured**; or
 - b. **property** rented to, occupied or used by, or in the care, custody or control of, the **insured** to the extent that the **insured** is obligated by contract to provide insurance for such property. However, this Exclusion does not apply to **property damage** caused by fire, smoke or explosion.
5. For **personal injury**:
 - a. arising out of oral or written publication of material, if done by or at the direction of the **insured** with knowledge of its falsity;
 - b. arising out of oral or written publication of material whose first publication took place before the beginning of the policy period;
 - c. arising out of a criminal act committed by or at the direction of one or more **insureds**, or arising out of a criminal act where the **insured** is found to be an accomplice;
 - d. sustained by any person as a result of an offense directly or indirectly related to the employment of such person by the **insured**.
6. For any **loss** arising out of:
 - a. illegal discrimination;
 - b. physical or mental abuse;
 - c. sexual harassment; or
 - d. wrongful termination of employment.
7. For any **loss** arising out of any **insured's business** operations or **business property** unless the **Required Underlying Insurance** policy numbers listed on the Declarations provide coverage for the **loss**. This exclusion does not apply to incidental **business** use of any **auto, motorized land vehicle**, or watercraft if:
 - a. **Required Underlying Insurance** applies to the **loss**; and
 - b. such **auto, motorized land vehicle**, or watercraft is not being used to carry persons or property for a charge, other than a share-the-expense car pool.

This exclusion applies but is not limited to an act or omission, regardless of its nature or circumstance, involving a service or duty rendered, promised, owed, or implied to be provided because of the nature of the **business**.
8. For **bodily injury, personal injury, or property damage** to:
 - a. any person who is in the **insured's** care because of child care services provided by or at the direction of any **insured** or any other person actually or apparently acting on an **insured's** behalf; or
 - b. any person who makes a claim because of **bodily injury, personal injury or property damage** as a consequence of injury in (a) above.

If an **insured** regularly provides home day care services to a person or persons other than **insureds** and received monetary or other compensation for such services, that enterprise is a **business**. Mutual exchange of home day care services, however, is not considered compensation. The rendering of home day care services by an **insured** to a **relative** of an **insured** is not considered a **business**.
9. For any **loss** arising out of any **insured's** act, error or omission as a member of a corporation's board of directors or as an officer of a corporation. This exclusion does not apply if the corporation:
 - a. is a not-for-profit corporation; and
 - b. such **insured** serves without remuneration.
10. For any **loss** arising out of:
 - a. any **insured's** ownership, maintenance, use, operation, loading or unloading, entrustment to others or supervision of any aircraft; or
 - b. arising out of vicarious liability whether or not statutorily imposed for the actions of a child or minor using such aircraft.

An aircraft means any contrivance used or designed for flight, except model or hobby aircraft not used or designed to carry people or cargo.
11. For any **loss** arising out of:
 - a. any **insured's** ownership, maintenance, use, operation, loading or unloading, entrustment to others, or supervision of any **motorized land vehicle** unless the **Required Underlying Insurance** Policy Numbers listed on the Declarations provide coverage for the **loss**; or
 - b. vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using any **motorized land vehicle** owned by your or any **insured**.
12. For any **loss** arising out of:
 - a. any **insured's** ownership, maintenance, use, operation, loading or unloading, entrustment to others, or supervision of any watercraft unless the **Required Underlying Insurance** Policy Numbers listed on the Declarations provide coverage for the **loss**;
 - b. vicarious liability, whether or not statutorily imposed, for the actions of a child or minor using any watercraft;
 - c. liability as a result of the federal "Jones Act," also known as the Merchant Marine Act.
13. For any **loss** arising out of the rendering of or failure to render professional services by or for any **insured**.
14. For your share of any loss assessment charged against any **insured** as a member of an association, corporation, or community of property owners.
15. To any claim for Uninsured/Underinsured Motorists coverages or No-fault benefits or any similar coverage.
16. For any **loss** to any person eligible to receive any benefits:
 - a. voluntarily provided; or
 - b. required to be provided;
 by any **insured** under any:
 - (1) workers compensation law;
 - (2) non-occupational disability law;
 - (3) occupational disease law; or
 - (4) unemployment compensation law.

17. For any **loss** caused by any pollution to land, water or air, including the expense of complying with any request, demand, or order that any person or any entity test for, mitigate or eliminate such pollution.
18. For **bodily injury, personal injury or property damage** for which any **insured** is:
 - a. also an **insured** under a nuclear energy liability policy; or
 - b. would be an **insured** under that policy but for the exhaustion of its limit of liability.

A nuclear energy liability policy is one issued by the:

1. Nuclear Energy Liability Insurance Association;
2. Mutual Atomic Energy Liability Underwriters;
3. Nuclear Insurance Association of Canada;

or any of their successors.

19. For any **loss** caused directly or indirectly by war, including undeclared war, civil war, insurrection, rebellion, revolution, warlike act by a military force or military personnel, destruction or seizure or use for a military purpose, and including any consequence of any of these. Discharge of a nuclear weapon will be deemed a warlike act even if accidental.
20. For **bodily injury or personal injury** arising out of the transmission of a communicable disease by an **insured**.
21. For any **loss** arising out of the use, sales, manufacture, delivery, transfer or possession by any person of a Controlled Substance(s) as defined by the Federal Food and Drug Law at 21 U.S.C.A. Sections 811 and 812. Controlled Substances include but are not limited to cocaine, LSD, marijuana and all narcotic drugs.

However, this exclusion does not apply to the legitimate use of prescription drugs by a person following the orders of a licensed physician.

DUTIES AFTER LOSS

These are things any person qualifying as an **insured** must do for us. We do not have to provide coverage if the **insured** fails to cooperate with us.

The **insured** must:

1. Notify us of a **loss**. If something happens that might involve this policy, you or the involved **insured** must let us know promptly by sending written notice to us or our agent. Include the names and addresses of the injured and any witnesses or other involved **insureds**. Include the time, place and description of the **loss**.
2. Notify us and any underlying insurer of a claim, suit, or arbitration proceeding alleging **loss**. Promptly send us copies of every demand, notice, summons or other process received.

3. Help and cooperate with us and any underlying insurer at all times regarding:
 - a. settlement of claims;
 - b. enforcement of right against others;
 - c. attendance at hearings and trials;
 - d. preservation of evidence; and
 - e. identification and location of witnesses.
4. Obtain our written consent before making any payments, assuming any obligations or incurring any expenses with respect to a **loss** covered by this policy. Any **insured** who makes any payment, assumes any obligation or incurs any expense with respect to a **loss** covered by this policy without our written consent undertakes such actions voluntarily and at the **insured's** own cost.
5. We may also require you and any person seeking payment under any part of this policy to submit to an examination under oath at a place designated by us, within a reasonable time after we are notified of the claim.

CONDITIONS

1. Appeals: If the **insured** or any underlying insurer chooses not to appeal a judgment which exceeds the **retained limit**, we may choose to appeal such judgment. If we choose to appeal, we will be responsible for:
 - a. the judgment amount above the **retained limit** not to exceed the Personal Umbrella "Policy Limit"; and
 - b. the additional costs and interest incurred during such appeal.
2. Assignment: An assignment of this policy will be valid only after we give our written consent.
3. Bankruptcy: If any **insured** or **insured's** estate becomes bankrupt or insolvent, we will still honor this policy.
4. Cancellation: This policy can be cancelled by you or us:
 - a. you may cancel this policy by giving advance written notice to us or our agent. The notice should include the date the policy should be cancelled.
 - b. we may cancel this policy by sending notice to you at the mailing address shown on the Declarations. We will give at least 30 days notice of the date of our cancellation, except in the event of nonpayment of premium, we may cancel with 10 days notice. Proof of mailing shall be sufficient proof of notice. Refund of unearned premium is not a condition of cancellation.
 - c. if this policy is cancelled, the premium refund, if any, will be computed pro rata subject to any policy minimum premium.

5. **Nonrenewal:** We may elect not to renew this policy. We may do so by mailing you written notice at least 30 days before the expiration date of this policy to the mailing address shown on the Declarations.
6. **Changes:** Waivers of our rights or changes to this policy must be issued by us in writing.
7. **Transfer of Your Interest in This Policy:**
 - a. Your rights and duties under this policy may not be assigned without our written consent. However, if you die, coverage will be provided for:
 - (1) the surviving spouse if resident in the same household at the time of death. Coverage applies to the spouse as if a Named **Insured** shown in the Declarations;
 - (2) any member of your household who is an **insured** at the time of your death, but only while a resident of the **residence premises**; or
 - (3) the legal representative of the deceased person as if a Named Insured shown in the Declarations. This applies only with respect to the representative's legal responsibility to maintain or use your **autos** or premises covered under this policy.
 - b. Coverage will only be provided until the end of the policy period.
8. **Insolvent Underlying Insurer:** Bankruptcy, insolvency or receivership of any carrier which has issued **Required Underlying Insurance** will not relieve us of our obligations under this policy. With regard to bankruptcy, insolvency or receivership of any such company this policy shall not apply as a replacement of a policy of **Required Underlying Insurance** and our Personal Umbrella "Policy Limit" will apply only in excess of the limits of **Required Underlying Insurance** as listed on the Declarations. If you learn of the bankruptcy or insolvency of any company providing **Required Underlying Insurance**, you must notify us right away.
9. **Liberalization Clause:** If we broaden the coverage in our Personal Umbrella Policy without increasing the premium, we will also apply such broadened coverage to your policy. The broadened coverage will apply only to **loss** that occurs after the date such broadened coverage is effective in your state, as shown on the Declarations.

This Liberalization Clause does not apply to changes implemented through introduction of a subsequent edition of our policy.

10. **Maintenance of Required Underlying Insurance:** Unless exhausted by actual payment of losses covered thereunder; all "**Required Underlying Insurance And Limits**" listed on the Declarations must be maintained at full limit with no change to more restrictive conditions during the entire policy period of this policy.

If "**Required Underlying Insurance And Limits**" is not maintained, you will be responsible for the **Required Underlying Limits** amount listed on the Declarations and related defense costs applicable to any **loss**. If any **insured's** "**Required Underlying Insurance And Limits**" is used up, reduced, cancelled or nonrenewed, such **insured** must:

- a. try to replace the coverage; and
 - b. notify us immediately.
11. **Other Insurance:** This policy is excess over any other insurance except insurance written specifically as excess insurance over the limit of this policy.
 12. **Policy Period and Territory:** The policy period is stated in the Declarations. This policy applies to a **loss** which takes place anywhere in the world.
 13. **Recovery:** If the **insured** has rights to recover all or part of any payment we have made under this policy, those rights are transferred to us. The **insured** must do nothing after **loss** to impair such rights of recovery. At our request, the **insured** will bring suitor transfer those rights to us and help us enforce them.
 14. **Severability of Insurance:** This insurance applies separately to each **insured**, but this does not increase our limit of liability for a single **loss**.
 15. **Suit Against Us:** No action shall be brought against us unless the **insured** has complied with all of the policy provisions. No one has the right to join us in an action against any **insured**. No action shall be brought against us until and **insured's** legal liability has been set by final judgment or by agreement between us and the claimant or the claimant's legal representative.
 16. **Fraud:** We do not provide coverage for any **insured** who has:
 - a. concealed or misrepresented any material fact or circumstance;
 - b. engaged in fraudulent conduct; or
 - c. made material false statements;
 relating to this insurance.

IN WITNESS WHEREOF, the Arbella Mutual Insurance Company has caused this policy to be signed by its President, C.E.O. and Assistant Secretary.

ARBELLA MUTUAL INSURANCE COMPANY

A handwritten signature in black ink, appearing to read "John P. ...", is written over a vertical line that extends from the top of the signature down to the text below.

President,
Chief Executive Officer and Assistant Secretary