UNITED SPECIALTY INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

VEN 058 00 (05/18)

SELF INSURED RETENTION ENDORSEMENT

This endorsement modifies the Conditions provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE PART

SCHEDULE

Amount and Basis of Self-Insured Retention	
$	per Occurrence
$	per Claim

Aggregate – N/A

Periodic Reporting Requirement – Quarterly
Level of notification of potential impairment 50% of Self Insured Retention

The insurance provided by this policy is subject to the following additional provisions, which in the event of conflict with any other provisions elsewhere in the policy, shall control the application of the insurance to which this endorsement applies:

1. Self Insured Retention and Defense Costs – Your Obligations

A. The 'self insured retention' amounts stated in the Schedule of this endorsement apply as follows:

1. If a Per Occurrence "self insured retention" amount is shown in the Schedule of this endorsement, you shall be responsible for payment of all damages and "defense costs" for each "occurrence" or offense, until you have paid "self-insured retention" amounts and "defense costs" equal to the Per Occurrence amount shown in the Schedule, subject to the provisions of A.2. below, if applicable.
The Per Occurrence "amount" is the most you will pay for self insured retention amounts and "defense costs" arising out of any one "occurrence" or offense, regardless of the number of persons or organizations making claims or bringing suits because of the "occurrence" or offense.

2. If a Per Claim “self insured retention” amount is shown in the schedule of this endorsement, you shall be responsible for payment of all damages and “defense costs” for each claim until you have paid “self insured retention” amounts and “defense costs” equal to the Per Claim amount shown in the Schedule, subject to the provisions of A.3. below, if applicable. The per claim amount is the most you will pay for “self insured retention” amounts and “defense costs” sustained by any one person or organization as a result of any one occurrence or offense.
3. If an Aggregate “self insured retention” amount is shown in the Schedule of this endorsement, the Aggregate amount is the most you will pay for all “self insured retention” amounts and ‘defense costs” incurred under this policy. This amount applies separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Declarations of this policy.
   If no entry appears in the Schedule of this endorsement as Aggregate, then your obligation for payment of “self insured retention” amounts and “defense costs” applies in accordance with the Per Occurrence or Per Claim “self insured retention” provisions, as applicable.
4. Except for any defense costs that we may elect to pay, you shall pay all such “defense costs” and damages for “bodily injury”, “advertising”, medical payments or any other such coverage’s which may be included in the policy, equal to the applicable “self insured retention” amount. If any final judgment or settlement and “defense costs” is less than the “self insured retention” amount stated above, we shall have no obligation to reimburse you or pay “defense costs” under this policy.

B. Settlement of Claim
   You may not settle any claim or suit which exceeds any “self insured retention” amount indicated in the Schedule of this endorsement without our written permission to do so. If you fail to obtain such written permission, we shall have no obligation to provide coverage for that claim or suit under this policy.

C. Authorized Claim Service Provider
   1. You shall employ a claim service provider acceptable to us for the purpose of providing claim services for settlement of losses within the “self insured retention” amounts. You shall pay all fees, charges or costs of the claim service provider in addition to the “self insured retention” amounts, without any reimbursement from us.
   2. In the event of cancellation, expiration or revision of the claims service contract between you and claim service provider, you shall notify us within (10) days of such change and shall replace the claim service provider with another claims service provider that is acceptable to us.

D. Notification of Potential Penetration
   1. You or the authorized claim service provider must notify us promptly of an “occurrence” or offense which may result in a claim under this policy. Notice must include:
      a. How, when and where the “occurrence” or offense took place.
      b. The names and addresses of any injured persons and witnesses; and
      c. The nature and location of any injury or damage arising out of the “occurrence” or offense.

2. You or the authorized claim service provider must notify us promptly, per D.1. above, in the event of any “occurrence” or offense without regard to liability, which results in any of the following injuries:
   A) Death
   B) Brain Damage
   C) Paraplegic or quadriplegic impairment
   D) Amputation or serious functional impairment of any major limb
   E) Severe burns involving more than 20% of the body or causing serious disfigurement
   F) Sensory impairment (sight, hearing, taste or smell)
   G) Severe internal body organ damage or loss
   H) Multiple fractures involving more than one body part
   I) Permanent and total disability
   J) Sexual abuse or molestation; or
   K) Significant psychological/neurological involvement
   L) Any other serious bodily injury which the insured feels is likely to involve this policy

3. Your or the authorization claim service provider must notify us promptly of any:
   A) Potential exposure which equals or exceeds the level of penetration of the “self insured retention” amount shown in the schedule of this endorsement for per occurrence or per claim, which applies;
   B) Loss reserve established which equals or exceeds the level of notification of potential penetration of the “self insured retention” amount shown in the schedule of this endorsement for Per Occurrence or Per Claim, whichever applies;
   C) Potential judgment, if the claim prevails, without regard to liability, which equals or exceeds the level of notification of potential penetration of the “self insured retention” amount shown in the schedule of this endorsement for Per Occurrence or Per Claim, whichever applies, or
   D) Suit, in the event a suit is filed, and we shall have the right to appoint defense counsel, even if the amount claimed in the suit is unspecified or less than the “self insured retention” amount shown in the schedule of this endorsement for Per Occurrence or Per Claim, whichever applies.

E. Reporting – Self Insured Retention

1. You must report on claims or suits per the following:

   You or the authorized claim service provider must monitor the cumulative “self insured retention” incurred amounts and “defense costs” sustained during the policy period and report those total amounts to us in accordance with the frequency of report indicated in the Periodic Reporting Requirement of the Schedule of this endorsement. However, if the total of all incurred losses and “defense costs” should at any time during the policy period attain a total amount equal to 75% of the Aggregate Self Retention amount, you are required in that event to make an immediate report to us as to total incurred losses and “defense costs” sustained at that time.

The Periodic Report that you send to us must be in format that is acceptable to us, and include an accounting of all individual and "defense costs" incurred as of the date of the Report.

2. Within forty-five (45) days after the end of the policy term, you must give us a listing of all existing claims or suits within the Self Insured Retention Amounts. At a minimum, such listing will include the following for each claim or suit:
   a) A description of each claim or suit
   b) The date of the occurrence or offense
   c) The amount paid and reserve for future payments for loss and defense costs and
   d) The current status of the claim or suit

3. Quarterly thereafter, you are required to give us an updated listing of the status of all claims or suits, both paid and reserved, until all claims or suits for the reporting period are closed or settled.

4. Compliance with the reporting requirements set forth in this endorsement is a condition precedent to coverage. You acknowledge that in the event of non-compliance, we shall not be required to establish prejudice resulting from the non-compliance, but shall be automatically relieved of liability with respect to the claim.

F. Representations
By acceptance of this policy you agree that you will not procure insurance for all or any part of the "self insured retention" amounts shown in the schedule of this endorsement. If such insurance is procured, there will be no coverage under this policy.

II. **Self Insured Retention and Defense Costs- Our Rights and Obligations**

A. In the event of your refusal to respond to your obligations for the payment of "self insured retention" amounts or "defense costs" for any reason, the Insurance provided by this policy shall not make payments for you, nor in any event shall we be required to substitute for you as respects your responsibility for payment of these "self insured retention" or "defense costs" amounts.
B. We shall be liable only for the amount of damages and "defense costs" in excess of the "self insured retention" amounts as applicable, shown in the schedule above, up to the applicable Limits of Insurance shown in the Declarations of this policy.
C. Settlements of Claims

   a. We shall have, at our option, the right to negotiate the settlement of any claim we deem expedient both within and in excess of the applicable "self insured retention" amount, but we shall obtain your consent prior to entering into any settlement of any claim which is equal to or less than the "self insured retention" amount. If however, you shall refuse to consent to any settlement recommended by us within the "self insured retention" continue with any legal proceedings in connection with such claim, our liability for that claim shall not exceed the amount determined by subtracting the "self insured retention" amount from the amount for which the claims could have been settled

including “defense costs” incurred with our consent to the date of such refusal. And we shall have no liability with respect to such claim if that difference is zero or negative.

b. With respect to any claim under this insurance which has been tendered to us and which may exceed the “self insured retention” amount shown in the schedule of this endorsement for Per Occurrence or Per Claim, whichever applies, we may pay any or all of the “self insured retention” amount and “defense costs” or to effect settlement of such claim. Such amount paid by us shall be reimbursed promptly by you.

Regardless of whether the damages for bodily injury, property damage, personal injury, advertising injury, medical payments or any other such coverage’s or “defense costs” for which coverage is provided under this policy appear likely to exceed the “self insured retention” amounts stated above, we shall have the right, but not the duty, to defend any claim seeking damages for which coverage would be provided under this policy in the absence of the “self insured retention” amount. In the event we incur any defense costs in the exercise of our right to defend any claim, you shall not be liable to reimburse us for those “defense costs”, amount and shall elect to contest the claims or in the event of a midterm cancellation of this policy, the “self insured retention” amount shown in the Schedule of this endorsement as Aggregate is not subject to any pro rata reduction. Such Aggregate amount will apply as if the policy term had not been shortened.

III. **Definitions**

A. “Self Insured Retention” means;
The amount or amounts which you or any Insured must pay for all compensatory damages which you or any Insured shall become legally obligated to pay because of bodily injury, property damage, advertising injury, medical payments or any other such coverage included in the policy sustained by one or more persons or organizations.

B. “Defense Costs” means;
Expenses directly allocable to specific claims and shall include but not be limited to all Supplementary payments as defined under the policy(ies); all court costs, fees and expenses: costs for all attorneys, witnesses, experts, depositions, reported or recorded statements, summonses, service of process, legal transcripts or testimony, copies of any public records; alternative dispute resolution; interest; investigative services, medical examinations, autopsies, medical costs containment, declaratory judgment, subrogation and any other fees, costs or expenses reasonably chargeable to the investigation, negotiation, settlement or defense of a claim or a loss under the policy(ies).

All other terms, conditions and exclusions under this policy are applicable to this Endorsement and remain unchanged.