



Nonprofit Entity Advantage

Policy Declarations

NOTICE: THE LIABILITY COVERAGE PARTS ARE WRITTEN ON A CLAIMS-MADE BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. UNLESS OTHERWISE SPECIFIED HEREIN, THE LIMITS OF LIABILITY CAN BE COMPLETELY EXHAUSTED BY DEFENSE EXPENSES AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL HAVE NO LIABILITY FOR DEFENSE EXPENSES OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Policy Number

LHC-D587976-00

The Hanover Insurance Company

440 Lincoln Street
Worcester, Massachusetts 01653
(A Stock Insurance Company, herein called the **Insurer**)

Item 1. NAMED INSURED AND ADDRESS

FLORIDA ALLIANCE FOR ARTS EDUCATION
PO BOX 782050
ORLANDO, FL 32878

Item 2. POLICY PERIOD

Inception Date: 08/16/2018 Expiration Date: 08/16/2019
(12:01 AM standard time at the address shown in Item 1)

Item 3. COMBINED POLICY AGGREGATE LIMIT OF LIABILITY: YES NO

If "Yes" is checked above the Combined Aggregate Limit of Liability for all **Claims** under all **Liability Coverage Parts** is N/A

Item 4. COVERAGE PARTS APPLICABLE TO THIS POLICY

<u>Coverage Part</u>	<u>Yes</u>	<u>No</u>
Directors & Officers and Entity Liability Coverage Part	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Employment Practices Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Fiduciary Liability Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Cyber Privacy & Security Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Crime Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Kidnap & Ransom Coverage Part	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Item 5. COVERAGE PREMIUM

\$751.00



HANOVER Nonprofit Entity Advantage

Policy Declarations

<i>Florida Guaranty Fund Assessment</i>	\$0.00
<i>Florida Hurricane Catastrophe Fund</i>	\$0.00
Total Amount:	\$751.00

Item 6. ENDORSEMENTS EFFECTIVE AT INCEPTION: See Schedule of Forms attached.

Item 7. NOTICE TO INSURER
Report a claim to the Company as required to:

The Hanover Insurance Company
P.O. Box 15145
Worcester, MA 01615

National Claims Telephone Number: 800-628-0250
Facsimile: 800-399-4734
Email: firstreport@hanover.com

Agent on behalf of: BIN INSURANCE HOLDINGS LLC
CHICAGO IL 60602
Producer Name and FL License Number: _____
Producer Signature: _____
(may be signed electronically) (may be signed electronically)

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.

John C. Roche, President

Charles F. Cronin, Secretary

Common Policy Terms and Conditions

THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY, UNLESS OTHERWISE SPECIFIED HEREIN.

PLEASE READ THE POLICY CAREFULLY.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. COMMON TERMS AND CONDITIONS

The Common Policy Terms and Conditions of this Policy shall apply to all Coverage Parts. Unless stated to the contrary in any Coverage Part, the terms and conditions of each Coverage Part of this Policy shall apply only to that Coverage Part and shall not apply to any other Coverage Part of this Policy. If any provision in this Common Policy Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Part, the terms and conditions of such Coverage Part shall control for purposes of that Coverage Part. Any defined term referenced in this Common Policy Terms and Conditions and also defined in a Coverage Part shall, for purposes of coverage under that Coverage Part, have the meaning set forth in that Coverage Part, unless otherwise stated.

II. DEFINITIONS

Application means:

- A. Any portion of an application given to the **Insurer** for this Policy including any attachments, written information and materials provided to the **Insurer** by or on behalf of an **Insured** for the purposes of the **Insurer's** underwriting of this Policy; and
- B. Any warranty provided to the **Insurer** within the past three years in connection with any coverage part or policy of which this Policy is a renewal or replacement.

Claim shall have the meaning as defined in the applicable Coverage Part.

Defense Expenses shall have the meaning as defined in the applicable Coverage Part.

Executive means any natural person who is, was, or shall become:

- A. A duly-elected or appointed director, officer, manager, in-house general counsel, governor, regent or trustee of the **Insured Entity**;
- B. A duly elected or appointed manager or member of a Board of Managers of a Limited Liability Company, boards, committees or other units operated under the **Insured Entity's** charter or with the **Insured Entity's** written approval; or
- C. Any person holding an equivalent position to those described in A. and B. above in any **Insured Entity** incorporated, formed or organized anywhere in the world.

Insured shall have the meaning as defined in the applicable Coverage Part.

Insured Entity means the **Named Insured** and any **Subsidiary**.

Insured Individual shall have the meaning as defined in the applicable Coverage Part.

Insurer means the entity issuing this Policy as designated in the Policy Declarations.

Liability Coverage Part means individually or collectively: the Directors, Officers and Entity Liability, Employment Practices Liability and Fiduciary Liability Coverage Parts; and Insuring Agreements A. Privacy and Security Liability and B. Cyber Media Liability of the Cyber Privacy and Security Coverage Part, if purchased and as set forth in Item 4. of the Policy Declarations.

Common Policy Terms and Conditions

Loss shall have the meaning as defined in the applicable Coverage Part.

Named Insured means the entity designated in Item 1. of the Policy Declarations.

Non-Liability Coverage Part means individually or collectively:

- A. The Crime Coverage Part and Kidnap & Ransom Coverage Part; and
- B. Insuring Agreements C. through I. of the Cyber Privacy and Security Coverage Part;

If purchased and as set forth in Item 4. of the Policy Declarations.

Policy Period means the period of time from the inception date shown in Item 2. of the Policy Declarations to the earlier of the expiration date shown in Item 2. of the Policy Declarations or the effective date of termination of this Policy.

Pollutants means any solid, liquid, gaseous or thermal irritants or contaminants, including smoke, vapors, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

Related Claims means all **Claims** based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damage or events or the same series of facts, circumstances, situations, transactions, results, damage or events.

Related Wrongful Act shall have the meaning as defined in the applicable Coverage Part.

Subsidiary means:

- A. Any entity which qualifies as a nonprofit organization in which an **Insured Entity** owns or controls more than fifty percent (50%) of the voting rights for election of or to appoint directors, trustees, managers, member of the Board of Managers, or equivalent positions of such entity are owned or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**;
- B. Any entity while:
 - 1. Exactly fifty percent (50%) of the securities representing the right to vote for election of or to appoint directors, trustees, managers, members of the Board of Managers, or equivalent positions of such entity are owned, or controlled by the **Named Insured**, directly or through one or more **Subsidiaries**; and
 - 2. The **Named Insured**, pursuant to a written contract with the owners of the remaining and outstanding voting stock of such entity, solely controls the management and operation of such entity; or
- C. Any foundation or charitable trust while such entity is controlled by the **Named Insured**.

Coverage shall apply to a **Subsidiary** only during the time it qualifies as a **Subsidiary**.

Wrongful Act shall have the meaning as defined in the applicable Coverage Part.

III. EXCLUSIONS

This insurance does not apply to **Loss** for any **Claim**:

A. Pollution

Based upon, arising out of or in any way related to:

The actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of **Pollutants**;

- 1. **Loss**, cost or expense arising out of any request, demand, order or statutory or regulatory requirement that any **Insured** or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**; or

Common Policy Terms and Conditions

2. Any regulation, direction, request or order by or on behalf of a governmental authority to test for, monitor, remove, contain, treat, detoxify or neutralize, or in any way respond to or assess the effects of **Pollutants**.

B. Nuclear

Based upon, arising out of or in any way related to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, Source Material, Special Nuclear Material and Byproduct Material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto, and any similar provisions of any federal, state or local statutory or common law.

IV. LIMIT OF LIABILITY

- A. If the Combined Policy Aggregate Limit of Liability in Item 3. of the Policy Declarations is elected, the amount stated shall be the **Insurer's** maximum liability for all **Loss**, during the **Policy Period** arising from a **Claim** or **Related Claims** under one or more **Liability Coverage Parts** combined. However, any **Loss** paid under a **Liability Coverage Part** shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the respective Coverage Part Declarations.
- B. If the Combined Policy Aggregate Limit of Liability in Item 3. of the Policy Declarations is not elected, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from a **Claim** or **Related Claims** under each **Liability Coverage Part** shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the respective Coverage Part Declarations.
- C. Except as otherwise expressly provided in any **Liability Coverage Part**, **Defense Expenses** are part of and not in addition to the applicable Limits of Liability set forth in Item 3. of the applicable Coverage Part Declarations and the payment by the **Insurer** of **Defense Expenses** shall reduce and may exhaust such applicable Limits of Liability.
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V. SPOUSES, DOMESTIC PARTNERS, ESTATES AND LEGAL REPRESENTATIVES

Solely with respect to the **Liability Coverage Parts**, coverage shall extend to:

- A. A lawful spouse or domestic partner, as defined under any applicable federal, state or local law, of an **Insured Individual** solely by reason of such person's status as spouse or domestic partner or such person's ownership interest in property which the claimant seeks as recovery from an **Insured Individual**;
- B. The estate, heirs, legal representatives or assigns of an **Insured Individual** if such **Insured Individual** is deceased, legally incompetent, insolvent or bankrupt.

Coverage shall not apply to **Loss** for **Claims** for any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by an **Insured Individual's** spouse, domestic partner, heir, estate, legal representative or assigns.

VI. RELATED CLAIMS

With respect to the **Liability Coverage Parts** all **Related Claims** will be considered as a single **Claim** made in the **Policy Period** or Extended Reporting Period in which the earliest of such **Related Claims** was first made or first deemed to have been made pursuant to the applicable Coverage Part. All **Related Claims** are subject to the Limits of Liability, Retention and other terms and conditions applicable to the earliest **Related Claim**.

Common Policy Terms and Conditions

VII. LEGAL PROCEEDINGS

- A. No individual or entity has a right under this Policy to join the **Insurer** as a party or otherwise bring us into a suit asking for damages from an **Insured** or to sue the **Insurer** on this Policy unless all of its terms have been fully complied with.
 - B. An individual or entity may sue us to recover on an agreed settlement or on a final judgment against an **Insured** but the **Insurer** will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable Limit of Liability. An agreed settlement means a settlement and release of liability signed by us, the **Insured** and the claimant or the claimant's legal representative.
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VIII. CHANGE IN CONTROL OR EXPOSURE

A. Acquisition of the **Named Insured**

If during the Policy Period:

1. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of the assets of the **Named Insured**; or
2. Another individual, entity or group of individuals or entities acquires more than fifty percent (50%) of outstanding securities representing the right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the **Named Insured**;
3. The **Named Insured** consolidates or merges with another entity and the **Named Insured** is not the surviving entity; or
4. The **Named Insured** emerges from bankruptcy on an effective date stated in the plan of reorganization;

Then the applicable coverage under this Policy with respect to:

- a. **Liability Coverage Parts** shall continue until the termination or expiration of the **Policy Period** but only for **Claims** for a **Wrongful Act** which occurs prior to the transaction date of such event;
- b. **Non-Liability Coverage Parts** shall terminate as of the transaction date of such event.

The **Named Insured** shall notify the **Insurer** of such transaction as soon as practicable but no later than sixty (60) days after the effective date of the transaction, and provide such additional information as the **Insurer** requires.

B. Cessation of Subsidiaries

If before or during the **Policy Period** an **Insured Entity** ceases to be a **Subsidiary**, then coverage for such **Subsidiary** and its **Insureds** shall continue until termination or expiration of this **Policy Period** but only for **Claims** for **Wrongful Acts** prior to the date such entity ceased to be a **Subsidiary**.

C. Acquisition of Another Organization

If before or during the **Policy Period** the **Insured Entity** acquires the voting rights of another entity such that the acquired entity becomes a **Subsidiary**, then coverage for such **Subsidiary** and its **Insureds** shall be provided but only for **Claims** for **Wrongful Acts** after the date such entity became a **Subsidiary**.

If during the **Policy Period** the **Insured Entity** acquires another entity and at the time of such acquisition the entity becomes a **Subsidiary** (or would have but for its absorption into the **Insured**) and the total revenue of the acquired entity exceeded thirty five percent (35%) of the **Insured Entity** as of the beginning of the **Policy Period**, then the **Named Insured** shall agree to any amendments to the terms of this Policy, including, but not limited to, any additional premium the **Insurer** may require.

Common Policy Terms and Conditions

IX. SUBROGATION

In the event of any payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights, including the execution of such documents necessary to enable the **Insurer** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**, and shall do nothing to prejudice or compromise such rights without the **Insurer's** express written consent.

X. OTHER INSURANCE

If other valid and collectible insurance (other than a policy that is issued specifically as excess of this Policy) is available to the **Insured** for loss covered under this Policy, then the insurance provided by this Policy shall be excess of such other insurance regardless of whether or not such insurance is primary, contributory, excess, contingent or otherwise.

XI. TERRITORY

This Policy applies anywhere in the world.

XII. TERMINATION OF POLICY

This Policy will terminate upon:

- A. Twenty (20) days after mailing by the **Insurer** of a written notice of termination to the **Named Insured** based upon nonpayment of premium, unless such premium is paid within such twenty (20) day period;
 - B. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;
 - C. Expiration of the **Policy Period**; or
 - D. A date agreed upon by the **Insurer** and the **Named Insured**.
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XIII. BANKRUPTCY

Bankruptcy of an **Insured** shall not relieve the **Insurer** of its obligations under this Policy.

XIV. VALUATION AND FOREIGN CURRENCY

All premiums, Limits, Retentions, and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of loss under this Policy is stated in a currency other than the United States of America dollars, then payment under this Policy shall be made in United States of America dollar equivalent determined by the rate of exchange published in the *Wall Street Journal* on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

Common Policy Terms and Conditions

XV. ROLE OF NAMED INSURED

By accepting this Policy, the **Named Insured** agrees that it is authorized to, and will act on behalf of all **Insureds** with respect to any rights provided under this Policy and each **Insured** agrees that the **Named Insured** shall act on its behalf with respect to all such matters.

XVI. TITLES AND HEADINGS

The titles and headings in this Policy are solely for convenience and form no part of the terms and conditions of coverage.

XVII. CONFORMANCE TO LAW AND TRADE SANCTIONS

Coverage under this Policy does not apply to the extent trade, economic sanction, insurance or other laws or regulations prohibit the **Insurer** from providing insurance. The terms of this Policy which are in conflict with the statutes of the state in which this Policy is issued are amended to conform to those statutes.

XVIII. NOTICE

- A. Notice to the **Insurer** of any **Claim**, Compliance Resolution Notice or circumstances under any **Liability Coverage Part** or any notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety
 - B. All notices to the **Insurer** under this Policy of any **Claim**, Compliance Resolution Notice or circumstances under any **Liability Coverage Part** or notice under any **Non-Liability Coverage Part** shall be deemed notice under the Policy in its entirety and shall be given in writing to the **Insurer** at the address shown in Item 7. of the Policy Declarations.
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XIX. RESCINDABILITY

The **Insurer** shall not be entitled under any circumstances to void or rescind this Policy with respect to any **Insured**.

Common Policy Terms and Conditions Index

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**U.S. TREASURY DEPARTMENT'S
OFFICE OF FOREIGN ASSETS CONTROL ("OFAC")
ADVISORY NOTICE TO POLICYHOLDERS**

No coverage is provided by this policyholder notice nor can it be construed to replace any provisions of your policy. You should read your policy and review your Declarations page for complete information on the coverages you are provided.

This notice provides information concerning possible impact on your insurance coverage due to directives issued by OFAC. **Please read this notice carefully.**

The Office of Foreign Assets Control ("OFAC") administers and enforces sanctions policy, based on Presidential Declarations of National Emergency.

OFAC has identified and listed numerous foreign agents, front organizations, terrorists, terrorists organizations, and narcotic traffickers as "Specially Designated Nationals and Blocked Persons". This list can be located on the United States Treasury's web site: <http://www.treas.gov/ofac>.

In accordance with OFAC regulations, if it is determined that you or any other insured, or any person or entity claiming the benefits of this insurance has violated United States sanctions law or is a Specially Designated National and Blocked Person, as identified by OFAC, this insurance will be considered a blocked or frozen contract and all provisions of this insurance are immediately subject to OFAC. When an insurance policy is considered to be such a blocked or frozen contract, no payments nor premium refunds may be made without authorization from OFAC.

Other limitations on the premiums and payments also apply.

CUSTOMER NOTICE OF PRIVACY POLICY AND PRODUCER COMPENSATION PRACTICES DISCLOSURES—PRIVACY POLICY DISCLOSURE

Collection of Information

We collect personal information so that we may offer quality products and services. This information may include, but is not limited to, name, address, Social Security number, and consumer reports from consumer reporting agencies in connection with your application for insurance or any renewal of insurance. For example, we may access driving records, insurance scores or health information. Our information sources will differ depending on your state and/or the product or service we are providing to you. This information may be collected directly from you and/or from affiliated companies, non-affiliated third parties, consumer reporting agencies, medical providers and third parties such as the Medical Information Bureau.

We, and the third parties we partner with, may track some of the web pages you visit through cookies, pixel tagging or other technologies. We currently do not process or comply with any web browser's "do not track" signals or similar mechanisms that request us to take steps to disable online tracking. For additional information regarding online privacy, please see our online privacy statement, located at www.hanover.com.

Disclosure of Information

We may disclose non-public, personal information you provide, as required to conduct our business and as permitted or required by law. We may share information with our insurance company affiliates or with third parties that assist us in processing and servicing your account. We also may share your information with regulatory or law enforcement agencies, reinsurers and others, as permitted or required by law.

Our insurance companies may share information with their affiliates, but will not share information with non-affiliated third parties who would use the information to market products or services to you.

Our standards for disclosure apply to all of our current and former customers.

Safeguards to Protect Your Personal Information

We recognize the need to prevent unauthorized access to the information we collect, including information held in an electronic format on our computer systems. We maintain physical, electronic and procedural safeguards intended to protect the confidentiality and integrity of all non-public, personal information, including but not limited to social security numbers, driver's license numbers and other personally identifiable information.

Internal Access to Information

Access to personal, non-public information is limited to those people who need the information to provide our customers with products or services. These people are expected to protect this information from inappropriate access, disclosure and modification.

Consumer Reports

In some cases, we may obtain a consumer report in connection with an application for insurance. Depending on the type of policy, a consumer report may include information about you or your business, such as:

- character, general reputation, personal characteristics, mode of living;
 - credit history, driving record (including records of any operators who will be insured under the policy); and/or
 - an appraisal of your dwelling or place of business that may include photos and comments on its general condition.
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Access to Information

Upon written request, we will inform you if we have ordered an investigative consumer report. You have the right to make a written request within a reasonable period for information concerning the nature and scope of the report and to be interviewed as part of its preparation. You may obtain a copy of the report from the reporting agency and, under certain circumstances, you may be entitled to a copy at no cost.

You also may review certain information we have about you or your business in our files. To review information we maintain in our files about you or your business, please write to us, providing your complete name, address and policy number(s), and indicating specifically what you would like to see. If you request actual copies of your file, there may be a nominal charge.

We will tell you to whom we have disclosed the information within the two years prior to your request. If there is not a record indicating that the information was provided to another party, we will tell you to whom such information is normally disclosed.

There is information that we cannot share with you. This may include information collected in order to evaluate a claim under an insurance policy, when the possibility of a lawsuit exists. It may also include medical information that we would have to forward to a licensed medical doctor of your choosing so that it may be properly explained.

Correction of Information

If after reviewing your file you believe information is incorrect, please write to the consumer reporting agency or to us, whichever is applicable, explaining your position. The information in question will be investigated. If appropriate, corrections will be made to your file and the parties to whom the incorrect information was disclosed, if any, will be notified. However, if the investigation substantiates the information in the file, you will be notified of the reasons why the file will not be changed. If you are not satisfied with the evaluation, you have the right to place a statement in the file explaining why you believe the information is incorrect. We also will send a copy of your statement to the parties, if any, to whom we previously disclosed the information and include it in any future disclosures.

Our Commitment to Privacy

In the insurance and financial services business, lasting relationships are built upon mutual respect and trust. With that in mind, we will periodically review and revise our privacy policy and procedures to ensure that we remain compliant with all state and federal requirements. If any provision of our privacy policy is found to be non-compliant, then that provision will be modified to reflect the appropriate state or federal requirement. If any modifications are made, all remaining provisions of this privacy policy will remain in effect. For more detailed information about our customer privacy policy (including any applicable state-specific policies) and our online privacy statement, visit our Web site, located at www.hanover.com.

Further Information

If you have questions about our customer privacy policy (including any applicable state-specific policies) or our online privacy statement, or if you would like to request information we have on file, please write to us at our Privacy Office, N435, The Hanover Insurance Group, Inc., 440 Lincoln Street, Worcester, MA 01653. Please provide your complete name, address and policy number(s). A copy of our Producer Compensation Disclosure is also available upon written request addressed to the attention of the Corporate Secretary, N435, The Hanover Insurance Group, 440 Lincoln Street, Worcester, MA 01653.

Producer Compensation Disclosure

Our products are sold through independent agents and brokers, often referred to as "Producers." We may pay Producers a fixed commission for placing and renewing business with our company. We may also pay additional commission and other forms of compensation and incentives to Producers who place and maintain their business with us. Details of our Producer compensation practices may be found at www.hanover.com.



POLICYHOLDER NOTICE

This notice is being provided on behalf of the following Hanover Companies: The Hanover Insurance Group, Inc. - Allmerica Financial Alliance Insurance Company - Allmerica Financial Benefit Insurance Company - Allmerica Plus Insurance Agency, Inc. - Citizens Insurance Company of America - Citizens Insurance Company of Illinois - Citizens Insurance Company of the Midwest - Citizens Insurance Company of Ohio - Citizens Management, Inc. - AIX Ins. Services of California, Inc.- Campania Insurance Agency Co. Inc. - Campmed Casualty & Indemnity Co. Inc. - Chaucer Syndicates Limited- Educators Insurance Agency, Inc.- Hanover Specialty Insurance Brokers, Inc. - The Hanover American Insurance Company - The Hanover Insurance Company - The Hanover New Jersey Insurance Company - The Hanover National Insurance Company - Hanover Lloyd's Insurance Company - Massachusetts Bay Insurance Company - Opus Investment Management, Inc. - Professionals Direct Insurance Services, Inc. -Professional Underwriters Agency, Inc. - Verlan Fire Insurance Company - Nova Casualty Company - AIX Specialty Insurance Company.



Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 1

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

SCHEDULE OF FORMS

To be attached to and form part of the Policy Number listed above.

Common Policy Terms and Conditions

904-1002NPFL	01/15	Nonprofit Entity Advantage Policy Declarations
904-1001NP	01/15	Common Policy Terms and Conditions
904-1001NP Index	01/15	Common Policy Terms and Conditions Index
904-7100 PHN	01/14	U.S. Treasury Department's Office Of Foreign Assets Control ("OFAC") Advisory Notice To Policyholders
904-7107 PHN	12/14	Privacy Policy and Producer Compensation Practices Disclosures-Privacy Disclosure
904-1025	01/14	Schedule of Forms
904-5067	01/14	Difference in Conditions with Prior Policy
904-6023	01/15	Florida State Amendatory Endorsement

Directors & Officers and Entity Liability Coverage Part

905-1002NP	01/15	Directors & Officers and Entity Liability Coverage Part Declarations
905-1001NP	01/15	Directors & Officers and Entity Liability Coverage Part
905-1001NP Index	01/15	Directors & Officers and Entity Liability Coverage Part Index
905-7201 PHN	01/14	Notice to Policyholder - Terrorism Coverage Acceptance
905-7203 PHN	01/14	Disclosure of Premium Amount Acceptance of Terrorism Coverage
905-7205 PHN	01/15	Policyholder Disclosure Notice Pursuant to the Terrorism Risk Insurance ACT
905-5076	01/15	Cap on Losses from Certified Acts of Terrorism Endorsement
905-6023	01/14	Florida State Amendatory Endorsement

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 2

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

DIFFERENCE IN CONDITIONS WITH PRIOR POLICY

In consideration of the premium charged it is agreed that:

- A. If the **Insurer** determines that the terms and conditions of this Policy are less favorable to the **Insured** than the **Prior Policy**, such terms and conditions of this Policy will be deemed to have been deleted or amended. As a result, the terms and conditions provided under this Policy will not be less favorable to the **Insured** than those terms and conditions found in the **Prior Policy**.

However, the terms and conditions of the **Prior Policy** describing the **Policy Period**, Limits of Liability, Retention, Premium of the **Prior Policy**, or any Coverage Part of the **Prior Policy** that is not included in this Policy, will not be considered in the above analysis and thus will not be incorporated into this Policy.

- B. Section II. Definitions is amended to include:

Solely for the purposes of coverage provided by this endorsement, **Prior Policy** means policy number NDO1074361G issued by United States Liability to Florida Alliance for Arts Education for the policy period 08/16/2017 to 08/16/2018.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 3

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

FLORIDA STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

A. Section II. Paragraph B. of the definition of **Application** is deleted and replaced by:

B. Any representation provided to the **Insurer** within the past three years in connection with any coverage part or policy of which this Policy is a renewal or replacement.

B. Section XII. Termination of Policy is deleted and replaced by:

XII. TERMINATION / RENEWAL OF POLICY

A. This Policy will terminate upon:

1. Ten (10) days after the **Insurer** mails or delivers written notice of termination to the **Named Insured**, based upon nonpayment of premium;
2. Not less than twenty (20) days after the **Insurer** mails or delivers written notice of termination to the **Named Insured** during the first ninety (90) days of coverage, based upon any other reason;
3. Not less than forty five (45) days after the **Insurer** mails or delivers written notice of termination to the **Named Insured** after coverage has been in effect for more than ninety (90) days, and based upon one or more of the other following reasons:
 - a. The **Insured** has made a material misstatement or misrepresentation;
 - b. A failure to comply with underwriting requirements within ninety (90) days of the date of effectuation of coverage;
 - c. A substantial change in the risk covered by this Policy;
 - d. The cancellation is for all **Insureds** under such policy for a given class of **Insureds**.
4. Receipt by the **Insurer** of written notice of termination from the **Named Insured**;
5. Expiration of the **Policy Period**; or
6. A date agreed upon by the **Insurer** and the **Named Insured**.

B. This Policy may be non-renewed by the **Insurer** by sending written notice to the **Named Insured** not less than forty five (45) days prior to the expiration of the **Policy Period**.

C. Notice of termination or nonrenewal will be mailed to the **Named Insured** by first class mail to the address shown in the Policy, with a statement of the specific reason for such termination or nonrenewal. If this Policy is terminated, the **Insurer** will return the pro rata unearned premium within fifteen (15) working days of the effective date of termination. A U.S. Postal Services Certificate of Mailing will be

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Common Policy Terms and Conditions

Endorsement Number: 3

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

sufficient proof of receipt of notice.

- D. If the **Insurer** decides to offer renewal terms, written notice will be mailed to the **Named Insured** at least forty five (45) days prior to the expiration of the Policy. Failure to make the required premium payment by the renewal date will result in termination of the Policy for nonpayment of premium. If the **Insurer** fails to provide notice of change in terms and conditions of this Policy, coverage will remain in effect until forty five (45) days after notice is given or until the effective date of replacement coverage the **Named Insured** obtains, whichever occurs first. Any earned premium for the extension of the terminated Policy will be calculated pro rata based on the expiring premium or the rate filing then in effect, whichever is lower.

FOR ANY INQUIRIES CONCERNING THIS COVERAGE, PLEASE CALL: 800-685-5669 or 800-853-0456

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.



Nonprofit Entity Advantage

Directors & Officers and Entity Liability Coverage Part

D&O Declarations

NOTICE: THIS COVERAGE PART IS WRITTEN ON A CLAIMS-MADE BASIS. SUBJECT TO ITS TERMS, THIS COVERAGE PART APPLIES ONLY TO CLAIMS FIRST MADE AGAINST THE INSUREDS DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING PERIOD. UNLESS OTHERWISE SPECIFIED HEREIN, THE LIMITS OF LIABILITY CAN BE COMPLETELY EXHAUSTED BY DEFENSE EXPENSES AND DEFENSE EXPENSES WILL BE APPLIED AGAINST THE RETENTION. THE INSURER WILL HAVE NO LIABILITY FOR DEFENSE EXPENSES OR THE AMOUNT OF ANY JUDGMENT OR SETTLEMENT IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY.

PLEASE READ THE ENTIRE POLICY CAREFULLY.

Policy Number

LHC-D587976-00

The Hanover Insurance Company

440 Lincoln Street
Worcester, Massachusetts 01653
(A Stock Insurance Company, herein called the **Insurer**)

Item 1. NAMED INSURED

FLORIDA ALLIANCE FOR ARTS EDUCATION
PO BOX 782050
ORLANDO, FL 32878

Item 2. POLICY PERIOD

Inception Date: 08/16/2018 Expiration Date: 08/16/2019
(12:01 AM standard time at the address shown in Item 1)

Item 3. LIMITS OF LIABILITY FOR THIS COVERAGE PART

Maximum Aggregate Limit of Liability:	\$1,000,000
Additional Limit of Liability for Executives:	N/A
Excess Benefit Transactions:	\$25,000

Defense Expense Outside the Limit of Liability: YES NO

Item 4. RETENTIONS

Insuring Agreement I. A. Individual Non-Indemnified Liability	\$0
Insuring Agreement I. B. Individual Indemnified Liability	\$0 each Claim
Insuring Agreement I. C. Entity Liability	N/A each Claim

Item 5. PRIOR & PENDING PROCEEDINGS DATES



Nonprofit Entity Advantage

Directors & Officers and Entity Liability
Coverage Part

D&O Declarations

Insuring Agreement I. A. and I. B.

08/16/2017

Insuring Agreement I. C.

N/A

Item 6. EXTENDED REPORTING PERIOD

Percentage of Annualized Premium:

100%

Additional Period:

12 Months

Item 7. PREMIUM FOR COVERAGE PART

\$751.00

We have caused this Policy to be signed by our President and Secretary and countersigned where required by a duly authorized agent of the Company.

John C. Roche, President

Charles F. Cronin, Secretary

THIS IS A CLAIMS-MADE COVERAGE WITH DEFENSE EXPENSES, INCLUDED IN THE LIMIT OF LIABILITY, UNLESS OTHERWISE SPECIFIED HEREIN.

PLEASE READ THE POLICY CAREFULLY.

In consideration of the premium paid, in reliance upon the statements in the **Application** and subject to the Declarations, limitations, conditions, definitions and other provisions of this Policy, including endorsements hereto, the **Insurer** and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

A. Individual Non-Indemnified Liability

The **Insurer** will pay on behalf of each **Insured Individual**, **Loss** which the **Insured Individual** is legally obligated to pay due to a **Claim** first made against the **Insured Individual** during the **Policy Period**, or the Extended Reporting Period if applicable, except for **Loss** which the **Insured Entity** pays to or on behalf of the **Insured Individual** as indemnification.

B. Individual Indemnified Liability

The **Insurer** will pay on behalf of the **Insured Entity**, **Loss** which the **Insured Individual** is legally obligated to pay due to a **Claim** first made against the **Insured Individual** during the **Policy Period**, or the Extended Reporting Period if applicable, but only to the extent the **Insured Entity** indemnifies the **Insured Individual** for such **Loss**.

C. Entity Liability

The **Insurer** will pay on behalf of an **Insured Entity**, **Loss** which the **Insured Entity** is legally obligated to pay due to a **Claim** first made against the **Insured Entity** during the **Policy Period**, or the Extended Reporting Period if applicable.

II. EXTENDED REPORTING PERIOD

A. If the **Insurer** or the **Named Insured** terminates or does not renew this Coverage Part, other than termination by the **Insurer** for nonpayment of premium, then the **Named Insured** shall have the right to purchase an Extended Reporting Period for the period set forth in Item 6. of the D&O Declarations beginning on the effective date of the termination or non-renewal of this Coverage Part. The **Named Insured** must provide a written request for the Extended Reporting Period including payment of the additional premium, as set forth in Item 6. of the D&O Declarations, within thirty (30) days following the effective date of the termination or non-renewal of this Coverage Part. Additional premium paid shall be deemed fully earned as of the first day of the Extended Reporting Period and the Extended Reporting Period may not be cancelled.

B. If an Extended Reporting Period is purchased, then coverage as provided by this Coverage Part shall be extended to **Claims** first made during such Extended Reporting Period and reported pursuant to Section IX. Reporting of this Coverage Part, but only if such **Claims** are for **Wrongful Acts** which occurred entirely prior to the effective date of the termination or non-renewal of this Coverage Part.

III. DEFINITIONS

Claim means:

A. With respect to Insuring Agreements I.A. and I.B., any:

1. Written demand received by an **Insured** for monetary or non-monetary relief including injunctive relief;
 2. Civil proceeding commenced by the service of a complaint or similar pleading;
 3. Criminal proceeding commenced by the filing of charges;
 4. Formal administrative or regulatory proceeding commenced by the filing of charges, formal investigative order or similar document;
 5. Arbitration or mediation proceeding commenced by the receipt of a demand for arbitration or mediation or similar document; or
 6. Official request for **Extradition**;
- against an **Insured Individual** for a **Wrongful Act**, including any appeal therefrom;
7. Service of a subpoena on an **Insured Individual** identified by name pursuant to a civil, criminal, administrative or regulatory investigation, including when such **Insured Individual** is served with a target letter or similar document; or
 8. Written request first received by an **Insured** to toll or waive a statute of limitations relating to a potential **Claim** described in A.1. through A.7. above;
- B. With respect to Insuring Agreement I.A. and solely for **Defense Expenses**, any subpoena or other similar written request served on an **Insured Individual** compelling witness testimony or document production in connection with the matters described in A.1. through A.7. above or with any equivalent action against an **Insured Entity** or **Outside Entity**.
- C. With respect to Insuring Agreement I.C., any:
1. Written demand received by an **Insured** for monetary or non-monetary relief including injunctive relief;
 2. Civil proceeding commenced by the service of a complaint or similar pleading;
 3. Criminal proceeding commenced by the filing of charges;
 4. Formal administrative or regulatory proceeding commenced by the filing of charges, formal investigative order or similar document; or
 5. Arbitration or mediation proceeding commenced by the receipt of a demand for arbitration or mediation or similar document;
- against an **Insured Entity** for a **Wrongful Act**, including any appeal therefrom; or
6. Written request first received by an **Insured** to toll or waive a statute of limitations relating to a potential **Claim** described in C.1. through C.5. above;

Defense Expenses means the reasonable and necessary legal fees and expenses including attorney fees and expert fees incurred by the **Insurer** or the **Insured** (other than regular or overtime wages, salaries, fees or benefits of **Insured Individuals**) in the investigation, defense, settlement and appeal of a **Claim**, including but not limited to cost of consultants and witnesses, premiums for appeal, injunction, attachment or supersedeas bonds regarding such **Claim**.

Excess Benefit Transaction means an "excess benefit transaction" as defined in Section 4958 of the U.S. Internal Revenue Code of 1986, as amended.

Excess Benefit Transaction Tax means any excise tax imposed by the U.S. Internal Revenue Service on an **Insured Individual** who is an **Organization Manager** as a result of such **Insured Individual's** participation in an **Excess Benefit Transaction**.

Extradition means any formal process initiated by a local, state or national government against an **Insured Individual** to compel the **Insured Individual** to appear for trial or otherwise answer any criminal accusation.

Insured Individual means any past, present or future **Executive** or employee (including part-time, seasonal, leased or temporary employees), intern or volunteer of the **Insured Entity** while acting solely within his or her capacity as such on behalf of the **Insured Entity** or an **Outside Entity**.

Insured means any **Insured Individual** or **Insured Entity**.

Investigative Costs means reasonable and necessary costs, charges, fees, including but not limited to attorneys and experts' fees, and expenses (other than regular or overtime wages, salaries, fees or benefits of **Insured Individuals** incurred by the **Insured Entity**.

Loss means **Defense Expenses** and the amount the **Insured** is legally obligated to pay as a result of a **Claim** including:

- A. Monetary judgments, awards or settlements, pre-judgment and post-judgment interest and compensatory damages;
- B. Punitive or exemplary damages or the multiple portion of any multiplied damage award if insurable under the law of the jurisdiction most favorable to the insurability of such damages where such jurisdiction has a substantial relationship to the **Insured**, the **Insurer**, or to the **Claim** giving rise to such damages; or
- C. Civil fines or penalties assessed against an **Insured Individual**, including civil penalties assessed against an **Insured Individual** pursuant to the Foreign Corrupt Practices Act (15 U.S.C. 78dd-2(g)(2)(B)), if and to the extent such fines or penalties are insurable under the law of the jurisdiction in which such fines and penalties are assessed.

However, **Loss** does not include:

1. Any amounts which an **Insured** is obligated to pay as a result of a **Claim** seeking relief or redress for non-monetary damages including injunctive relief;
2. Any amount deemed uninsurable by law;
3. Taxes, except:
 - a. A tax imposed upon an **Insured Individual** in connection with the bankruptcy, receivership, conservatorship or liquidation of an **Insured Entity** but only if:
 - 1) Such tax is insurable under the law pursuant to which this Coverage Part is construed; and
 - 2) An **Insured Individual** is not indemnified for such tax by an **Insured Entity** or any other person or organization.
 - b. An **Excess Benefit Transaction Tax**.
4. **Investigative Costs** incurred by an **Insured** in the defense or investigation of any action, proceeding or demand that was not a **Claim** even if such amount also benefits the defense of a covered **Claim** or such action, proceeding or demand that subsequently gives rise to a **Claim**;
5. Any amount which represents or is substantially equivalent to an increase in the consideration paid by an **Insured Entity** in connection with its purchase of any securities or assets; or
6. Any amount not indemnified by the **Insured Entity** for which an **Insured Individual** is absolved from payment by reason of any covenant, agreement or court order.

Organization Manager means a natural person who is or was an "organization manager" as defined in Section 4958 of the U.S. Internal Revenue Code of 1986, as amended.

Outside Capacity means service by an **Insured Individual** as any director, officer, trustee, regent, governor, manager or member of the Board of Managers including any equivalent executive position of any of the foregoing, in an **Outside Entity**, but solely during the time that such service is with the knowledge and express consent of an **Insured Entity**.

Outside Entity means:

- A. Any nonprofit entity described in sections 501(c)3; 501(c)4; 501(c)10 of the Internal Revenue Code of 1986, as amended;
- B. Any other entity, partnership, joint venture or organization scheduled by endorsement to this Policy; or
- C. Any other entity organized for a religious or charitable purpose under any nonprofit organization act or statute.

Policy Period means the period of time from the inception date shown in Item 2. of the D&O Declarations to the earlier of the expiration date shown in Item 2. of the D&O Declarations or the effective date of termination of this Policy or Coverage Part.

Personal Injury means:

- A. Defamation of character, libel, slander or publication of material in violation of a person's right of privacy;
- B. Wrongful entry or eviction or other invasion of the right of privacy; or
- C. False arrest, wrongful detention, imprisonment or malicious prosecution;

Publisher Liability means infringement of copyright, trademark, trade dress, service mark, service name, unauthorized use of title or slogan, plagiarism, or misappropriation of ideas.

Related Claims means all **Claims** based upon, arising from or in any way related to the same facts, circumstances, situations, transactions, results, damages or events or the same series of facts, circumstances, situations, transactions, results, damages, or events.

Related Wrongful Acts means **Wrongful Acts** which are logically or causally connected by reason of any common fact, circumstance, situation, transaction, casualty, event, result, injury or decision.

Security Law means the Securities Act of 1933; Securities Exchange Act of 1934; Investment Act of 1940; any state "Blue Sky" securities law or any other federal, state or local securities law including amendments thereto; and any similar federal, state, local or common law, including any rules and regulations promulgated under it.

Wrongful Act means **Personal Injury**, **Publisher Liability** or any actual or alleged act, error, omission, misstatement, misleading statement, neglect, breach of duty committed or attempted, or allegedly committed or attempted by:

- A. With respect to Insuring Agreements I.A. and I.B, an **Insured Individual** in his or her capacity as such or any other matter claimed against an **Insured Individual** solely in his or her status as such; or
- B. With respect to Insuring Agreement I.C., an **Insured Entity**.

All **Related Wrongful Acts** shall be considered a single **Wrongful Act** and all **Related Wrongful Acts** will be deemed to have occurred at the time the first of such **Related Wrongful Acts** occurred whether prior to or during the **Policy Period**.

IV. EXCLUSIONS**A. Exclusions Applicable to All Insuring Agreements**

This insurance does not apply to **Loss** for any **Claim**:

1. Prior Notice

Based upon, arising out of or in any way related to any **Claim**, **Wrongful Act**, investigation, proceeding, act, event, transaction, decision, fact, circumstance or situation which has been the subject of any notice accepted under any similar policy of which this Policy is a direct or indirect renewal or replacement.

2. Prior & Pending Proceedings

Based upon, arising out of or in any way related to any litigation, administrative or arbitration proceeding, written demand pending against any **Insured**, or any order, decree or judgment entered prior to or on the Prior & Pending Proceedings Date set forth in Item 5. of the D&O Declarations.

3. Conduct

Based upon, arising out of or in any way related to:

- a. Any deliberate, dishonest, fraudulent act or omission, or willful violation of any statute or regulation by an **Insured**; or
- b. An **Insured** gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled;

However, this exclusion shall not apply to **Defense Expenses** unless and until a final, non-appealable judgment or adjudication in any underlying proceeding or action establishes that an **Insured** committed such an act or omission, violation of statute or regulation or gained such profit, remuneration or advantage to which the **Insured** was not legally entitled.

4. Bodily Injury or Property Damage

For the physical injury to or destruction of any tangible property, including loss of use of that property and loss of use of property that is not physically damaged; or for bodily injury, mental anguish, humiliation, emotional distress, disability, sickness, disease, death, assault or battery sustained by any individual.

5. ERISA

For any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, including amendments relating to the Consolidated Omnibus Budget Reconciliation Act of 1985 and the Health Insurance Portability and Accountability Act of 1996, all as amended, and any similar federal, state, local or common law or statutory law anywhere in the world, including any rules and regulations promulgated thereunder.

6. Insured vs. Insured

Brought by or on behalf of any **Insured**, however this exclusion does not apply to:

a. Any **Claim**:

- 1) Made and maintained independently of and without the solicitation, assistance, participation or intervention of any **Executive**;
- 2) Brought by an **Insured Individual** for contribution or indemnity, if such **Claim** directly results from another **Claim** covered under this Policy;
- 3) For employment related **Wrongful Acts** against an **Insured Individual**;
- 4) Brought by an employee, other than an **Executive**, in his or her capacity as a shareholder of an **Insured Entity**;
- 5) Brought by an **Executive** who has ceased serving in his or her capacity as an **Executive** for at least three (3) years;
- 6) Brought by a whistle blower pursuant to any federal, state, local or foreign law against an **Insured Individual**; or

b. Any **Claim** brought by an **Insured Entity** against an **Insured Individual** of an **Insured Entity** when such **Claim** is:

- 1) Brought and maintained solely outside the United States of America or Canada;
- 2) Brought by a receiver, liquidator, bankruptcy trustee or similar official of the **Insured Entity**;

- 3) Brought by the **Insured Entity** in its capacity as a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country.

7. Securities

Based upon, arising out of or in any way related to an actual or alleged violation of any **Security Law**, provided that this exclusion shall not apply to **Loss** based upon or arising out of the offering, sale or purchase of debt securities, in a transaction or series of transactions that are exempt from registration under the Securities Act of 1933 including any amendments thereto or any rules or regulations promulgated thereunder.

8. Outside Entity

Brought or maintained by, at the behest, or on behalf of:

- a. An **Outside Entity** against an **Insured Individual** acting in an **Outside Capacity** at the time the **Claim** is first made; or
- b. A past, present, or future director, officer, manager, trustee, governor or equivalent **Executive** of the **Outside Entity** against an **Insured Individual** acting in an **Outside Capacity** at the time the **Claim** is first made, except with respect to a **Claim** for contribution or indemnity if such **Claim** would be covered under this Policy.

B. Exclusions Applicable to Insuring Agreement C. Corporate Entity Liability, Only

This insurance does not apply to **Loss** for any **Claim**:

1. Contract

Based upon, arising out of or in any way related to liability assumed through, or on account of, any oral or written contract or agreement to which an **Insured** is a party, however this exclusion shall not apply to liability that would have attached in the absence of such contract or agreement.

2. Employment Practices

Based upon, arising out of or in any way related to any past, present or future actual or potential:

- a. Employment relationship including an employment-related **Wrongful Act**;
- b. Discrimination against or sexual harassment of any third party;
- c. Violation of federal, state, local or foreign wage and hour laws, including, without limitation, the Fair Labor Standards Act.

V. SEVERABILITY OF EXCLUSIONS

No conduct pertaining to any **Insured Individual** shall be imputed to any other **Insured Individual** for the purpose of determining the applicability of these exclusions. Any conduct pertaining to any past, present or future **Executive** of an **Insured Entity** shall be imputed to such **Insured Entity** and its **Subsidiaries**.

VI. DEFENSE AND SETTLEMENT OF CLAIMS

- A. The **Insurer** shall have the right and duty to defend any **Claim** covered by this Coverage Part even if any allegation of such **Claim** is groundless, false or fraudulent. The **Insurer** has no duty to defend any **Claim** or pay **Defense Expenses** for **Claims** to which this insurance does not apply.
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- B. The right and duty to defend any **Claim** covered under this Coverage Part shall cease when the Maximum Aggregate Limit of Liability for this Coverage Part or the Combined Maximum Aggregate Limit of Liability in Item 3. of the Policy Declarations has been exhausted by the payment of **Loss**.
- C. The **Insureds** shall provide all information in connection with any **Claim** and cooperate with the **Insurer** in the investigation, defense and settlement of any **Claim**.
- D. No **Insured** shall settle any **Claim**, voluntarily make any payment, assume any obligation, or incur any expense related to a **Claim** without the **Insurer's** consent.
- E. The **Insurer** may make any investigation it deems necessary and settle any **Claim** subject to the **Named Insured's** written consent to settle which shall not be unreasonably withheld. If any **Insured** refuses to consent to the settlement of any **Claim** which the **Insurer** recommends and which is acceptable to the claimant, subject to the applicable Limit of Liability or Retention, the **Insurer's** liability for all **Loss** from such **Claim** shall not exceed:
 - 1. The amount the **Insurer** would have contributed to the settlement including **Defense Expenses** incurred up to the date of such refusal; and
 - 2. Eighty percent (80%) of such **Loss** in excess of the amount for which the **Claim** would have been settled.
- F. The **Insurer** shall not seek repayment from an **Insured Individual** of any **Defense Expenses** paid by the **Insurer** that are deemed uninsured pursuant to Exclusion IV. A.3. Conduct, unless the applicable determination standard set forth in such exclusion has been met.
- G. If the **Insurer** is prevented by law or otherwise unable to defend or investigate a **Claim** brought outside the United States, the **Insured** under the **Insurer's** supervision may arrange for the investigation, appointment of counsel and defense of such **Claim**. Subject to the applicable Limit of Liability and retention, we will reimburse the **Insured** for any reasonable and necessary **Defense Expenses** for such **Claim**.

VII. LIMIT OF LIABILITY

Regardless of the number of **Insureds**, **Claims**, or claimants the **Insurer's** liability under this Coverage Part is limited as follows:

- A. If the Combined Aggregate Limit of Liability in Item 3. of the Policy Declarations is elected, then subject to paragraph E. below, the **Insurer's** maximum liability for all **Loss**, during the **Policy Period** arising from a **Claim** or **Related Claims** under this Coverage Part, shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the D&O Declarations or the unpaid portion of the Combined Aggregate Limit of Liability stated in Item 3. of the Policy Declarations, whichever is less.
- B. If the Combined Aggregate Limit of Liability in Item 3. of the Policy Declarations is not elected, then subject to paragraph E. below, the **Insurer's** maximum liability for all **Loss** during the **Policy Period** arising from a **Claim** or **Related Claims** shall not exceed the Maximum Aggregate Limit of Liability stated in Item 3. of the D&O Declarations.
- C. Subject to E. below, the **Insurer's** maximum limit of liability for all **Excess Benefit Transaction Tax** during the **Policy Period** will be the Excess Benefit Transactions Limit stated in Item 3. of the D&O Declarations which amount is part of, and not in addition to the Maximum Aggregate Limit of Liability stated in Item 3. of the D&O Declarations.
- D. Additional Limit of Liability for Executives

Notwithstanding VII.E. below:

1. The Additional Limit of Liability for Executives stated in Item 3. of the D&O Declarations, shall be an additional aggregate Limit of Liability, in addition to and not part of, the Maximum Aggregate Limit of Liability as set forth in Item 3. of the D&O Declarations.
 2. The Additional Limit of Liability for Executives is available solely for **Loss** arising from any **Claim** against any **Executive** covered under Insuring Agreement I. A. of this Coverage Part.
 3. The Additional Limit of Liability for Executives shall be excess of any insurance available that is specifically excess to this Policy, and such excess insurance must be completely exhausted by payment of **Loss** thereunder before we shall have any obligation to make any payment on account of the Additional Limit of Liability Dedicated for Executives.
- E. If Defense Expense Outside the Limit of Liability in Item 3. of the D&O Declarations is:
1. Elected, then **Defense Expenses** shall be in addition to, and not part of, the applicable Limit of Liability stated in Item 3. of the D&O Declarations; provided, however, that when the applicable Limit of Liability or the Maximum Aggregate Limit of Liability stated in Item 3. of the D&O Declarations is exhausted by payment of **Loss**, other than **Defense Expenses**, the **Insurer's** obligation to pay **Defense Expenses** or to defend or continue to defend any **Claim** or **Related Claim** shall cease.
 2. Not elected, then **Defense Expenses** shall be part of, and not in addition to the applicable Limit of Liability Stated in Item 3. of the D&O Declarations; provided, however that when the applicable Limit of Liability or the Maximum Aggregate Limit of Liability stated in Item 3. of the D&O Declarations is exhausted by payment of **Loss** or **Defense Expenses**, the **Insurer's** obligation to pay **Defense Expenses** or to defend or continue to defend any **Claim** or **Related Claim** shall cease.
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VIII. RETENTION

- A. The **Insurer's** liability under this Coverage Part applies only to that part of covered **Loss** which is in excess of the applicable Retentions stated in Item 4. of the D&O Declarations. Such Retentions shall be considered uninsured amounts and borne by the **Insureds** at their own risk.
 - B. If different parts of a **Claim** are subject to different Retentions in different Insuring Agreements the applicable Retentions will be applied separately to each part of such **Claim** but the sum of such Retentions shall not exceed the largest applicable Retention.
-

IX. REPORTING

- A. An **Insured** shall provide the **Insurer** with written notice as soon as practicable after the Chief Executive Officer, Chief Financial Officer, President, Executive Director, In-House General Counsel or any person with the responsibility for the management of insurance claims, or any equivalent position, of an **Insured Entity** becomes aware of a **Claim**, but in no event later than:
 1. Ninety (90) days after the effective date of expiration or termination; or
 2. The expiration date of the Extended Reporting Period, if applicable.

However if the **Insurer** sends written notice to the **Named Insured** stating that this Policy is being terminated for nonpayment of premium, an **Insured** shall give the **Insurer** written notice of such **Claim** prior to the effective date of such termination.

- B. If during the **Policy Period**, or an applicable Extended Reporting Period, an **Insured** becomes aware of an act or circumstances that may subsequently give rise to a **Claim** and gives the **Insurer** notice of such act or circumstances, then any **Claim** subsequently arising from such circumstances shall be deemed made against
-

the **Insured** during the **Policy Period** in which the circumstances were first reported to, and accepted by, the **Insurer** provided that any such subsequent **Claim** is reported to the **Insurer** in accordance with paragraph A. above.

- C. An **Insured** must give to the **Insurer** the assistance, information and cooperation as the **Insurer** may require and shall include in any notice of a **Claim**, or circumstances of a potential **Claim**, a description of the **Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature and amount of alleged or potential damage, the names of actual or potential claimants, and the manner in which the **Insured** first became aware of the **Claim**, circumstances or alleged **Wrongful Act**.
 - D. Notice of a **Claim** or a potential **Claim**, must be provided in writing to the addresses stated in Item 7. of the Policy Declarations.
-

X. ALLOCATION

If an **Insured** incurs **Loss** on account of any **Claim** and such **Claim** includes both covered and non-covered matters, coverage with respect to such **Claim** shall apply as follows:

- A. One hundred percent (100%) of **Defense Expenses** on account of the **Claim** will be considered covered **Loss** provided that this shall not apply to any **Insured** for whom coverage is excluded pursuant to Exclusion IV. B. 4. Employment Practices or Section XIV. B. Representations and Severability; and
 - B. The **Insurer** shall fairly allocate all remaining loss that an **Insured** incurred on account of such **Claim** between covered **Loss** and uncovered loss based upon the relative legal exposure of the parties to such matters.
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XI. PRIORITY OF PAYMENTS

If **Loss** arising from any **Claim** covered under this Coverage Part exceeds the remaining available Limit of Liability as stated in Item 3. of the D&O Declarations then the **Insurer** shall:

- A. First pay **Loss** for such **Claim** to which Insuring Agreement I. A. applies; then
 - B. To the extent any remaining amount of the applicable limit of liability remains available, the **Insurer** will pay **Loss** for such **Claim** to which Insuring Agreements I. B. and I. C. apply.
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XII. OTHER INSURANCE AND INDEMNITY

If other valid and collectible insurance (other than a policy that is issued specifically as excess of this Coverage Part) is available to the **Insured** for **Loss** covered under this Coverage Part or if an **Insured Individual** is entitled to indemnification from an **Outside Entity** the insurance provided by this Coverage Part shall be excess of such other insurance or indemnification regardless of whether or not such insurance is primary, contributory, excess contingent or whether such indemnification is actually made.

XIII. PRESUMPTION OF INDEMNIFICATION

If an **Insured Entity** or **Outside Entity** fails or refuses to indemnify an **Insured Individual** for **Loss** to the fullest extent permitted by the **Insured Entity's** or **Outside Entity's** by-laws or through statutory or common law, then

any payment by the **Insurer** of such **Loss** shall be excess of the Insuring Agreement I. B. retention as set forth in Item 4. of the D&O Declarations.

XIV. REPRESENTATIONS AND SEVERABILITY

- A. The declarations and statements in the **Application** for this Coverage Part are the **Insured's** representations and the **Insurer** has relied on such representations when issuing this Coverage Part. Such representations are incorporated into and constitute part of this Coverage Part.
1. The **Application** shall be construed as a separate application by each **Insured**.
 2. No statement in the **Application**, fact pertaining to, or knowledge possessed by any **Insured Individual** shall be imputed to any other **Insured Individual**.
- B. If the **Application** contains any misrepresentations made with the intent to deceive or contains misrepresentations which materially affect the acceptance of the risk or the hazard assumed by the **Insurer** under this Policy, then no coverage shall be afforded for any **Claim** based upon, arising from, or in consequence of, any such misrepresentation with respect to:
1. Any **Insured Individual** who knew of such misrepresentations (whether or not such individual knew such **Application** contained such misrepresentations) or any **Insured Entity** to the extent it indemnifies any such **Insured Individual**; or
 2. Any **Insured Entity** if any past or present chief executive officer, chief financial officer or chief information officer (or any equivalent position) of the **Insured Entity** knew of such misrepresentation (whether or not such individual knew such **Application** contained such misrepresentations).
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XV. RESCINDABILITY

The **Insurer** shall not be entitled under any circumstances to void or rescind this Policy with respect to any **Insured**.

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Notice to Policyholder - Terrorism Coverage Acceptance

The Terrorism Risk Insurance Act of 2002 established a program (Terrorism Risk Insurance Program) within the Department of the Treasury, under which the federal government shares, with the insurance industry, the risk of loss from future terrorist attacks. That Program was extended by the federal government under the Terrorism Risk Insurance Program Reauthorization Act of 2007 and will not expire until December 31, 2014. Your Policy will become effective (or will be renewed) with the coverage provided under the new act and you have elected to purchase terrorism coverage. This Notice is being provided to you for the purpose of summarizing your coverage. The summary is a brief synopsis of significant exclusionary provisions and limitations.

This Notice does not form a part of your insurance contract. The Notice is designed to alert you to coverage restrictions and to other provisions in certain terrorism endorsement(s) in this Policy. If there is any conflict between this Notice and the Policy (including its endorsements), the provisions of the Policy (including its endorsements) apply.

Carefully read your Policy, including the endorsements attached to your Policy.

YOUR POLICY AT THE START OF YOUR NEW POLICY TERM:

905 5076 – The coverage for **Certified Acts of Terrorism** is subject to the statutory \$100 billion cap on liability for losses and subject to the nuclear hazard exclusion and all other underlying Policy exclusions. Coverage for acts of terrorism that are not certified (for example, acts which do not exceed the dollar threshold for federal certification or acts which occur outside the jurisdictional boundary of the federal program) are not subject to the statutory cap. The coverage for **Certified Acts of Terrorism** is more fully defined in the endorsement. This coverage is subject to a limit on our liability pursuant to the federal Terrorism Risk Act Program Reauthorization Act of 2007.

With respect to **Certified Acts of Terrorism** and acts of terrorism that are not certified, the Policy exclusions (for example, the nuclear hazard and war exclusions) and other Policy provisions continue to apply.

DISCLOSURE OF PREMIUM AMOUNT ACCEPTANCE OF TERRORISM COVERAGE

In consideration of the premium charged it is agreed that:

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT, AS AMENDED. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THIS POLICY.

Coverage for acts of terrorism as defined in Section 102(1) of the Terrorism Risk Insurance Act ("Act") is included in your Policy. You are hereby notified that under the Act, as amended in 2007, the definition of act of terrorism has changed. The term "act of terrorism" means any act that is certified by the Secretary of the Treasury—in concurrence with the Secretary of State, and the Attorney General of the United States—to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the Policy or affect the conduct of the United States Government by coercion.

DISCLOSURE OF FEDERAL PARTICIPATION IN PAYMENT OF TERRORISM LOSSES

Under your coverage, any losses resulting from **Certified Acts of Terrorism** may be partially reimbursed by the United States Government under a formula established by the Act, as amended. Your Policy, however, may contain other exclusions which might affect your coverage, such as an exclusion for nuclear events. Under the formula, the United States Government generally reimburses 85% of covered terrorism losses exceeding the statutorily established deductible paid by the insurance company providing the coverage.

DISCLOSURE OF \$100 BILLION CAP

The Terrorism Risk Insurance Act, as amended, contains a \$100 billion cap that limits U.S. Government reimbursement as well as insurers' liability for losses resulting from **Certified Acts of Terrorism** when the amount of such losses exceeds \$100 billion in any one calendar year. If the aggregate insured losses for all insurers exceed \$100 billion, your coverage may be reduced.

Premium for terrorism, if any, is stated below:

DISCLOSURE OF PREMIUM

Total Terrorism Premium \$0.00

Fire Following Premium \$0.00

Other than Fire Following Premium \$0.00

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

THIS NOTICE IS PROVIDED IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT. THIS NOTICE DOES NOT GRANT COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF COVERAGE UNDER THE POLICY. IF THERE IS A CONFLICT BETWEEN THIS NOTICE AND THE POLICY, THE PROVISIONS OF THE POLICY SHALL APPLY.

POLICYHOLDER DISCLOSURE NOTICE PURSUANT TO THE TERRORISM RISK INSURANCE ACT

Disclosure of Terrorism Coverage Available

You are hereby notified that under the Terrorism Risk Insurance Act, as amended, you have a right to purchase insurance coverage for losses resulting from “acts of terrorism” defined in Section 102(1) of the Act as follows:

Any act or acts that are certified by the Secretary of the Treasury, in consultation with the Secretary of Homeland Security and the Attorney General of the United States, to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States’ government by coercion.

The premium for this coverage is \$0.00 _____ and does not include any charges for the portion of loss that may be covered by the Federal Government as described below.

Your policy may contain other exclusions which could affect your coverage, such as an exclusion for Nuclear Events or Pollution. **Please read your policy carefully.**

Note for Commercial Property or Commercial Inland Marine Policyholders in Standard Fire States:

In your state, a terrorism exclusion makes an exception for (and therefor provides coverage for) fire losses resulting from an act of terrorism. If you reject the offer of terrorism coverage, therefore, that rejection does not apply to fire losses resulting from an act of terrorism. Coverage for such fire losses will be provided in your policy. The additional premium just for such fire coverage is \$0.00 _____.

Disclosure of Federal Participation in Payment of Terrorism Losses

The United States government through the Department of the Treasury may pay a share of terrorism losses insured under the federal program under a formula set forth in the Act. Under this formula, the United States government generally reimburses the following percentage of covered terrorism loss which exceeds the statutorily established deductible paid by the insurance company providing the coverage: 85% through 2015; 84% beginning on January 1, 2016; 83% beginning on January 1, 2017; 82% beginning on January 1, 2018; 81% beginning on January 1, 2019; and 80% beginning on January 1, 2020. The threshold for federal participation in losses is \$100 million for calendar year 2015, and increases in \$20 million annual increments over five years beginning in calendar year 2016 until the threshold reaches \$200 million on January 1, 2020.

Cap on Insurer Participation in Payment of Terrorism Losses

The Act contains a \$100 billion cap that limits the reimbursement by the United States government as well as insurers’ liability for losses resulting from certified acts of terrorism. If the aggregate of insured losses attributable to terrorist acts certified under the Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our insurer deductible under the Act, we will not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion. In such case, insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Coverage Part: Directors & Officers and Entity Liability

Endorsement Number: 1

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

In consideration of the premium charged it is agreed that:

If aggregate insured losses attributable to terrorist acts certified under the federal Terrorism Risk Insurance Act exceed \$100 billion in a calendar year and we have met our **Insurer** deductible under the Terrorism Risk Insurance Act, we shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case any insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the federal Terrorism Risk Insurance Act, to be an act of terrorism pursuant to such Act. The criteria contained in the Terrorism Risk Insurance Act for a **Certified Act of Terrorism** include the following:

- A. The act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Terrorism Risk Insurance Act; and
- B. The act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.

Coverage Part: Directors & Officers and Entity Liability

Endorsement Number: 2

Issued To: FLORIDA ALLIANCE FOR ARTS EDUCATION

Policy Number: LHC-D587976-00

Issued By: The Hanover Insurance Company

Effective Date: 08/16/2018

FLORIDA STATE AMENDATORY ENDORSEMENT

In consideration of the premium charged it is agreed that:

Section III. the definition of **Loss**, paragraph B. is deleted and replaced by:

- B. Vicariously assessed punitive or exemplary damages or the multiple portion of any multiplied damage award to the extent that such damages are insurable under the laws of Florida; or

FOR ANY INQUIRIES CONCERNING THIS COVERAGE, PLEASE CALL: 800-685-5669 or 800-853-0456
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All other terms and conditions remain unchanged. The title and any headings in this endorsement are solely for convenience and form no part of the terms and conditions of coverage.