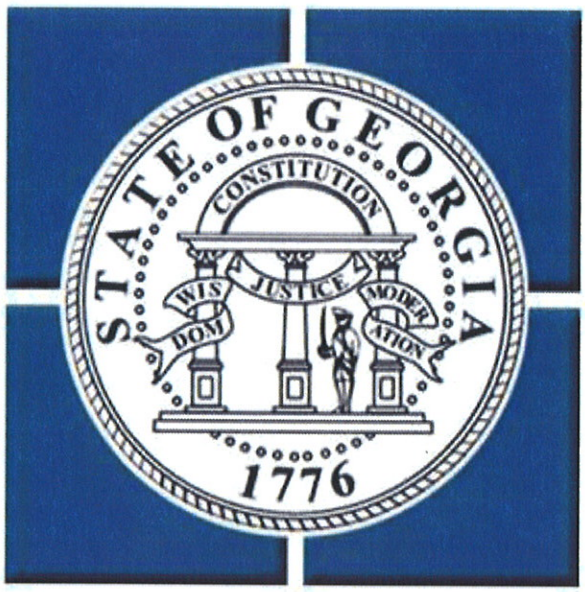

Trust • Excellence • Service

Department of Administrative Services
Risk Management Services

GENERAL LIABILITY AGREEMENT

JULY 1, 2008 – JUNE 30, 2009

State of Georgia Department of Administrative Services
Risk Management Services

GENERAL LIABILITY AGREEMENT

Period of Coverage July 1, 2008 through June 30, 2009

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GENERAL LIABILITY AGREEMENT

Agreement No. CGL-401-14-09

This is a contract issued by the Georgia Department of Administrative Services (DOAS) pursuant to the authority granted by O.C.G.A. Section §45-9-1 et.seq. to provide coverage to the Covered Party as described herein under the terms described herein.

As used herein, the term "DOAS" refers to the Georgia Department of Administrative Services. DOAS is the administrator for the State Employee Liability Trust Fund (hereinafter the "Fund").

Covered Party means any person or organization qualifying as such under the terms of this Agreement for whom premiums have been paid for coverage.

Words and phrases that appear in quotation marks have special meaning. Refer to D. Definitions.

NAMED COVERED PARTY
This is the "department" of the State of Georgia named in the Declarations Page which is made a part of this Agreement.

A. COVERED PARTY

1. Persons employed by participating State of Georgia "Departments" in their individual capacity at the time of an "occurrence" covered by the terms of this Agreement.

2. Board Members and elected or appointed members of participating State "departments" in their individual capacity at the time of an "occurrence" covered by the terms of this Agreement.

3. Any State paid student employee paid an hourly salary from the Personal Service Budget while in the employment of a State school, college or university at the time of an "occurrence" covered by the terms of this Agreement who is enrolled and regularly attending classes at such school, college or university, and whose salary is exempt from being reported on the Georgia Department of Labor Employer's Quarterly Tax and Wage Report. However, student employees are only covered for claims arising in the course and scope of their duties when employed and not for any claims associated with any non-employment activity.

4. Members of the organized Militia who are serving on State active duty upon order of the Governor at the time of an "occurrence" covered by the terms of this Agreement.

5. Any non State employee designated by law to be a State employee for coverage purposes only, and only if the premium is paid for such coverage at the time of an "occurrence" covered by the terms of this Agreement.

6. Any participating "department" as authorized by O.C.G.A. 45-9-1 et.seq. or any other provision of law now enacted or hereafter enacted at the time of an "occurrence" covered by the terms of this Agreement.

7. University of Georgia Extension Service employees who are reported on the Employer's Quarterly Tax and Wage Report (DOL-4) by the U.S. Department of Agriculture.

8. Georgia Youth Conservation Corps members, leaders, and specialists in the Georgia Youth Conservation Corps within the Department of Natural Resources at the time of an "occurrence" covered by the terms of this Agreement.

9. Foster parents and foster children designated by the Department of Human Resources and contract parents and contract children designated by the Department of Juvenile Justice at the time of an "occurrence" covered by the terms of this Agreement.

10. Any natural person who is a volunteer participating as a volunteer, with or without compensation, in a structured, volunteer program organized, controlled, and directed by a State of Georgia "department" for the purpose of carrying out the functions of the State "department", but shall not include any health care provider and any volunteer when providing services pursuant to Article 8 of Chapter 8 of Title 31, at the time of an "occurrence" covered by the terms of this Agreement.

11. Federal law enforcement officers who perform law enforcement duties in a High Intensity Drug Trafficking Area ("HIDTA") designated pursuant to 21 USC 1504 (c) when the federal law enforcement officers are authorized in writing and in accordance with O.C.G.A. 35-9-15 to be law enforcement officers of the State of Georgia and who are acting as law enforcement officers of the State of Georgia at the time of an "occurrence" covered by the terms of this Agreement.

12. State of Georgia "Departments" but only for claims asserted pursuant to any act which gives rise to liability under any Federal civil rights statute or the Americans with Disabilities Act, but only to the extent such State of Georgia "Departments" cannot assert immunity with respect to claims at the time of an "occurrence" covered by the terms of this Agreement.

B. COVERAGE AGREEMENT

DOAS will pay those sums that the Covered Party becomes legally obligated to pay as "damages" because of "bodily injury", "property damage", and/or "personal injury", to which this coverage applies. DOAS will have the right and duty to defend the Covered Party against any "lawsuit" seeking those "damages". However DOAS will have no duty to defend the Covered Party against any "lawsuit" seeking "damages" for "bodily injury", "property damage", and/or "personal injury" to which this coverage does not apply. At its discretion, DOAS may investigate any "occurrence" and settle any claim or "lawsuit". This Agreement applies to "bodily injury", "property damage", and/or "personal injury" only if the "occurrence" is committed or allegedly committed (1) by a Covered Party while acting in the course and scope of their duties with a participating "department" that has purchased coverage as stated on the Declarations Page and (2) which takes place during the policy period. "Bodily injury", "property damage", and/or "personal injury" will be deemed to have known to occur at the earliest time when any individual listed under paragraph **A. Covered Party** receives notice of an "occurrence" or claim: (1) reports all or part of the "occurrence" or claim to DOAS; (2) receives a written or verbal demand or claim for "damages", or (3) becomes aware by any means that "bodily injury", "property damage" and/or "personal injury" has occurred or has begun to occur. This Agreement will respond to any covered allegation in order to defend and pay "damages" on behalf of a Covered Party when a claim or "lawsuit" is filed and is not covered by the Georgia Tort Claims Act (O.C.G.A. §51-20, et. seq.). This Agreement does not provide any coverage for claims or "lawsuits" filed in any court of the State of Georgia that are covered by the Georgia Tort Claims Act. In consideration of the payment of the appropriate premium as listed on the Declarations Page, and subject to all of the limitations as set forth in this Agreement or any addendum hereto DOAS agrees to provide coverage and to make payments with respect thereto out of the Fund.

PROFESSIONAL MEDICAL MALPRACTICE COVERAGE

DOAS will pay on behalf of the Covered Party all sums which the Covered Party shall become legally obligated to pay as "damages" because of "bodily injury", "property damage", and/or "personal injury" and caused by error, omission, or negligence in professional "medical services" rendered or which should have been rendered by the Covered Party in the course and scope of their duties with a participating State of Georgia "department".

ADDITIONAL COVERED PARTY COVERAGE

DOAS may pay on behalf of an Additional Covered Party all sums the Additional Covered Party shall become legally obligated to pay as "damages" arising out of an "occurrence" covered by a specified endorsement to this Agreement. However, for this coverage to be effective, the Additional Covered Party must have been approved in writing by DOAS prior to the "occurrence" in order to be covered by this Agreement, in conjunction with the approved specified endorsement. There is no Additional Covered Party Coverage unless this Agreement has been specifically endorsed to name the Additional Covered Party.

The following entities are listed as Additional Covered Parties subject to the terms and Conditions of this Agreement and also to the coverage limitations as listed in the coverage subsection below. Entities (not covered by the Georgia Tort Claims Act) which are specified in O.C.G.A. §45-9-41 through 45-9-42 that are operating automobiles pursuant to and within the scope of O.C.G.A. §45-9-41 through 45-9-42

Additional Covered Parties:	Entities (not covered by the Georgia Tort Claims Act) which are specified in O.C.G.A. §45-9-41 through 45-9-42 that are operating automobiles pursuant to and within the scope of O.C.G.A. §45-9-41 through 45-9-42
Limits of Liability:	$500,000 per "occurrence"

DOAS will pay on behalf of the Additional Covered Parties described in this coverage subsection all "damages" up to the Limits of Liability shown above for "bodily injury" or "property damage" caused by the operation of an "automobile" only; provided, however, such coverage is provided only to the extent that the operation of such "automobile" is pursuant to and within the scope of O.C.G.A. §45-9-41 through 45-9-42. The coverage provided by this Agreement to the Additional Covered Parties specified in this coverage subsection shall in no way be interpreted so as to provide for any other coverage and provides no coverage to "departments" covered by the Georgia Tort Claims Act. Other than as described in this coverage subsection, no other coverage is provided to the Additional Covered Parties described in this coverage subsection.

SUPPLEMENTARY PAYMENTS

REIMBURSEMENT OF LEGAL FEES/PROFESSIONAL LICENSE DEFENSE OF PROFESSIONAL LICENSE

DOAS agrees to reimburse to an eligible Covered Party (as specified in O.C.G.A. §45-9-1) who is required to maintain a professional license, legal fees and other expenses incurred in the successful defense of a charge directly related to the performance of official duties in proceedings before a professional licensing board, disciplinary board or commission, or other similar bodies. Legal fees and other expenses shall be subject to adjustment by and the approval of the Attorney General of the State of Georgia.

REIMBURSEMENT FOR LEGAL FEES FOR CRIMINAL DEFENSE

DOAS will reimburse any eligible Covered Party (as specified in O.C.G.A. §45-9-1) for reasonable legal fees and other expenses incurred in the successful defense of a criminal action directly related to the performance of the Covered Party's official duties, provided the legal fees and the other expenses are approved by the Attorney General of the State of Georgia.

REIMBURSEMENT FOR LEGAL FEES FOR QUI TAM DEFENSE

DOAS will reimburse any eligible Covered Party for reasonable legal fees, not to exceed $125 per hour, and other reasonable expenses incurred in the successful defense of a qui tam action directly related to the performance of the Covered Party's official duties; provided however any such legal fees and other expenses are subject to approval by DOAS. Successful defense shall mean a final judgment of no liability with no opportunity for any appeals. Successful defense shall not include settlements or dismissals without prejudice of any claim.

C. LIMITS OF LIABILITY

The Limits of Liability for DOAS under this Agreement shall be as stated on the Declarations Page attached hereto and made a part hereof and shall constitute the total extent of liability on the part of DOAS. Notwithstanding any other provision of this Agreement, the Limits of Liability specified on the Declarations Page of this Agreement shall constitute the limit which DOAS shall be legally liable to pay to any person or organization irrespective of (1) the number of Covered Persons and "departments" under this Agreement, (2) the number of alleged "occurrences" in a "lawsuit", (3) the number of persons or organizations who sustain injury or damage, or (4) the number of claims made (primary, derivative or otherwise) or "lawsuits" filed on account of such "occurrence". For purposes of this Agreement, any and all "damages" claimed by any person or organization for "bodily injury", "property damage", and/or "personal injury" caused by a Covered Party shall be included in and limited by the Limit of Liability as stated on the Declaration Page of this Agreement. Also, for the purposes of this Agreement, the per

person Limit of Liability specified on the Declarations Page of this Agreement shall include any (1) "damages" asserted by the representative of the estate of a claimant notwithstanding the estate's status as a separate person and (2) "damages" asserted by another person for loss of consortium.

This Agreement does not waive Sovereign Immunity or any other factual or legal defense which a Covered Party may have, nor does this Agreement pledge the credit of the State of Georgia. The Limits of Liability herein stated are limits on the expenditure of funds from the Fund. These Limits of Liability apply regardless of the size of a claim or the amount of money in the Fund. Notwithstanding the stated Limits of Liability, the State's financial obligation is limited to the expenditure of funds from the Fund and is not an undertaking to pay any sum from any other source or to cause the payment of any additional sums into the Fund from any source.

D. DEFINITIONS

The following definitions shall apply to words used in this Agreement unless the context in which the word appears demands another definition:

1. **"Automobile"** means a land motor vehicle, trailer or semi-tractor designated for travel on public roads, including any attached machinery or equipment. But "automobile" does not include "mobile equipment".

2. **"Bodily Injury"** means any bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.

3. **"Damages"** means those sums of money imposed by law as compensation, to include medical and funeral expenses, loss of service, lost wages, loss of consortium, interest, physical, mental and emotional pain and suffering (past, present, future) resulting from "bodily injury" or "personal injury". "Damages" also include money paid to repair or replace damaged property or its loss of use resulting from "property damage". If "damages" are covered by this Agreement resulting punitive damages, liquidated damages and/or attorney fees and costs would also be covered, but only to the extent the punitive damages, liquidated damages and/or attorney fees and costs arose out of covered "damages".

4. **"Department"** means each State of Georgia agency, authority, board, bureau, commission, department, or instrumentality electing coverage for its employees under this Agreement.

5. **"Employment Practices Violations"** means any of the following actual or alleged acts which are employment related: (1) wrongful dismissal, discharge, termination or constructive termination of employment; (2) harassment of any type; (3) discrimination (including but not limited to discrimination based upon age, gender, race, color, national origin, religion, sexual orientation or preference, pregnancy, or

disability; (4) retaliation; (5) misrepresentation to an employee or applicant for employment; (6) libel, slander, humiliation, defamation or invasion of privacy; (7) wrongful failure to employ or promote; (8) wrongful deprivation of career opportunity, wrongful demotion or negligent employee evaluation, including the giving of negative or defamatory statements in connection with an employee reference; (9) wrongful discipline; (10) failure to grant tenure or practice privileges; (11) failure to provide or enforce adequate or consistent organizational policies or procedures; (12) violation of an individual's civil rights.

6. **"Lawsuit"** means a civil proceeding in which "damages" because of "bodily injury", "property damage", and/or "personal injury" to which this Agreement applies are alleged. "Lawsuit" includes (1) an arbitration or other alternative dispute resolution proceeding in which such "damages" are claimed and to which the Covered Party must submit or does submit with DOAS' consent; or (2) a proceeding before the Equal Employment Opportunity Commission or similar state commission, in which such damages are claimed and to which the Covered Party submits with DOAS' consent.

7. **"Loading or unloading"** means the handling of property: (1) after it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft or "automobile" or (2) while it is in or on an aircraft, watercraft, or "automobile" or (3) while it is being moved from an aircraft, watercraft or "automobile" to the place where it is finally delivered; but "loading or unloading" does not include the movement of property by means of a mechanical device, other than a hand truck, that is not attached to the aircraft, watercraft or "automobile".

8. **"Medical Services"** means health care, medical care, or treatment provided to any individual, including without limitation any of the following: medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing, or other professional health care; the furnishing or dispensing of medications, drugs, blood, blood products, or medical, surgical, dental, or psychiatric supplies, equipment, or appliances in connection with such care; the furnishing or dispensing of food or beverages in connection with such care; the providing of counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies.

9. **"Mobile Equipment"** means a land vehicle, vehicle, to include any machinery or apparatus attached thereto, whether or not self-propelled, which is: (1) not subject to the motor vehicle registration; (2) maintained for use exclusively on premises owned by or rented to the State of Georgia or any of its "departments", including the right-of-way immediately adjoining such premises; (3) designed for use principally on off-public roads; or (4) designed and maintained for the sole purpose of affording mobility to the equipment of the following types and forming an integral part of or permanently attached to such vehicle: Power cranes, shovels, loaders, diggers and drills, cement mixers (other than mixed-in transit types), graders, scrapers, rollers and other road construction or repair equipment, air compressors, pumps and generators, including

spraying, welding, building cleaning equipment, geophysical exploration, farm machinery, lighting and well servicing equipment, cherry pickers and similar devices used to raise or lower workers.

10. **"Occurrence"** means every act of a Covered Party, including any continuous or repeated exposure to the same or substantially same general harmful conditions, which causes "bodily injury", "property damage", and/or "personal injury", arising out of a Covered Party's employment with the State of Georgia or any "department" thereof. In addition, regardless whether there has been the same general condition, any series or sequence of personnel actions by one or more Covered Parties from one or more "departments" against individual(s) and/or organization(s) shall be deemed one "occurrence".

11. **"Personal Injury"** means injury, other than "bodily injury", arising out of one or more of the following "occurrences":
    a. The publication or utterance of libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; except publications or utterances in the course of or related to advertising activities conducted by or on behalf of any Covered Party;
    b. Wrongful entry or eviction, or any other invasion of the right of private occupancy;
    c. False arrest, detention or imprisonment, abuse of process or malicious prosecution;
    d. Misappropriation of advertising ideas or style of doing business;
    e. Infringement of copyright, title or slogan;
    f. "Wrongful Acts".

12. **"Pollutants"** mean any solid, liquid, gaseous or thermal irritant or contaminant, including, but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.

13. **"Property Damage"** means: (1) physical injury to tangible property, including all resulting loss of use of that property. All such loss of use shall be deemed to occur at the time of the physical injury that caused it; or (2) loss of use of tangible property that is not physically injured. All such loss of use shall be deemed to occur at the time of the "occurrence" that caused it.

14. **"Wrongful Act"** means (1) any actual or alleged tortuous error, act, omission, misstatement, misleading statement, neglect or breaches of duty committed by any Covered Party in the exercise of the Covered Party's duties as authorized by law, or any matter claimed against any Covered Party solely by reason of the Covered Party serving in such capacity. This includes "employment practices violations", misfeasance, malfeasance, or nonfeasance in the discharge of duties, individually or collectively that results directly but unexpectedly and unintentionally in damages to others.

All claims involving the same "wrongful act" or a series of continuous or interrelated "wrongful acts", by one or more Covered Parties, will be considered arising out of one "wrongful act."

E. EXCLUSIONS

This Agreement does not apply to the following:

1. Claims insured under the "Georgia Tort Claims Act" as specified in O.C.G.A. 50-21-20 et.seq.

2. Claims relating to an "occurrence" committed or allegedly committed by a Covered Party while outside the course and scope of their duties with a participating "department".

3. Claims for "bodily injury" or "property damage" expected or intended from the standpoint of the Covered Party. This exclusion does not apply to "bodily injury" resulting from the use of reasonable force to protect persons or property. This exclusion also does not apply to "damages" arising out of any "personal injury".

4. Claims for "bodily injury" to an employee of the State of Georgia or any of its "departments" for which the State of Georgia or any of its "departments" may be held liable under any workers' compensation, unemployment compensation or disability benefits law or any similar law. In addition, loss of income, wages, commissions and all other types of employee benefits to be paid to an employee of the Named Covered Party as a result or a settlement of the claim or if awarded in a judgment in court are not covered by this Agreement.

5. Claims for "bodily injury" or "property damage" to any employee of the State of Georgia or any of its "departments" arising out of and in the course of such employee's employment or to any obligation of any Covered Party to indemnify such employee because of damages arising out of such injury.

6. Claims for any liability to the government of the United States, or any department, agency or instrumentality thereof; or to the State of Georgia, or to any department thereof; or to any political subdivision of the State of Georgia; however, this Agreement will cover "property damage" claimed by these government entities if:

   a. The damages result from the negligence of a Covered Party in the course and scope of their duties with a participating "department"; and
   b. "Property damage" relates to property that is owned by a government agency other than the "department" where the Covered Person is employed.

7. Except as provided in B. Coverage Agreement, Additional Covered Party Coverage, this Agreement does not apply to claims for "bodily injury", "property damage" and/or "personal injury" arising out of the ownership maintenance, operation, use or entrustment to others of any aircraft, watercraft or "automobile" owned by or rented or loaned to any Covered Party. Use includes operation and "loading and unloading". This exclusion applies even if the claims against the Covered Party allege negligence or other wrongdoing in the supervision, hiring, employment, training, or monitoring of others by that Covered Party, if the "occurrence" which caused the "bodily injury" or "property damage" involved the ownership, maintenance, use or entrustment to others of any aircraft, watercraft or "automobile" that is owned or operated by or rented or loaned to any Covered Party. This exclusion does not apply to "bodily injury" or "property damage" arising out of the operation of any "mobile equipment". However, coverage under this Agreement would apply to use of an "automobile" or watercraft involved in an "occurrence" where the "occurrence" would not be covered by the Georgia Tort Claims Act. Notwithstanding the coverage provided to "automobiles" or watercraft involved in "occurrences" not covered by the Georgia Tort Claims Act, all other provisions of this exclusion apply.

8. Claims for "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading or unloading" of any "mobile equipment" while being used in any prearranged or organized racing, speed or demolition contest or in any stunting activity or in practice or preparation for any such contest or activity.

9. Where a lawsuit combines a cause(s) of action that is covered under this Agreement with a cause(s) of action that is excluded, and DOAS believes the substance of the lawsuit is based on the excluded cause(s) of action, DOAS shall have no duty to defend the Covered Party. However, should a final judgment be entered based on a covered cause(s) of action, DOAS will pay that portion of the award as apportioned by the court.

10. The coverage as afforded by this Agreement does NOT apply to claims for: "bodily Injury", "property damage", and/or "personal injury" (including the loss of use thereof) caused by, contributed to or arising out of the actual, alleged or threatened discharge, dispersal, release, or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste material or other irritants, pollutants, contaminants or hazardous material into or upon the land, the atmosphere or any course or body of water, whether above or below ground. The coverage afforded by this Agreement does not apply to any loss, cost or expense arising out of any request, demand or order that any Covered Party test for, monitor, clean up, remove, contain, treat, detoxify or neutralize, or in any way respond to, or assess the effects of "pollutants". This Agreement also does not apply to any claim or "lawsuit" by or on behalf of any party, including but not limited to a government authority for damages or other relief because of testing, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing, or in any way, responding to, or assessing the effects of "pollutants". This exclusion does not apply to claims related to the

intentional discharge of chemicals by the Covered Party in the course and scope of their duties with a participating "department" for the purpose of controlling rodents, pests, or weeds on State property.

11. Claims for "bodily injury" or "property damage", and/or "personal injury" due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion or revolution or to any act or condition incidental to any of the foregoing.

12. Claims for "bodily injury", "property damage", and/or "personal injury" for which any Covered Party (1) may be held liable as a person or organization engaged in the business of manufacturing, selling or distributing alcoholic beverages or if not so engaged, (2) as an employee of the owner, the owner or the lessor of premises used for such purposes if such liability is imposed by or because of the violation of any statute, ordinance or regulation pertaining to the sale, gift, distribution or use of any alcoholic beverage to a minor or to a person under the influence of alcohol or which causes or contributes to the intoxication of any person.

13. Claims for "property damage" to any property owned or occupied or rented to any Covered Party or property used by any Covered Party or property in the care, custody or control of any Covered Party or as to which any Covered Party is for any purpose exercising physical control; except as to any easement, sidetrack contract or agreement or in any fiduciary capacity.

14. Claims for "property damage" to premises alienated by the State of Georgia or its "departments".

15. Claims for loss of use of tangible property which has not been physically injured or destroyed resulting from a delay in or lack of performance by or on behalf of any Covered Party with respect to any contract or agreement by the State of Georgia or its "departments" or the failure of products or work performed by or on behalf of any Covered Party to meet the level of performance, quality, fitness or durability warranted or represented by the Covered Party; provided that this exclusion does not apply to the loss of use of other tangible property resulting from the sudden and accidental injury to or destruction of the product or work produced or performed by or on behalf of any Covered Party after such product or work has been put to use by any person or organization other than the Covered Party.

16. Claims for any "damages" for the withdrawal and inspection, repair, replacement or loss of use (1) of any Covered Party's product or work completed by or for any Covered Party, or (2) of any property of which such product or work forms a part, when such product or work is withdrawn from the market or from use because of any known or suspected defect, deficiency, inadequacy or dangerous condition therein.

17. Claims for "damages" resulting from any dishonest, fraudulent or criminal act or omission of any Covered Party which forms the basis of a criminal conviction, whether by verdict, plea of guilty or plea of nolo contendere including any criminal conviction for which first-offender treatment is afforded, regardless of the specific offense for which a criminal conviction is obtained or the theory of civil liability asserted against the Covered Party.

18. Claims for any action(s) seeking relief in the nature of injunctive, mandamus, or other extraordinary relief or any action for declaratory judgment, or both, except when monetary damages are individually sought against a Covered Party; provided however, this Agreement shall not provide coverage for costs associated with complying with any order for injunctive, mandamus or other extraordinary relief or declaratory judgement.

19. Claims for any "damages" resulting from the hazardous properties of nuclear material arising out of the operation of a nuclear facility by any person or organization.

20. With respect to injury, sickness, disease, death or destruction:

    a. When the Covered Party under this Agreement is also an insured under a nuclear energy liability policy issued by the Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an insured under any policy but for its termination upon exhaustion of its limit of liability; or
    b. Resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law Amendatory thereof, or (2) the Covered Party is, or had this Agreement not been issued would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America or any agency thereof, with any person or organization; or
    c. Under any medical payments coverage, or under any supplementary payments provision relating to immediate medical or surgical relief to expense incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization; or
    d. Under any liability coverage, for injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material; if:
        (1) The nuclear material (1) is at any nuclear facility owned by or operated by or on behalf of a Covered Party, or (2) has been discharged or dispersed therefrom;
        (2) The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of a Covered Party; or

(3) The injury, sickness, disease, death or destruction arises out of the furnishing by a Covered Party of services, material, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility.

21. Except as provided in Exclusion 7, claims for "bodily injury" or "property damage" arising out of the ownership, maintenance, operation, use, "loading, or unloading "of any aircraft or watercraft.

22. This Agreement does not provide coverage to non-State employees or volunteers except when authorized by State law or added by endorsement to this Agreement and only if, when required, a premium is paid by a State "department" to cover non-State employees or volunteers.

23. Claims for "bodily injury", "property damage", and/or "personal injury" arising out of or imposed by any constitutional provision, statute, court, municipal or local ordinance or law, administrative order, or rule of law dealing with the power of eminent domain, or condemnation, or any acts arising out of or caused by the Covered Party thereunder.

24. Claims for which the Covered Party is obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" that the Covered Party would have in the absence of the contract or agreement.

25. Claims for "damages" resulting from breach of contract.

26. Claims for any losses resulting from the decline in the value of investments.

27. Claims for "damages" arising out of or resulting from any act or omission which the public policy of the State of Georgia does not permit to be covered, regardless of the theory of liability asserted.

28. Claims arising from:

    a. Any computer, computer system or code including as respects all three, but not limited to firmware, hardware, microprocessors, software, operating systems, networks, peripherals attached to or used in conjunction with any of the foregoing, or any other computerized or electronic equipment or components (hereinafter "Computer System"), of any "department" (whether a Covered Party or a third party such as a customer or supplier):

        1) Failing to accurately and properly read, process, perform mathematical calculations, store, sort, distinguish, recognize, accept or interpret prior to, during and after, the year 2000 any data containing date information;

2) Failing to accurately and properly read and process the fact that the year 2000 is a leap year;
3) Reading and processing so-called "magic dates" such as the date 9/9/99" or any other date field data used by an organization to signify information other than the date;
individually or collectively referred to as the "Y2K Problem".
4) Failing to be compatible with any other entity's Computer System with respect to the Y2K Problem;

b. Any assessing, auditing, correcting, converting, renovating, rewriting, designing, evaluating, inspecting, installing, maintaining, repairing or replacing any Computer System with respects to a potential or actual Y2K Problem, or any failure to do any of the foregoing activities, or any disclosure, advice, consultation or supervision of any of the foregoing activities or any failure relating thereto.

29. "Personal injury" caused by or at the direction of the Covered Party with the knowledge that the act would violate the rights of another or if done at the direction of the Covered Party with the knowledge of its falsity.

30. "Personal injury" arising out of an electronic chatroom or bulletin board the Covered Party hosts, owns or over which the Covered Party exercises control. "Personal injury" coverage would also not apply for claims arising out of the unauthorized use of another's e-mail address, domain or metatag.

31. Claims for the cost of back pay, reasonable accommodations or other costs which would normally be incurred by the Covered Party in its day to day operations arising from a "Wrongful Act."

F. CONDITIONS

As a condition of the coverage afforded by this Agreement, the Covered Party is required to comply with all Conditions of this Agreement and to cooperate with DOAS and the Georgia Attorney General in all respects. The failure of the Covered Party to comply with any of the Conditions of this Agreement or the failure of the Covered Party to cooperate with DOAS or the Georgia Attorney General in all respects shall result in a loss of any and all coverage, specifically including but not limited to, the provision to indemnify and the provision of a legal defense to the Covered Party under this Agreement, regardless of the stage of claims or "lawsuits" against the Covered Party. Specific conditions are set for the below:

1. **ASSIGNMENT** There shall be no assignment of this Agreement. There are no third-party beneficiaries of this Agreement.

2. **COMPLIANCE.** DOAS shall not be liable for any amounts unless there shall have been full and complete compliance with all terms and conditions of this Agreement or until the Covered Party's obligation to pay shall have been finally determined either (1) by judgement against the Covered Party at the trial or (2) written agreement of DOAS. DOAS shall not be subject to being impleaded into any action by any Covered Party or representatives of any Covered Party, and no third party shall have a right to join DOAS as a party to an action to establish the liability of any Covered Party.

3. **COOPERATION.** The Covered Party shall cooperate with DOAS and the Georgia Attorney General, as well as any representative thereof, and upon request of DOAS or of the Georgia Attorney General, shall attend hearings, trials, meetings depositions or any other proceedings or appointments, and cooperate and assist in defense of the claim or "lawsuit" as well as in effecting settlement and obtaining the attendance of witnesses. The Covered Party shall comply with all requests of DOAS and the Georgia Attorney General or any representatives thereof related to the claim or "lawsuit". The Covered Party shall not, except at his own cost, voluntarily make any payment, assume any obligation or incur an expense other than for such emergency medical attention to others as may be imperative at the time of the "occurrence".

4. **ENDORSEMENT AND CANCELLATION** DOAS may endorse this Agreement at any time. This Agreement may be canceled by DOAS upon notice to the Named Covered Party electing coverage hereunder, or by the Named Covered Party mailing to DOAS written notice stating when thereafter the cancellation shall be effective. The time of the effective date stated in the notice shall become the end of the policy period. Mailing of such written notice shall be equivalent to delivery. In the event of cancellation, the premium shall be computed prorata. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable thereafter.

5. **INSPECTION AND SURVEYS.**
   DOAS has the right but not the obligation to:

   a. Make inspections and surveys at any time;
   b. Give you reports on the conditions found; and
   c. Recommend changes.

   Any inspections, surveys, reports or recommendations relate only to insurability and the premiums to be charged. DOAS does not make safety inspections. DOAS does not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. DOAS does not warrant or represent that any of its recommendations, if followed, will render any condition safe or healthy or in compliance with any laws, regulations, rules, policies, codes or standards of any type.

6. **"LAWSUITS".** If a claim is made or "lawsuit" is filed against a Covered Party in any court the Covered Party shall immediately forward all original "lawsuit" papers to the GEORGIA DEPARTMENT OF LAW, 132 STATE JUDICIAL BUILDING, ATLANTA, GEORGIA 30334-1300 and shall send a copy of all "lawsuit" papers to the authorized representative of the Fund addressed to the GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT SERVICES - LIABILITY PROGRAM, 12TH FLOOR, WEST TOWER, 200 PIEDMONT AVE., S.E., ATLANTA, GEORGIA 30334. "Lawsuit" papers shall include any demand, notice, summons or other process received by the Covered Party or by any person on behalf of the Covered Party.

7. **LEGAL CONTRACT.** This Agreement shall be deemed to be executed and delivered in the State of Georgia, shall be a contract made under and pursuant to the laws of the State of Georgia, and shall be governed by and construed under and in accordance with the laws of the State of Georgia.

8. **LEGAL REPRESENTATION.** Legal representation for all Covered Parties under this Agreement shall be by the Attorney General of the State of Georgia or by any designee properly appointed by the Attorney General. DOAS herewith has retained the Attorney General to provide such representation and agrees to compensate the Attorney General, as permitted by law, for all efforts expended on behalf of any Covered Party. In the event the Attorney General decides not to defend any Covered Party for any reason, the Attorney General will first advise DOAS of such decision so as to enable DOAS to select a defense attorney in each such case.

9. **NOTICE.** In the event of any "occurrence" it will be the responsibility of the Covered Party to provide written notice as soon as practicable to the authorized representative of the Fund: GEORGIA DEPARTMENT OF ADMINISTRATIVE SERVICES, RISK MANAGEMENT SERVICES, 12TH FLOOR, WEST TOWER, 200 PIEDMONT AVE., S.E., ATLANTA, GEORGIA 30334 containing particulars sufficient to identify the Covered Party and other information with respect to the time, place and circumstances of the "occurrence" as well as the names and addresses of the persons alleged to be injured and/or damaged and all available witnesses. This includes but is not limited to any reports of internal investigations of the "occurrence". The Covered Party shall cooperate with DOAS and their representative during any investigations.

10. **OTHER INSURANCE.** If there is other insurance available to a Covered Party covering the same "occurrence" this Agreement will be excess over any other valid and collectable insurance.

11. **PREMIUMS**. The DOAS commissioner shall charge to state government entities such premiums, deductibles and other payments, taking into account any direct appropriations as shall be necessary to maintain the soundness of the insurance or self-insurance programs administered by DOAS. The commissioner is further authorized to establish incentive programs including but not limited to differential premium rates based on participation in loss control programs established by the department, increased or decreased deductibles based on participation in loss control programs established by the department, and the imposition of fines and penalties. If any premiums, deductibles, fines or penalties are unpaid, the department is authorized to deduct any unpaid amounts from the non-paying agency's or authority's budget subject to the approval of the Office of Planning and Budget and deposit those funds into the liability trust fund

12. **REIMBURSEMENT OF EXPENSES.** Reasonable reimbursement of expenses incurred by a Covered Party at the request of the Attorney General or DOAS in the investigation or defense of any claim or "lawsuit" will be paid for the Covered Party. Actual loss of earnings not to exceed $50.00 per day, plus expenses will be paid to non-State employees. In addition, if a covered employee transfers to another State "department", the travel for the Covered Party will be paid by DOAS and not the new State "department".

13. **SETTLEMENT.** DOAS may settle any claim, including, but not limited to malpractice claims, with or without the consent of a Covered Party. If, however, a Covered Party shall refuse to consent to any settlement recommended by DOAS and shall elect to contest the claim or "lawsuit", then the Fund's liability shall not exceed the amount for which the claim could have been settled plus claim expenses incurred up to the date of such refusal. The amounts of any and all settlements made hereunder are subject to the provisions of the Limits of Liability section of this Agreement. The decision to settle a claim or "lawsuit" shall be the sole responsibility of DOAS. Such settlement shall be made after consultation with the Attorney General's Office with respect to claims in litigation.

14. **SUBROGATION.** In the event of any payment under this Agreement, DOAS shall be subrogated to all of the Covered Party's rights of recovery of the Covered Party therefore and against any person or organization and the Covered Party shall execute and deliver all instruments and papers and do whatever else is necessary to secure such rights. The Covered Party shall do nothing after loss to prejudice such rights.

15. **TERRITORY.** This Agreement covers "occurrences" anywhere in the world, if a Covered Party's responsibility to pay "damages" is determined in a "lawsuit" or in a settlement we agree to in the United States of America (including its territories and possessions) or Canada.

16. **WAIVER.** Notice to, or knowledge possessed by, any representative of DOAS or by any other person shall not effect a waiver or a change in any part of this Agreement, or estop DOAS from asserting any right under the terms of this Agreement, nor shall the terms of this Agreement be waived or changed except by endorsement issued by DOAS to form a part of this Agreement.

DEPARTMENT OF ADMINISTRATIVE SERVICES
An Agency of the State of Georgia

Brad Douglas
Commissioner