



**PUBLIC ENTITY  
ALL LINES AGGREGATE INSURANCE**

**This policy is issued by a nonadmitted insurer, and in the event of the insolvency of such insurer, this policy will not be covered by the Nebraska Property and Liability Insurance Guaranty Association.**

**BINDER**

Policy Number: 64-A3-EX-0000006-07  
Policy Period: July 1, 2011 to July 1, 2012  
12:01 A.M. Standard Time at your mailing address shown below.

Named Insured (Public Entity): The State of Nebraska  
Mailing Address: 521 South 14<sup>th</sup> Street, Suite 104, Lincoln, NE 68508

Premium: \$768,873  
Certified Acts (TRIA) Premium: REJECTED  
TOTAL Premium: \$768,873

Plus applicable surplus lines taxes.

Payable: Premium is Minimum and Deposit. Loss Fund is fully earned at inception. Premium is due in full at inception.

Princeton Excess & Surplus Lines Insurance is not responsible for the determination of or the collection of or the remittance of statutorily required Excess and Surplus Lines Taxes or Excess and Surplus Lines Stamping Fees nor are such statutorily required taxes and fees included in our quoted premium. Surplus Lines taxes are to be calculated, added and filed by Risk Placement Services, Inc.

**DECLARATIONS**

- Coverage I.
  - A. Real and Personal Property
  - B. Automobile Physical Damage
  - C. Business Income and Extra Expense
  - D. Property in Transit
  - E. Data Processing Media and System Equipment
  
- Coverage II.
  - A. General Liability and Law Enforcement Liability
  - B. Medical Payments
  
- Coverage III.
  - A. Auto Liability
  - B. Medical Payments
  
- Coverage IV.
  - A. Public Officials Liability

**CLAIMS-MADE  
COVERAGE**

Public Officials Liability Retroactive Date NA
  
- Coverage V.
  - A. Workers Compensation
  - B. Employer's Liability
  
- Coverage VI.
  - A. Employee Dishonesty
  - B. Loss Inside the Premises
  - C. Loss Outside the Premises
  - D. Money Orders and Counterfeit Paper Currency
  - E. Forgery or Alteration
  
- Coverage VII.
  - A. Foster Parent's Liability

**CLAIMS-MADE  
COVERAGE**

Foster Parent's Liability Retroactive Date July 1, 1996

## CLAIMS-MADE NOTICE

This policy provides some coverage(s) on a claims-made basis, and this policy does not provide such claims-made coverage(s) for claims arising out of incidents, occurrences or alleged wrongful acts which took place prior to the retroactive date(s) stated above. Such claims-made coverage(s) require that the "claim" is first made against an insured and reported to us during the policy period or any applicable reporting period. To answer questions about this coverage, contact your insurance agent or broker.

## LIMITS OF INSURANCE

### PART A. SPECIFIC EXCESS INSURANCE

Limits shown below for Part A., for each coverage, represent the difference between that limit:

Coverage I.	\$ <u>1,000,000</u> \$ <u>1,000,000</u> \$ <u>1,000,000</u>	Each Loss Annual Flood Aggregate Annual Earthquake Aggregate
Coverage II.	A. \$ <u>1,000,000</u> \$ <u>not covered</u> \$ <u>not covered</u> \$ <u>1,000,000</u>	Each "Occurrence" Annual Aggregate for Products/Completed Operations Annual Aggregate for Law Enforcement Liability General Annual Aggregate
	B. \$ <u>5,000</u> \$ <u>5,000</u>	Each Person Each "Occurrence"
Coverage III.	A. \$ <u>1,000,000</u>	Each "Accident" for "Bodily Injury" or "Property Damage"
	B. \$ <u>0</u> \$ <u>0</u>	Each Person Each "Accident"
Coverage IV.	A. \$ <u>0</u>	Each "Claim" and Aggregate Limit of Insurance
Coverage V.	A. \$ <u>0</u> B. \$ <u>0</u>	Each "Accident" Each "Accident"
Coverage VI.	A. \$ <u>1,000,000</u> B. \$ <u>1,000,000</u> C. \$ <u>1,000,000</u> D. \$ <u>1,000,000</u> E. \$ <u>1,000,000</u>	Each Loss Each Loss Each Loss Each Loss Each Loss
Coverage VII.	\$ <u>300,000</u> \$ <u>300,000</u> \$ <u>250</u> \$ <u>5,000</u>	General Aggregate limit each Foster Household Each "Claim" Limit Coverages A & B Each "Claim" Limit Coverage C Each "Claim" Limit Coverage D

The following Sublimits are part of and not in addition to the above Each "Claim Limit Coverage A & B and the above General Aggregate Limit each Foster Household.

\$ <u>100,000</u>	Each "Claim" Limit for Physical Abuse and/or "Sexual Abuse"
\$ <u>200,000</u>	Aggregate Limit for Physical Abuse and/or "Sexual Abuse"

And an underlying Self-Insured Retention of:

Coverage I.	\$ <u>200,000</u>	Each Loss
Coverage II.	\$ <u>300,000</u>	Each "occurrence"
Coverage III.	\$ <u>300,000</u>	Each "Accident"
	\$ <u>1,000,000</u>	Each "Accident" for Vehicular Pursuit
Coverage IV.	\$ <u>0</u>	Each "Claim"
Coverage V.	\$ <u>0</u>	Each "Accident"
Coverage VI.	\$ <u>25,000</u>	Each Loss

Coverage VII.	\$ <u>200,000</u>	Each "Claim" for Coverages A & B
	\$ <u>100,000</u>	Each "Claim" for Physical Abuse and/or "Sexual Abuse"
	\$ <u>250</u>	Each "Claim for Coverage C
	\$ <u>5,000</u>	Each "Claim" for Coverage D

NOTE: When the applicable Limit of Insurance indicated in PART A. SPECIFIC EXCESS INSURANCE is equal to the amount of the applicable Self-Insured Retention, we have no liability to indemnify you for damages or defense expenses except to the extent coverage is provided under PART B. EXCESS AGGREGATE INSURANCE

**PART B. EXCESS AGGREGATE INSURANCE**

	\$ <u>1,000,000</u>	Aggregate Limit of Insurance for the period from <u>July 1, 2011</u> to <u>July 1, 2012</u>
Excess of:	\$ <u>5,500,000</u>	Aggregate Loss Fund for the period from <u>July 1, 2011</u> to <u>July 1, 2012</u>

Subject to the Limits of Insurance stated in the Declarations, if the sum of all payments made by you within the Aggregate Loss Fund for covered claims exceeds the limit stated in the Declarations, we will reimburse you for amounts in excess of that Aggregate Loss Fund, provided that 1) you use the Service Organization designated in the Declarations for all covered claims until their conclusion; and 2) the Service Organization provides us with quarterly reports in a format that we have accepted until all claims are handled to their conclusion.

Amounts paid within the Aggregate Loss Fund and Aggregate Excess Insurance are calculated as follows:

- From the sum of all payments for covered claims, deduct the following:
- a. Amounts applicable as maintenance deductible(s);
  - b. Amounts payable by insurance that is excess of the applicable Self-Insured Retention;
  - c. Actual recoveries received from salvage or subrogation;
  - d. Actual recoveries received from any other insurer or self-insurer which reduce the amount of any claim(s) either within the Self-Insured Retention or otherwise covered by this insurance.

Sums indicated in clause a. and b. above will be deducted whether collected by you or not.

**PART C. CLASH COVERAGE**

- A. If Part A - Specific Excess Insurance provides insurance under more than one coverage part for:
- (1) A loss, or "claim," or "occurrence,"
  - (2) "Ultimate net loss," or
  - (3) Compensation and other benefits imposed on you for Worker's Compensation laws,
- then you are responsible for the payment of only one underlying Self-Insured Retention. A Self-Insured Retention for Clash Coverage from multiple coverage parts which apply will be calculated as follows:
1. For each applicable Coverage Part, identify the Self-Insured Retention and claim payments by you under that Coverage Part.
  2. For each Coverage Part identified in A 1. above, determine the lesser of the applicable Self-Insured Retention and the claim payments made by you under that Coverage Part.
  3. Add the payments identified in paragraph A 2. above.
  4. The Self-Insured Retention for Clash Coverage is the lesser of:
    - (1) The largest Self-Insured Retention for the Coverage Parts involved; or
    - (2) The total identified in paragraph A 3. above.
- B. We will indemnify you for the difference between the sum of all Self-Insured Retentions applicable to Coverage Parts involved in a Clash Coverage loss and the Self-Insured Retention determined through the calculation above. This limit of insurance shall be in addition to the limits of insurance provided by PART A. SPECIFIC EXCESS INSURANCE. The most we will pay for Clash Coverage for any loss under Paragraph A. of Part C. Clash Coverage above is \$1,810,000.

## MAINTENANCE DEDUCTIBLE

The following deductibles apply to each and every loss before the application of any self-insured retention or excess limit and do not deplete the Loss Fund:

The first \$5,000 of each loss arising under Coverage I. A., and C.  
The first \$5,000 of each loss arising under Coverage I. B.

## OTHER PROVISIONS

### Property Records

Schedule(s) of Property Values for Real and Personal Property; Automobile Physical Damage; "Business Income" and "Extra Expense," Property in Transit and Data Processing Media and System Equipment will be maintained by PSI Program Managers, a division of Risk Placement Services, Inc.

### Automatic Acquisition Clause - Reporting Threshold

As provided in Condition K, Automatic Acquisition Clause of Coverage Part I, this insurance is automatically extended to cover additional property and interests acquired by you during the term of this policy up to: \$1,000,000. Any additional premium due from adding this property or interest is waived until either the next policy anniversary date or the policy expiration date, whichever is earlier.

### Service Organization Designated by You

NRMA of Lincoln, NE  
is designated by you as the Service Organization to provide claims services and reports as described in General Provisions II IF YOU HAVE AN EVENT, CLAIM OR "SUIT" AND THE ROLE OF THE SERVICE ORGANIZATION.

If the agreement between you and the Service Organization is terminated for any reason without our prior written approval, no insurance will be provided by this policy for any claim reported to us after the termination date of your agreement with the Service Organization.

Forms and Endorsements Attached to this Policy at Inception:

- AO 2502 (05/09) - Common Declarations Page
- PESVLCW01 (04/08) – Signature Page
- State of Nebraska (07/06) - Manuscript Policy Coverage Form
- AE 1200 (05/04) - Manuscript Endorsements
  1. Nebraska State Insurance Code Endorsement
  2. Additional Exclusions for Coverage Part II
  3. Amendment – Automobile Extension, Nebraska Revised Statutes – Annotated, Chapter 81
  4. Exclusion – Law Enforcement Activities – Designated Premises will read as needed
  5. Amendment – Salvage and Recovery, Other Insurance Conditions
  6. Amendment of the Date Functionality Exclusion for Named Perils
  7. Endorsement – Amended Definition of Employee
  8. Exclusion – University System
  9. Endorsement – Corridor Retention – Auto Liability \$300,000 Limit
  10. Endorsement – Reproduction Cost – State Capitol Building
- AE 1601 (03/01) – Flood Zone A & V Exclusion Amendment
- AE 2341 (01/05) – Nebraska Uninsured – Underinsured Motorist Coverage (within SIR) - \$25,000 Each "Person", \$50,000 Each "Accident"
- AE 2206 (09-09) – Mandatory Statutory Reporting Requirement Endorsement
- SLSOP (05/04) - Service of Process Endorsement
- AE 2118 (01/08) – Terrorist Activity Exclusion – State Law Exception

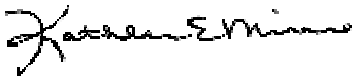
**Self Insured's—Proof of Financial Responsibility; Automobile**

When an entity is self-insuring for limits that meet or exceed a state's Financial Responsibility requirements, there are various ways they can meet the proof of insurance requirements. In some states, the DMV (Department of Motor Vehicles) issues an Automobile ID card to the self-insurer showing the self-insurer as the carrier and their assigned self-insurance number as the policy number. In others, the self-insurer receives a memorandum of self-insurance that they carry in their vehicles as proof of insurance.

Therefore, the excess insurance carrier providing insurance above the Financial Responsibility requirements, should not be evidenced on the Automobile ID card. All producers and brokers placing business for an entity that is self-insuring for limits that meet or exceed a state's Financial Responsibility requirements should not issue Automobile ID cards showing the excess insurance carrier.

An entity that is self-insuring for limits that meet or exceed a state's Financial Responsibility requirements, including one that is exempt from the FR requirements, needs to contact their Department of Motor Vehicles for guidance on handling the proof of insurance requirements.

BINDER is valid until July 22, 2011



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Authorized Representative

June 22, 2011  
Date