



Travel Professionals E&O Coverage Form

LIBERTY SURPLUS INSURANCE CORPORATION

(A Mutual Insurance Company, herein called the **Company**)

IMPORTANT NOTICE

THIS IS AN OCCURRENCE POLICY. COVERAGE IS SUBJECT TO ALL TERMS AND CONDITIONS OF THE POLICY. PLEASE READ THE ENTIRE POLICY CAREFULLY. CERTAIN PROVISIONS RESTRICT COVERAGE.

WORDS AND PHRASES THAT APPEAR IN BOLD PRINT HAVE SPECIAL MEANINGS AND ARE DEFINED SEPARATELY. WHENEVER A SINGULAR FORM OF A WORD IS USED, THE SAME WILL INCLUDE THE PLURAL WHEN REQUIRED BY CONTEXT.

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In consideration of payment of premium and in reliance on all statements made and the information contained in the Application for this policy and subject to all terms and conditions of this policy, the **Company** agrees with all **Insureds** as follows:

PART I. INSURING AGREEMENTS

Coverage Part A. Travel Agency Operations other than Performance of Travel Agency Services

The **Company** will pay on any **Insured's** behalf those sums up to the applicable Limit of Insurance specified in Item 5.a. of the Declarations Page that any **Insured** becomes legally obligated to pay as:

1. **Damages**, and
2. **Claim Expenses**

resulting from **Claims** for **Bodily Injury, Property Damage** or **Personal Injury** that arise from an **Occurrence** during the **Policy Period** in any **Insured's Travel Agency Operations**.

Coverage Part B. Performance of Travel Agency Services

The **Company** will pay on any **Insured's** behalf those sums up to the applicable Limit of Insurance specified in Item 5.b. of the Declarations Page that any **Insured** becomes legally obligated to pay as:

1. **Damages**, and
2. **Claim Expenses**

resulting from **Claims**, including **Claims** for **Bodily Injury, Property Damage** or **Personal Injury**, that arise from an **Occurrence** during the **Policy Period** in the performance of **Travel Agency Services**.

Coverage Part C. Fire Legal Liability

The **Company** will pay on any **Insured's** behalf those sums up to the applicable Limit of Insurance specified in Item 5.c. of the Declarations Page that any **Insured** becomes legally obligated to pay as:

1. **Damages**, and
2. **Claim Expenses**

because of **Claims** for **Fire Legal Liability** resulting from an **Occurrence** during the **Policy Period**.

PART II . EXCLUSIONS

A. This insurance does not apply to **Damages** or **Claim Expenses** nor will the **Company** defend **Claims** based on or arising out of actual or alleged:

1. **Bodily Injury** or **Property Damage** arising out of any **Insured's** ownership, operation or maintenance of any **Conveyance**; or the loaning and/or entrustment to others of any **Conveyance** which is in whole or in part, owned, operated, or maintained by any **Insured**;

2. **Bodily Injury** or **Property Damage** which arises out of an act that is intended by any **Insured** or can be expected from the standpoint of a reasonable person to cause **Bodily Injury** or **Property Damage**, even if the **Bodily Injury** or **Property Damage** is of a different degree or type than actually intended or expected. This exclusion does not apply to **Bodily Injury** resulting from the use of reasonable force to protect persons or property;

3. **Property Damage** to:

a. Property any **Insured** uses, owns, rents, leases or occupies, including any costs or expenses incurred by any **Insured**, or any other person, organization or entity, for repair, replacement, enhancement, restoration or maintenance of such property for any reason, including costs associated with the prevention of injury to a person or damage to another's property.

This exclusion does not apply to any hotel rooms, suites, meeting rooms or other similar premises if rented, leased or occupied by or in the care, custody or control of any **Insured** for thirty (30) days or less in any **Insured's Travel Agency Operations**. This exclusion also does not apply to the coverage afforded under Coverage Part C., **Fire Legal Liability**;

b. Premises any **Insured** sells, gives away or abandons;

c. Property loaned to any **Insured**; or

d. Personal property of others in the care, custody or control of any **Insured**;

4. Rendering or failure to render any first-aid, medical, dental, surgical, nursing or therapeutic service or treatment, or the furnishing or failure to furnish any drugs, medications, medical or dental supplies or appliances, or negligence in the screening, selection, hiring, retention, training, instruction or supervision of any **Insured's** employees or any other person or organization engaged in providing or failing to provide such services or

treatment;

5. Sale, rental or distribution of any sports or recreational equipment by any **Insured** to others including, but not limited to skis, bicycles, rafts, snowmobiles, scuba diving and snorkeling equipment;

6. Liability assumed under any contract or agreement, except liability any **Insured** would have incurred in the absence of such contract or agreement and except for liability assumed in an **Incidental Contract**;

7. Gain, profit or advantage to which any **Insured** is not legally entitled; unauthorized or illegal credit card transactions; obligations related to debit memos; improper co-mingling of money; any **Insured's** or a third party's inability or failure to pay or collect money or any other negotiable instrument; or any dispute over or demand for return of fees, charges or commissions;

8. Bankruptcy, insolvency, receivership, liquidation and/or cessation of operations of any **Insured** or other entity that any **Insured** owns, controls, manages or has a financial interest in. This exclusion does not apply to **Claims** based on or arising out of bankruptcy, insolvency, receivership, liquidation and/or cessation of operations of an unrelated **Third Party Travel Supplier**;

9. Failure to secure promotional offers; pricing changes; or misquotation or misstatement of applicable: prices, taxes, costs, cancellation provisions or payment terms;

10. Recommendation, sale, maintenance, procurement or failure to procure any insurance policy or bond; or investigation, adjustment, settlement or outcome of any insurance claim;

11. Infringement of copyright, patent, trademark, trade name, trade dress, service mark, service name, title, slogan or other intellectual property right; piracy; plagiarism; misappropriation or theft of trade secrets; or misappropriation of ideas under implied contract;

12. Unfair competition, restraint of trade or any other violation of antitrust laws;

13. **Advertisement** for, by or on behalf of any **Insured** except **Advertisement** that results in **Personal Injury**;

14. **Personal Injury** arising out of oral or written publication of material whose first publication date took place before the inception date of this policy;

15. Failure of goods, products or services to conform with any statement of quality or performance in any **Insured's Advertisement**;

16. Incorrect description of the price of goods, products or services stated in any **Insured's Advertisement**;

17. False or misleading advertising in any **Insured's Advertisement**;

18. Unlawful discrimination or harassment including, but not limited to, discrimination or harassment based upon race, creed, color, religion, national origin, age, disability, sex, marital status or sexual orientation;

19. Employment-related practices and policies of any **Insured** including, but not limited to:

a. Failure to employ;

b. Termination of employment, including constructive dismissal;

c. Breach of employment contract;

d. Coercion, demotion, evaluation, reassignment, discipline, humiliation, employment-related misrepresentation, employment-related emotional distress or retaliation; or

e. Any consequential liability, **Damage**, loss, cost or expense as a result of any of the above;

20. Breach of fiduciary duty or duty of loyalty;

21. Violations of the Fair Labor Standards Act or any similar federal, provincial, state or local law pertaining to working conditions, work hours, employee benefits or wages;

22. Obligations of any **Insured** under a workers' compensation, disability benefits or unemployment compensation law or any similar law;

23. Acts by any **Insured** related to any pension, healthcare, welfare, profit sharing, mutual or investment plans, funds or trusts; or any violation of any provisions of the Employee Retirement Income Security Act of 1974, or any amendment, regulation, ruling or order issued pursuant to the Act or any similar provisions of any federal, state, local or provincial law;

24. Violation of:

a. The Securities Act of 1933 as amended;

b. The Securities Exchange Act of 1934 as amended;

- c. Any state Blue Sky or securities law;
- d. Any similar state or federal law; or
- e. Any order, ruling or regulation issued pursuant to the above laws;

25. Acts of war, including:

- a. Undeclared or civil war;
- b. Military force by a government, sovereign or other authority using military personnel or other agents; or
- c. Insurrection, rebellion, revolution, usurped power or action taken by a governmental authority in hindering or defending against any of these;

26. Actual or threatened discharge, dispersal or release of any **Pollutant**; or the creation of an injurious condition involving any **Pollutant**; or the existence of any **Pollutant** on any property; or the cleanup, removal, testing, monitoring, containment, treatment, detoxification or neutralization of any **Pollutant**. This exclusion is effective whether or not the pollution was sudden, accidental, gradual, intended, expected or preventable and whether or not any **Insured** caused or contributed to the pollution.

Pollutant means any solid, liquid, gaseous or thermal irritant or contaminant including, but not limited to:

- a. Smoke, vapor, soot, fumes, acids, alkalis, chemicals, lead, mold or asbestos;
- b. Hazardous, toxic or radioactive matter or nuclear radiation;
- c. Waste, which includes material to be recycled, reconditioned or reclaimed; or
- d. Any other pollutant as defined by applicable federal, state or local statutes, regulations, rulings or ordinances;

27. **Occurrences** that arise out of conduct that a jury, court or arbitrator finds to be criminal, dishonest, fraudulent, malicious or knowingly wrongful. The **Company** will defend the **Claim** prior to such finding or an admission by any **Insured** that there was such conduct. The **Company** will not pay any settlement or judgment relating in any way to such finding or admission, and the **Company** retains the right to seek reimbursement of **Claim Expenses** paid from the party found to have committed the criminal, dishonest, fraudulent, malicious or knowingly wrongful act.

In no event will the **Company** defend any **Insured** against or in criminal proceedings, regardless of the allegations;

28. Violations by any **Insured** of federal laws, statutes, regulations, rules or orders restricting foreign trade or travel by United States citizens or the spending of United States funds in foreign countries, including, but not

limited to violations of the Trading With The Enemy Act and the rules and regulations of the United States Treasury Department, Office of Foreign Assets Control or any **Claim** that another party was caused to violate same due to an act, error or omission on the part of any **Insured**;

29. **Occurrence(s)** which began prior to the inception date of this policy and which are alleged to continue into the **Policy Period**. This exclusion applies whether or not:

a. The damage or its cause was known to any **Insured** before the inception date of this policy;

b. Repeated or continued exposure to conditions causing the **Occurrence(s)** happened during the **Policy Period** or caused additional damage during the **Policy Period**; or

c. The **Occurrence(s)** or any related **Occurrence(s)** are the subject of one or more **Claims**:

1. Reported to the **Company** under a prior **Policy Period**; or

2. Reported to any other Insurer under a prior policy maintained by any

Insured;

30. Unauthorized access to, use of, or tampering with data or systems by any person; or

31. The introduction of a virus or malicious code into data or systems by any person.

B. This insurance does not apply to **Damages** or **Claim Expenses** nor will the **Company** defend **Claims** made by or on behalf of:

1. Any entity which is a parent, affiliate, subsidiary or co-venturer of any **Insured**, or any other entity that any **Insured** owns, controls, manages or has a financial interest in ; or any director, officer, partner, stockholder, or employee of such entity;

2. Any present or former **Insured**;

3. Any employee of an **Insured** if the **Claim** arises directly or indirectly out of the **Insured's** or the employee's employment; or

4. Any spouse, child, parent, or sibling of any **Insured** or of any **Insured's** employee if the **Claim** arises

directly or indirectly out of the **Insured's** or the employee's employment.

C. This insurance does not apply to **Damages** or **Claim Expenses** nor will the **Company** defend **Claims** for:

1. Breach of contract; however, this exclusion does not apply to **Claims** alleging negligent performance of **Travel Agency Services** or alleging a breach of an **Incidental Contract**;

2. Breach of warranty or guarantee; or

3. Administrative or regulatory actions brought by any governmental agency or entity.

PART III. DEFINITIONS

(Some bold-faced words may be defined in other parts of the policy.)

A. **Advertisement** means information that is published or disseminated about any **Insured** or its products or services for the purpose of attracting customers or supporters including information published via the Internet or other similar forms of electronic media.

B. **Bodily Injury** means physical injury, sickness, disease or death. It also means humiliation, mental anguish, mental injury, emotional distress, shock or fright resulting from physical injury, sickness, disease or death.

C. **Claim** means a suit or a demand which seeks **Damages** against any **Insured**.

D. **Claim Expenses** means expenses incurred by the **Company** in the investigation, adjustment, negotiation, arbitration, mediation and defense of **Claims**. Payment of **Claim Expenses** by the **Company** will not reduce the Limit of Insurance.

Claim Expenses include:

1. Expenses the **Company** incurs, other than salary, wages or expenses of the **Company's** regular employees;

2. Reasonable fees, charged by attorneys or others to defend any **Insured**. Such fees shall not exceed the fees the **Company** actually pays to defend similar **Claims** in the community where the **Claim** is pending.

3. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the applicable Limit of Insurance. The **Company** will not apply for or furnish these bonds; and

4. Reasonable expenses incurred by any **Insured** and authorized and pre-approved by the **Company**, including actual loss of earnings up to \$250 a day because of time off from work.

Claim Expenses do not include:

1. Loss of earnings except as noted in III.D.4. above; or

2. Salaries, wages, fees or other compensation payable to any **Insured** except as noted in III.D.4. above.

E. **Company** refers to the Insurer named on the Declarations Page.

F. **Conveyance** means any form of transportation including, but not limited to, aircraft, automobiles, buses, trains and watercraft.

G. **Damages** means:

1. Compensatory amounts which any **Insured** is legally obligated to pay as a result of a covered judgment, award or settlement;

2. Court-ordered costs charged against any **Insured** in any suit defended by the **Company** unless such costs are assessed as a sanction for any **Insured's** delay or misconduct in the litigation process; and

3. Pre-judgment interest awarded by a court or arbitrator on the amount of the judgment that is covered by this policy, to the extent this interest amount is within the remaining Limit of Insurance; and

4. Post-judgment interest on the covered portion of the judgment, to the extent this interest is within the remaining Limit of Insurance, but only insofar as it accrues before the **Company** has paid, offered to pay or deposited in court the amount of the covered judgment.

Damages do not include:

1. Taxes, criminal or civil fines or penalties imposed by law;

2. Punitive or exemplary damages or that portion of any award or judgment caused by the trebling or multiplication of actual damages;

3. Matters deemed uninsurable by the law where the policy is issued or by the law where the **Claim** is pending;

4. Any form of non-monetary, equitable or injunctive relief; or

5. Restitution, return or disgorgement of any fees, funds or profits.

H. **Fire Legal Liability** means liability for **Property Damage** caused by an **Occurrence** resulting in a fire to any building or structure rented or leased to any **Named Insured** in connection with **Travel Agency Operations**.

I. **First Named Insured** means the **Named Insured** specified in Item 1. of the Declarations Page.

J. **Incidental Contract** means any written hold harmless or indemnification agreement relating to the conduct of **Travel Agency Operations** by any **Insured** in which any **Insured** has assumed the tort liability of another party, and which is contained within a lease of premises executed prior to the date of the **Occurrence** at issue.

Incidental Contract also means any written hold harmless or indemnification agreement relating to the conduct of **Travel Agency Services** by any **Insured** in which any **Insured** has assumed the tort liability of a government agency provided such agreement was executed prior to the date of the **Occurrence** at issue.

K. **Insured** refers individually and collectively to:

1. The **First Named Insured**;

2. **Named Insured(s)**;

3. Any **Named Insured's** partners, officers, directors, employees or stockholders while performing **Travel Agency Operations** or performing **Travel Agency Services** on behalf of any **Named Insured**;

4. Any **Named Insured's** former partners, officers, directors, employees or stockholders while performing **Travel Agency Operations** or performing **Travel Agency Services** on behalf of any **Named Insured**;

5. The estate, the heirs, assigns or legal representatives of any **Insured** in the event of death, bankruptcy or incompetency of any **Insured** under this policy; and

6. Independent contractors, but only while performing **Travel Agency Services** on behalf of any **Named Insured**.

L. **Named Insured** means:

1. The person(s) or entity(ies) specified in Item 1. and if shown in Item 3. of the Declarations Page; and

2. Any entity which is created or acquired during the **Policy Period** and which after the creation or acquisition is wholly-owned by any **Named Insured**; however, such entity only has coverage under this policy:

a. For **Travel Agency Operations** and **Travel Agency Services** performed on or after the date of creation or acquisition of the new entity; and

b. If the **First Named Insured** advises the **Company** within sixty (60) days from the creation or acquisition and provides information as requested by the **Company** for evaluation; and

c. If the **First Named Insured** promptly pays any additional premium the **Company** assesses as a result of the change; and

d. If the **Company** issues an endorsement to include the newly created or acquired entity.

However, if the newly created or acquired entity is not performing the same or substantially similar **Travel Agency Services** as reported in the Application for this policy, no coverage is afforded unless and until the entity is added by endorsement.

M. **Occurrence** means the following:

1. For coverage described in Coverage Part A., **Occurrence** means an accident, including continuous or repeated exposure to substantially the same general harmful conditions in any **Insured's Travel Agency Operations**;

2. For coverage described in Coverage Part B., **Occurrence** means a negligent act, error or omission in the performance of **Travel Agency Services**;

3. For coverage described in Coverage Part C., **Occurrence** means any one fire.

N. **Personal Injury** means injury, including consequential **Bodily Injury**, arising out of one or more of the following:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. Oral or written publication of material that libels or slanders a person or organization or otherwise disparages the goods, products or services of a person or organization;
4. Oral or written publication of material that violates a person's right of privacy; or
5. Wrongful entry into, eviction from, or invasion of the right of private occupancy of a room, dwelling or premises by or on behalf of its owner, landlord or lessor.

O. **Policy Period** means the period of insurance specified in Item 4. of the Declarations Page or a shorter period resulting from cancellation of the policy.

P. **Property Damage** means:

1. Physical injury to or impairment or destruction of any tangible property, including the loss of use thereof. 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 which has not itself been physically injured, impaired or destroyed. All such loss of use shall be deemed to occur at the time of the **Occurrence** that caused it.

Q. **Third Party Travel Supplier** means any company or organization which is unrelated to any **Insured** and provides accommodations, cruises, excursions or transportation, including tour operators, airlines, hotels, car rental companies, cruise lines, bus companies and rail lines.

R. **Travel Agency Operations** means all operations necessary and directly related to the conduct of a travel agency, other than **Travel Agency Services**.

S. **Travel Agency Services** means the business of providing advice about travel and the arrangement of accommodations, cruises, excursions and transportation for others. **Travel Agency Services** also means providing advice about and/or arrangement of tours organized and/or operated by third party tour operators. **Travel Agency Services** includes researching travel-related information via the Internet, placing reservations via the Internet, and communicating by email when any of these are done in furtherance of **Travel Agency Services**.

PART IV. DEFENSE AND SETTLEMENT OF CLAIMS

A. DEFENSE/SELECTION OF DEFENSE COUNSEL

The **Company** has the right and duty to defend a covered **Claim** against any **Insured**, regardless of whether the allegations of the **Claim** are meritless, false or fraudulent. The **Company** has the right to select defense counsel to defend any **Insured**. In the event that the **Company** defends a **Claim** for which there is no coverage, the **Company** reserves the right to recover the fees and costs spent defending such uncovered **Claim** from any **Insured**.

B. SETTLEMENT

1. No **Insured** shall, except at its own non-reimbursable cost, settle any **Claim**, admit any liability, make any payment, assume any obligation or incur any expense without the **Company's** prior written consent.

2. The **Company** has the right to settle all **Claims** subject to the **First Named Insured's** consent. The **Company** will not settle any **Claim** without the consent of the **First Named Insured**. However, if the **First Named Insured** refuses to consent to any settlement recommended by the **Company**, then the **Company's** liability for the **Claim** will be limited to the amount equal to the amount for which the **Claim** could have been settled plus **Claim Expenses** incurred up to the date of the **First Named Insured's** refusal to consent to settlement minus any remaining Deductible payable by any **Insured**. The **Company** will pay its remaining liability upon submission to the **Company** of proof that the **Insured** has incurred and owes those amounts as **Damages** or **Claim Expenses** and the **Company** will have no further obligation with respect to the **Claim**.

The **First Named Insured's** failure to express consent to a settlement recommended by the **Company** will be deemed refusal to consent to the settlement.

PART V. WHERE AND WHEN COVERAGE APPLIES

A. TERRITORY

This policy applies to **Occurrences** that take place or are committed anywhere in the world. If coverage for a **Claim** under this policy is in violation of any United States of America economic or trade sanction, including sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for the **Claim** shall be null and void. If **Damages** or **Claim Expenses** are paid in currency other than United States of America dollars, then the payment under this policy will be considered to have been made in United States of America dollars at the conversion rate as published in *The Wall Street Journal* on the date of payment.

B. WHEN

1. **Claims** arising from an **Occurrence** during the **Policy Period**.

This policy applies to **Claims** arising from **Occurrences** that first take place on or after the effective date and on or before the expiration date of the policy.

2. Related **Occurrences**

All **Occurrences** that are temporally, logically or causally connected by common facts, circumstances, transactions, events and/or decisions will be treated as one **Occurrence** and will be deemed to have first taken place or first been committed on the date of the first of the **Occurrences**.

PART VI. LIMIT AND DEDUCTIBLE

A. LIMIT OF INSURANCE

1. Each **Occurrence** Limit of Insurance

The applicable Each **Occurrence** Limit of Insurance specified in Item 5. of the Declarations Page is the most the **Company** will pay for **Damages** for all **Claims** that arise from each **Occurrence** covered under this policy, no matter how many:

- a. **Insureds** this policy covers;
- b. Locations this policy covers;
- c. **Claims** are made; or
- d. Persons or organizations make **Claims**.

2. Policy Aggregate Limit of Insurance

The Policy Aggregate Limit of Insurance specified in Item 5.d. of the Declarations Page is the most the **Company** will pay for **Damages** for the total of all **Claims** that arise from all **Occurrences** covered under this policy.

Each payment the **Company** makes for **Damages** reduces the applicable Each **Occurrence** Limit of Insurance and the Policy Aggregate Limit of Insurance.

If the Limit of Insurance is exhausted prior to settlement or judgment of any pending **Claim**, the **Company's** obligation under this policy shall be terminated and the **Company** shall have the right to withdraw from the further investigation or defense thereof by tendering control of such investigation or defense to the **Insured(s)**, and the **Insured(s)** agree(s), as a condition of this policy, to accept such tender.

B. DEDUCTIBLE

The Deductible is the amount specified in Item 6. of the Declarations Page for each **Occurrence**. The **Company's** obligation to pay **Damages** applies only to sums in excess of the Deductible. The Deductible will not apply to **Claim Expenses**. The application of the Deductible will not erode the Each **Occurrence** Limit of Insurance or the Policy Aggregate Limit of Insurance.

If the total **Damages** for any **Claim** is within the Deductible, the **Company** will have no duty to pay **Damages** for the **Claim**.

If, at the **Company's** option, the **Company** has paid part or all of any Deductible, the **Insured** will be obligated to reimburse such amounts to the **Company** upon demand.

PART VII. CONDITIONS

A. SPECIAL RIGHTS AND DUTIES OF THE **FIRST NAMED INSURED**

The **First Named Insured** is responsible for the payment of all premiums and Deductibles. The **First Named Insured** has authority to act on behalf of all **Insureds** with respect to matters relating to this policy, including:

1. Giving and receiving of all required notices;
2. Receiving of refunds; and
3. Agreeing to any changes to this policy.

B. WHAT TO DO IN THE EVENT OF A **CLAIM**

1. If there is a **Claim**, the **Insured** must, as soon as practicable, notify the **Company** in writing by sending written notice to the address listed in Item 8. of the Declarations Page. This notice must include all of the following information:

- a. The names of all **Insureds**, persons and/or organizations involved in the **Occurrence**;
- b. The names of the **Claimants**;
- c. Copies of all demands, notices, settlement offers, summonses or legal papers received in connection with the **Claim**;
- d. A description of the **Occurrence**; and
- e. The date and circumstances by which the **Insured(s)** first became aware of the **Occurrence** and **Claim**.

2. Upon the **Company's** request, the **First Named Insured** shall authorize the **Company** to obtain records and other information; and

3. All **Insureds** shall cooperate with and assist the **Company** in the investigation, settlement and defense of the **Claim**; and in the investigation of any coverage issues; and

4. All **Insureds** must preserve and, upon the **Company's** request, enforce any rights of contribution or indemnity against another party who may be liable to any **Insured**.

C. LEGAL ACTION AGAINST THE **COMPANY**

1. No person or organization has a right under this policy to join the **Company** as a party or otherwise bring the **Company** into a suit against any **Insured**.

2. No action may be brought against the **Company** unless all **Insureds** have fully complied with all terms and conditions of this policy.

D. BANKRUPTCY

The bankruptcy or insolvency of any **Insured** or any **Insured's** estate will not relieve the **Company** of its obligations under this policy nor deprive the **Company** of its rights or defenses under this policy.

E. SUBROGATION

Any **Insured** and/or the **Company** may have rights to recover all or part of any payment any **Insured** and/or the **Company** make(s) under this policy. If so, those rights are transferred to the **Company**.

No **Insured** shall do anything to impair or prejudice such rights. All **Insureds** will do everything necessary to secure and preserve such rights. Any recoveries will be applied as follows:

1. First, to the **Company** up to the amount of its payment for **Damages** and **Claim Expenses**;
2. Then, to the **Insured** as recovery of Deductible amounts paid as **Damages** and for amounts paid by the **Insured** in excess of the policy limit.

F. CHANGE IN OPERATIONS

This policy applies only to **Travel Agency Operations** and **Travel Agency Services**. The **First Named Insured** agrees to notify the **Company** of any material changes to any **Insured's** operations and/or activities. If these changes in operations and/or activities result in a substantial change to any **Insured's** exposure, the **Company** has the right to modify the coverage provided or make adjustments to the premium or rates charged for any coverage provided.

G. TRANSFER OF **INSURED'S** RIGHTS AND DUTIES UNDER THIS POLICY

An **Insured's** rights and duties under this policy may not be transferred without the **Company's** prior written consent.

H. WAIVER OR CHANGE OF TERMS

Notice or knowledge possessed by any person will not effect a waiver or a change in any part of this policy or estop the **Company** from asserting any rights under the terms of the policy; nor will the terms of this policy be waived or changed except by written endorsement issued by the **Company**.

I. CANCELLATION; NO OBLIGATION TO RENEW

1. The **First Named Insured** may cancel this policy by mailing or delivering to the **Company** advance written notice of cancellation. If the **First Named Insured** cancels this policy, the return premium will be calculated as 90% of the pro-rated return premium.

2. The **Company** may cancel this policy by mailing or delivering to the **First Named Insured** written notice of cancellation at least:

a. Ten (10) days before the effective date of cancellation for nonpayment of premium;

b. Thirty (30) days before the effective date of cancellation for any other reason or as otherwise specified by state law.

If the **Company** cancels this policy for any reason, the return premium will be calculated on a pro rata basis.

3. The **Company** will mail or deliver its notice to the **First Named Insured's** last known mailing address. Notice of cancellation will state the effective date of the cancellation. If this policy is cancelled, the **Company** will send the **First Named Insured** any premium refund due. The **Company's** payment or tender of unearned premium is not a condition of cancellation. If notice is mailed, proof of mailing will be sufficient proof of notice.

4. The **Company** will not be obligated or required to renew this policy. Any offer of renewal of terms involving a change of Deductible, premium, Limit of Insurance, or other terms and conditions will not constitute, nor be construed as a refusal by the **Company** to renew this policy. The **Company** may elect to non-renew this policy by mailing to the **First Named Insured** at least thirty (30) days advanced written notice or notice as otherwise specified by state law.

J. OTHER INSURANCE

The insurance afforded by this policy is excess over any other valid and collectible insurance available to any **Insured**, except insurance specifically arranged by any **Named Insured** to apply in excess of this insurance.

K. CONFORMING WITH STATUTE

Any terms of this policy which are in conflict with the statutes of the state in which this policy is issued are hereby amended to conform to such statutes.

L. REPRESENTATIONS

By accepting this policy, all **Insureds** agree:

1. All of the information and statements provided to the **Company** by any **Insured** are true, accurate and complete and shall be deemed to constitute material representations made by all of the **Insureds**;

2. The **Company** has issued this policy in reliance upon those representations;

3. If there is any material change in any **Insured's** conditions or in any **Insured's** activities, services, or answers provided in the Application for this policy that occurs or is discovered between the date the Application for this policy is signed and the effective date of any policy issued by the **Company**, the **Insured(s)** will immediately report such change to the **Company** in writing. The **Company** reserves the right, upon receipt of such notice, to change or rescind any policy issued by the **Company**; and

4. This policy, endorsements thereto, together with the completed and signed Application for this policy and any and all supplementary information, statements and previous Applications provided to the **Company** by the **Insured(s)** (all of which are deemed to be incorporated herein) embody all of the agreements existing between the **Company** and all **Insureds** and shall constitute the entire contract between the **Company** and all **Insureds**. The misrepresentation of any material matter by any **Insured** will render this policy null and void.

PART VIII. APPLICATION IS PART OF POLICY

All attachments to the Application for this policy furnished to the **Company** as part of the application process will be kept on file by the **Company** and deemed to be a part of the policy as if physically attached to it.

IN WITNESS WHEREOF, the **Company** has caused this policy to be executed and attested, but this policy will not be valid unless countersigned by a duly authorized representative of the **Company**, to the extent required by applicable law.



Edmund F. Kelly Authorized Representative of
President Liberty Mutual Insurance Company