

Minuteman Response Association

COMMERCIAL GENERAL FIREARM LIABILITY COVERAGE FORM

**THIS COVERAGE IS PROVIDED ON A CLAIMS-MADE AND REPORTED BASIS
DEFENSE COST ARE INCLUDED WITHIN AND OPERATE TO ERODE THE POLICY LIMITS**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy, the words “**you**” and “**your**” refer to the “**insured**” and any other person or organization qualifying as an “**insured**” under this policy. The words “**we**”, “**us**” and “**our**” refer to the Company providing this insurance.

Other words and phrases that appear in **bold** have special meaning. Refer to Section VI Definitions.

I COVERAGES

A. Bodily Injury, Property Damage and Defense Liability Coverage

1. Insuring Agreement

a. **We** will pay on behalf of the **insured damages** because of **bodily injury** or **property damage** resulting from **claims** first made against an **insured** during the **policy period** arising out of an **insured’s act of self-defense** while using a **legally possessed** firearm. As a condition precedent to coverage under this Policy, the **insured** shall report such **claim** in writing to **us** as soon as practical during the **policy period**. **We** will have the right to defend the **insured** against any **claim** seeking **damages**. Any cost or expenses incurred in the investigation, settlement and/or defense of any **claim** will operate to erode the Limits of Insurance indicated in the Firearm Liability Declarations. **We** may, at **our** discretion, investigate any **occurrence** and settle any **claim** that may result. But:

- 1) The amount **we** will pay for **damages** is limited as described in Section II, Limits Of Insurance; and
- 2) No further defense will be provided: a. when the applicable per **occurrence** Limit of Insurance indicated in the Firearm Liability Declarations has been exhausted; b. if a criminal proceeding results in the **conviction** of any **insured** on any criminal charge(s) directly or indirectly based upon, arising out of, related to or in any way involving the **insured’s** use of a firearm. In such an instance, the **insured** expressly agrees to fully reimburse **us** for any amounts expended by **us** in the investigation, settlement or defense of any **claim**.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Section I.B, Claims Expenses.

b. This insurance applies to **bodily injury** and **property damage** only if:

- 1) the **bodily injury** or **property damage** is caused by an **occurrence** that takes place in the **coverage territory**; and
- 2) the entirety of the **bodily injury** or **property damage** occurred during a time when the **insured** was an active member of the Minuteman Response Association; and the entirety of the **bodily injury** or **property damage** occurred on or after the Retroactive Date shown in the Firearm Liability Declarations; and
- 3) a **claim** for **damages** because of the **bodily injury** or **property damage** is first made against any **insured**, in accordance with Paragraph c. below, during the **policy period** or any Extended Reporting Period **we** provide under Section VI—Extended Reporting Periods.

c. A **claim** by a person or organization seeking **damages** will be deemed to have been first made when notice of such **claim** is received by any **insured**. All **claims** for **damages** because of **bodily injury** or **property damage** arising out of the same **act of self-defense** while using a **legally possessed** firearm will be deemed to be a single **claim** that was made at the time the first of those **claims** is made against any **insured** and will be deemed to have been reported at the time the first of those **claims** was reported to **us**.

B. Defense Payments and Expenses

1. With respect to any **claim** **we** investigate, defend and/or settle, **we** agree to pay:
 - a. all expenses **we** incur.
 - b. up to \$250 reimbursement for cost of bail bonds required because of accidents to which the Bodily Injury Liability Coverage applies. **We** do not have to furnish these bonds.
 - c. reimbursement for the cost of bonds to release attachments, but only for bond amounts within the

applicable Occurrence Limit of Insurance indicated in the Firearm Liability Declarations. **We** do not have to furnish these bonds.

- d. all reasonable expenses within the applicable Occurrence Limit of Insurance indicated in the Firearm Liability Declarations incurred by the **insured** at **our** request to assist **us** in the investigation or defense of the **claim**, including actual loss of earnings up to \$250 a day because of time off from work.
- e. all court costs within the applicable Occurrence Limit of Insurance indicated in the Firearm Liability Declarations taxed against the **insured** in the **claim**. However, these payments do not include attorneys' fees or attorneys' expenses taxed against the **insured**.
- f. prejudgment interest within the applicable Occurrence Limit of Insurance indicated in the Firearm Liability Declarations awarded against the **insured** on that part of the judgment **we** pay. If **we** make an offer to pay the remaining applicable Occurrence Limit of Insurance indicated in the Firearm Liability Declarations, **we** will not pay any prejudgment interest based on that period of time after the offer.
- g. all interest on the full amount of any judgment that accrues after entry of the judgment and before **we** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable occurrence limit of insurance.

These payments reduce the Occurrence Limits of insurance shown in the Firearm Liability Declarations.

2. **We** have no obligation to provide a defense in connection with the investigation or defense of any criminal charge or criminal proceeding against the **insured**. However, subject to all of the terms, conditions and exclusions of this policy and any applicable local, state or federal law, **we** will pay for the reasonable and necessary costs and expenses incurred in connection with the investigation and/or defense of the **insured**, including payment of any required attorney retainer, with respect to any criminal charge or criminal proceeding up to the Criminal Defense Reimbursement Limit stated in the Firearm Liability Declarations, arising out of the use of a **legally possessed** firearm, provided that a **not guilty** plea is entered by the **insured** and the **insured** is either acquitted or the criminal charge/proceeding is dismissed. The **insure** expressly agrees to reimburse **us** for any payments **we** make with respect to a criminal charge or criminal proceeding in which the **insured** is found guilty of the criminal charge. Payments made with respect to any criminal charge or criminal proceeding will reduce the Criminal Defense Reimbursement Limit shown in the Firearm Liability Declarations.

II LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Firearm Liability Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. **Insureds**;
 - b. **Claims** made; or
 - c. Persons or organizations making **claims**.
2. The Occurrence Limit is the most we will pay for **damages** and reasonable and necessary costs and expenses resulting from a **claim** against an **insured**. The Limits of Insurance applicable to an **occurrence** are those limits associated with the level of membership to which the **insured** is subscribed on the date of the **occurrence**.
3. The Criminal Defense Reimbursement Limit is the most we will pay in defending and/or investigating a criminal charge or criminal proceeding resulting from an **occurrence**. The Limits of Insurance applicable to an **occurrence** are those limits associated with the level of membership to which the **insured** is subscribed on the date of the **occurrence**.

The Limits of Insurance of this policy apply separately to each consecutive annual period and to any remaining period of less than 12 months, starting with the beginning of the policy period shown in the Firearm Liability Declarations, unless the policy period is extended after issuance for an additional period of less than 12 months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Insurance.

III DEFINITIONS

1. **Act of self-defense** means the act of defending oneself or others by the threatened or actual use of a **legally possessed** firearm.
2. **Bodily injury** means bodily injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
3. **Claim** means any civil or criminal action, suit, proceeding, or written demand received by an **insured** seeking to hold such **insured** responsible for **bodily injury** or **property damage** as a result of the **insured's act of self-defense** while using a **legally possessed** firearm.
4. **Conviction** means a trial court adjudication, judgment, order or ruling finding a party guilty of a crime.
5. **Coverage territory** means the United States of America (including its territories and possessions).
6. **Damages** means the amount an **insured** becomes legally obligated to pay, including judgments (inclusive of any pre- or post-judgment interest), awards, or settlements

negotiated with **our** prior approval, but shall not include fines, judicial sanctions, penalties, punitive and/or exemplary damages or multiples of compensatory damages.

7. **Employee** includes a **leased worker**. **Employee** does not include a **temporary worker**.
8. **Insured** means any:
 - a. Policyholder named in the Firearm Liability Declarations;
 - b. active member of the Minuteman Response Association as of the date of the **occurrence** and whose membership commenced or renewed on or after June 6, 2011, as evidenced by the membership roster;
 - c. resident of the household of the individuals described in paragraph 8.a. above on the date of the **occurrence** provided such resident is:
 - 1) related to the individual described in paragraph 8.a.; or
 - 2) under the age of 21 and in the care of the individual described in paragraph 8.a.The individuals described in paragraphs 8.a. and 8.b. are **insureds** only with respect to **acts of self defense** involving the use of a firearm **legally possessed** on or in the residence premises.
9. **Insured location** means:
 - a. the **insured's** residence;
 - b. any other premises, structures or grounds used by the **insured** as a residence; or
 - c. any other place where the **insured** carries a **legally possessed** firearm.
10. **Leased worker** means a person leased to an **insured** by a labor leasing firm to perform duties related to the conduct of an **insured's** business. **Leased worker** does not include a **temporary worker**.
11. **Legally possessed** means the **insured's** ownership or use, as authorized by local, state, or federal law, of the firearm used in the **occurrence**. The alleged violation of a conceal carry law shall not mean that the firearm used in the **occurrence** was not **legally possessed**.
12. **Occurrence** means an **act of self-defense** by an **insured**.
13. **Property damage** means:
 - a. 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
 - b. 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. **Temporary worker** means a person who is furnished to you to substitute for a permanent **employee** on leave or to meet seasonal or short-term workload conditions.

IV CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of an **insured** or of the **insured's** estate will not relieve **us** of **our** obligations under this policy.

2. Duties in the Event of **Claim** or **Occurrence**

a. Notice of a **claim** must be provided to **us** in writing as soon as practical, but in no event later than the end of the **policy period**. If a **claim** is received by any **insured**, you must:

- 1) immediately send **us** copies of any demands, notices, summonses or legal papers received in connection with the **claim**;
- 2) authorize **us** to obtain records and other information;
- 3) cooperate with **us** in the investigation, defense and/or settlement of the **claim**; and
- 4) assist **us**, upon **our** request, in the enforcement of any right against any person or organization which may be liable to any **insured** because of injury or damage to which this insurance may also apply.

b. **You** must also see to it that **we** are notified immediately of an **occurrence** which may result in a **claim**. To the extent possible, notice should include:

- 1) how, when and where the **occurrence** took place;
- 2) the names and addresses of any injured persons and witnesses; and
- 3) the nature and location of any injury or damage arising out of the **occurrence**.

Notice of an **occurrence** is not notice of a **claim**.

c. No **insured** will, except at that **insured's** own cost, voluntarily make a payment, assume any obligation, or incur any expense without our consent.

3. Legal Action Against Us

No person or organization has a right under this policy to:

- a. join **us** as a party or otherwise bring **us** into a **claim** asking for **damages** from an **insured**; or
- b. sue **us** on this policy unless all of its terms have been met with full compliance.

A person or organization may sue **us** to recover on an agreed settlement or on a final judgment against an **insured**; but **we** will not be liable for **damages** that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by **us**, the **insured** and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the **insured** for a loss **we** cover under this policy, **our** obligations are limited as follows:

a. Primary Insurance

This insurance is primary except when Paragraph b. below applies. If this insurance is primary, **our** obligations are not affected unless any of the other insurance is also primary. Then, **we** will share with all that other insurance by the method described in Paragraph c. below.

b. Excess Insurance

1) This insurance is excess over any of the other insurance, whether primary, excess, contingent or on any other basis, that is effective prior to the beginning of the policy period shown in the Firearm Liability Declarations and applies to **bodily injury** or **property damage** on other than a **claims-made** basis, if the other insurance has a policy period which continues after the Retroactive Date shown in the Firearm Liability Declarations.

2) When this insurance is excess, **we** will have no duty to defend the **insured** against any **claim** if any other insurer has a duty to defend the **insured** against that **claim**. If no other insurer defends, **we** will undertake to do so, but **we** will be entitled to the **insured's** rights against all those other insurers.

3) When this insurance is excess over other insurance, **we** will pay only **our** share of the amount of the loss, if any, that exceeds the sum of the total:

- a) amount that all such other insurance would pay for the loss in the absence of this insurance; and
- b) of all deductible and self-insured amounts under all that other insurance.

4) **We** will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Firearm Liability Declarations of this policy.

c. Method of Sharing

If all of the other insurance permits contribution by equal shares, **we** will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first. If any of the other insurance does not permit contribution by equal shares, **we** will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

a. Premium shown as advance premium is a deposit premium only. At the close of each reporting period, the Policyholder will remit the earned premium for members who joined or renewed during the preceding

reporting period. The due date for each reporting is 15 days after the last day of the preceding month. All premiums are deemed fully earned when remitted and no allowances will be made for member cancellation.

b. Both the Policyholder named in the Firearm Liability Declarations and Minuteman Response Association must keep records of the information **we** need for premium computation, and send **us** copies at such times as **we** may request.

6. Separation of **Insureds**

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned to the Policyholder named in the Firearm Liability Declarations, this insurance applies:

- a. as if each **insured** were the only **insured**; and
- b. separately to each **insured** against whom a **claim** is made.

This condition will not increase our limit of liability for any one **claim**.

7. Appeals

In the event a judgment is entered against any **insured** and the **insured** or the **insured's** other insurer(s) elect not to appeal such judgment, **we** may elect to make such appeal at **our** cost and expense, and **we** shall be liable for the taxable costs and disbursements and interest incidental thereto, but in no event shall **our** liability for **damages** and expenses exceed the Limits shown in the Firearm Liability Declarations.

8. Transfer of Rights of Recovery Against Others to **Us**

If any **insured** has rights to recover all or part of any payment **we** have made, those rights are transferred to **us**. The **insured** must do nothing after loss to impair them. At **our** request, the **insured** will transfer those rights to **us** and help **us** enforce them.

9. When **We** Do Not Renew

If **we** decide not to renew this policy, **we** will mail or deliver to the Policyholder shown in the Firearm Liability Declarations written notice of the nonrenewal not less than 60 days before the expiration date. If notice is mailed, proof of mailing will be sufficient proof of notice.

10. **Your** Right to **Claim** and **Occurrence** Information

We will provide the Policyholder shown in the Firearm Liability Declarations the following information relating to this and any preceding general liability **claims-made** policy **we** have issued to **you** during the previous three years a:

- a. list or other record of each **occurrence**, not previously reported to any other insurer, of which **we** were notified in accordance with Paragraph 2.a. of the Section V, Duties in the Event of **Claim** or **Occurrence** Condition. **We** will include the date and brief description of the **occurrence** if that information was in the notice **we** received.

b. summary, by policy year, of payments made.

You may not disclose this information without **our** prior written consent.

If **we** cancel or elect not to renew this policy, **we** will provide such information no later than 60 days before the date of policy termination. In other circumstances, **we** will provide this information only if **we** receive a written request from the Policyholder within 60 days after the end of the policy period. In this case, **we** will provide this information within 45 days of receipt of the request.

We compile **claim** and **occurrence** information for **our** own business purposes and exercise reasonable care in doing so. In providing this information to the Policyholder, **we** make no representations or warranties to any Policyholder, **insureds**, insurers, or others to whom this information is furnished by or on behalf of any **insured**. Cancellation or non-renewal will be effective even if **we** inadvertently provide inaccurate information.

11. Changes

This policy contains all the agreements between **you** and **us** concerning the insurance afforded. The Policyholder shown in the Declarations is authorized to make changes in the terms of this policy with **our** consent. This policy's terms can be amended or waived only by endorsement issued by **us** and made a part of this policy.

12. Premiums

The Policyholder shown in the Firearm Liability Declarations is responsible for the payment of all premiums and will be the payee for any return premiums **we** pay.

V EXTENDED REPORTING PERIODS

1. **We** will provide one or more Extended Reporting Periods, as described below, if:
 - a. this policy is canceled or not renewed; or
 - b. **we** renew or replace this policy with insurance that:
 - 1) has a Retroactive Date later than the date shown in the Firearm Liability Declarations; or
 - 2) does not apply to **bodily injury** or **property damage**, on a **claims**-made basis.
2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply only to **claims** for **bodily injury** or **property damage** that occur before the end of the policy period, but not before the Retroactive Date, shown in the

Firearm Liability Declarations. Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:
 - a. 5 years, with respect to **claims** because of **bodily injury** and **property damage** arising out of an **occurrence** reported to **us** in accordance with Paragraph 2.a. of the Section V—Duties in the Event of **Claim** or **Occurrence**;
 - b. 60 days with respect to **claims** arising from **occurrences** not previously reported to **us**.

The Basic Extended Reporting Period does not apply to **claims** that are covered under any subsequent insurance **you** purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such **claims**.

4. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.
5. A Supplemental Extended Reporting Period of unlimited duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends. **You** must give **us** a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless **you** pay the additional premium promptly when due.

We will determine the additional premium in accordance with **our** rules and rates. In doing so, **we** may take into account the following:

- a. the exposures insured;
- b. previous types and amounts of insurance;
- c. Limits of Insurance available under this policy for future payment of **damages**; and
- d. other related factors.

The additional premium will not exceed 200% of the annual premium for this policy.

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for **claims** first received during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.