

This endorsement, effective *12:01 a.m. December 4, 2005* forms a part of
policy number *625-03-42*
issued to *DUKE UNIVERSITY*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

COINSURANCE CLAUSE

With respect to: (1) Loss for which the Company has indemnified or is permitted or required to indemnify the Individual Insured(s) ("Indemnifiable Loss"); and/or (2) Loss of the Company, the Insurer shall be liable to pay 80% of Loss excess of the applicable Retention amount described in Declarations, it being a condition of this insurance that the remaining 20% of each and every Loss shall be carried by the Company and the Insureds at their own risk and be uninsured.

With respect to all Loss for which the Company has neither indemnified nor is permitted or required to indemnify the Individual Insured(s) ("Non-Indemnifiable Loss"), the Insurer shall be liable to pay 100% of such Loss, excess of the retention amount described in Item 5 of the Declarations, as amended by this endorsement.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

COPY

END 18

ENDORSEMENT# 19

This endorsement, effective 12:01 a.m. December 4, 2005 forms a part of
policy number 625-03-42
issued to DUKE UNIVERSITY

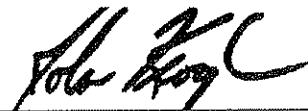
by National Union Fire Insurance Company of Pittsburgh, Pa.

FINAL DETERMINATION WORDING

In consideration of the premium charged, it is hereby understood and agreed that
Exclusions (a) and (b) are deleted in their entirety and replaced with the following:

- (a) arising out of, based upon or attributable to the gaining of any profit or advantage to which a final adjudication adverse to the Insured(s) or an alternative dispute resolution proceeding establishes the Insured(s) were not legally entitled;
- (b) arising out of, based upon or attributable to the committing of any criminal or deliberate fraudulent act if a final adjudication adverse to the Insured(s) or an alternative dispute resolution proceeding establishes that such criminal or deliberate fraudulent act occurred;

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 019

COPY

ENDORSEMENT# 20

This endorsement, effective 12:01 a.m. December 4, 2005 forms a part of
policy number 625-03-42
issued to DUKE UNIVERSITY

by National Union Fire Insurance Company of Pittsburgh, Pa.

CAPTIVE INSURANCE COMPANY (w/ carveout)

In consideration of the premium charged, it is hereby understood and agreed that the Insurer shall not be liable to make any payments for Loss in connection with any Claim(s) made against any Insured(s) alleging, arising out of, based upon, or attributable to the ownership, management, maintenance and/or control by the Organization of any captive insurance company or entity including but not limited to Claim(s) alleging the insolvency or bankruptcy of the Organization as a result of such ownership, operation, management and control.

Notwithstanding the above, this exclusion shall not apply to the captive insurance company listed below (hereinafter "Captive(s)"):

CAPTIVE INSURANCE COMPANY

Durham Casualty Company Ltd.

It is further understood and agreed that in regard to the Captive(s) listed above the Insurer shall not be liable to make any payment for Loss in connection with any Claim(s) made against the Insureds alleging, arising out of, based upon, or attributable to any third party business performed by or contracted into by the Captive(s) listed above.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

COPY

END 20

ENDORSEMENT# 21

This endorsement, effective *12:01 a.m. December 4, 2005* forms a part of
policy number *625-03-42*
issued to *DUKE UNIVERSITY*

by *National Union Fire Insurance Company of Pittsburgh, Pa.*

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION ENDORSEMENT

~~(WITH CONDITIONAL REPLACEMENT BY A MORE RESTRICTIVE EXCLUSION)~~

This exclusion may not apply for the entire policy period. It will be superseded by another more restrictive exclusion if the Terrorism Insurance Program established by the Terrorism Risk Insurance Act of 2002 terminates during the policy period. Refer to endorsement 86203 (6/04) which is currently attached to your policy.

In consideration of the premium charged, it is hereby understood and agreed that this insurance does not apply to any loss, injury, damage, claim or suit, arising directly or indirectly as a result of a certified "act of terrorism" defined by Section 102. Definitions, of the Terrorism Risk Insurance Act of 2002 and any revisions, amendments or replacement.

Wherever used in this endorsement: 1) "Insurer" means the insurance company which issued this policy; and 2) "Insured" means the Named Employer, Named Corporation, Named Sponsor, Named Organization, Named Entity, Named Insured or Insured stated in Item 1. of the Declarations.

For purposes of this endorsement and in compliance with the Terrorism Risk Insurance Act of 2002, an "act of terrorism" shall mean:

- (1) Act of Terrorism -
 - (A) Certification. - The term "act of terrorism" means any act that is certified by the Secretary of the Treasury of the United States of America, in concurrence with the Secretary of State, and the Attorney General of the United States of America --
 - (i) to be an act of terrorism;
 - (ii) to be a violent act or an act that is dangerous to --
 - (I) human life;
 - (II) property; or
 - (III) infrastructure;
 - (iii) to have resulted in damage within the United States of America, or outside of the United States of America in the case of --
 - (I) an air carrier or vessel described in paragraph (5)(B); [for the convenience of this endorsement, paragraph (5)(B) reads: occurs to an air carrier (as defined in Section 40102 of title 49, United States Code) to a United States flag vessel (or a vessel based principally in the United States of America, on which United States income tax is paid and whose insurance coverage is subject to regulation in the United States of America), regardless of where the loss occurs, or at the premises of any United States of America mission]; or
 - (II) the premises of a United States of America mission; and

END 021

ENDORSEMENT# 21 (continued)

- (iv) to have been committed by an individual or individuals acting on behalf of any foreign person or foreign interest, as part of an effort to coerce the civilian population of the United States of America or to influence the policy or affect the conduct of the United States Government by coercion.

Limitation. -- No act shall be certified by the Secretary as an act of terrorism if --

- (i) the act is committed as part of the course of a war declared by the Congress, except that this clause shall not apply with respect to ~~any coverage for workers' compensation; or~~
 - (ii) property and casualty insurance losses resulting from the act, in the aggregate, do not exceed \$5,000,000.
- (B) Determinations Final. - Any certification of, or determination not to certify, an act as an act of terrorism under this paragraph shall be final, and shall not be subject to judicial review.
- (C) Nondelegation. - The Secretary may not delegate or designate to any other officer, employee, or person, any determination under this paragraph of whether, during the effective period of the Program, an act of terrorism has occurred.

For the purposes of this endorsement, the Insured: 1) acknowledges that it has received a Policyholder Disclosure Statement Under Terrorism Risk Insurance Act of 2002; 2) has elected not to purchase insurance coverage for losses arising out of an Act of Terrorism; 3) has not paid any premium for such coverage; and 4) has affirmatively authorized the Insurer to attach this exclusion.

ALL OTHER TERMS, CONDITIONS AND EXCLUSIONS REMAIN UNCHANGED.



AUTHORIZED REPRESENTATIVE

END 021

**National Union Fire Insurance Company
of Pittsburgh, PA.**

Executive Offices
175 Water Street, New York, NY 10038

January 23, 2006

*CRC INSURANCE SERVICES INC
2201 EASTCHESTER DR
STE 107
HIGH POINT, NC 27265-1517*

RE: *DUKE UNIVERSITY*

POLICY NUMBER: *DONP 625-03-42*

Dear Broker:

The countersignature endorsement will be forwarded to you shortly.

Thank you.

Very truly yours,

Administration Division

Enc.

COPY

**National Union Fire Insurance Company
of Pittsburgh, PA.**

*Executive Offices
175 Water Street
New York, NY 10038*

A MEMBER COMPANY OF
AMERICAN INTERNATIONAL GROUP, INC

January 23, 2006

*Melissa Saul
American International Companies
4201 Congress Street, Suite 455
Charlotte, North Carolina 28209*

RE: *DUKE UNIVERSITY*

POLICY NUMBER: *DDNP 625-03-42*

Dear Sir:

Enclosed please find Countersignature Endorsement 2261 for your authorized countersignature.

Upon completion of this countersignature, please forward:

ORIGINAL COPY: To Broker in the enclosed self-addressed stamped envelope.

SECOND COPY: To National Union in the enclosed self-addressed stamped envelope.

THIRD COPY: Countersignature Agent's copy.

Thank you in advance for your prompt attention to this matter.

Very truly yours,

Administration Division

Enc.

COPY

**National Union Fire Insurance Company
of Pittsburgh, PA.**

Executive Offices
175 Water Street, New York, NY 10038

January 23, 2006

REQUEST FOR COUNTERSIGNATURE

*Melissa Saul
American International Companies
4201 Congress Street, Suite 455
Charlotte, North Carolina 28209*

Please countersign the endorsement attached below and promptly return the original copy in the postage paid reply envelope provided. Keep the second copy of this request for your records. RETURN ENTIRE FIRST COPY - Do not detach this portion from the endorsement below.

Requested by:
Department: *Administration Division*

COUNTERSIGNATURE ENDORSEMENT

Issued To *DUKE UNIVERSITY*

Effective Date: *December 4, 2005*

The countersignature hereto is to be considered the valid countersignature of the undermentioned policy, is so far as concerns that portion of the Risk located in the State named below.

Nothing herein contained shall be held to vary, waive, alter, or extend any of the terms, conditions, agreements, declarations or warranties of the undermentioned policy.

State for which this endorsement is issued: *North Carolina*

Attached to and forming a part of Policy No.: *DONP 625-03-42*

Countersigned at _____ the _____ day of _____, _____

Resident Agent: _____

APPLICATION

AIG American International Companies®

Name of Insurance Company to which Application is made
(herein called the "Insurer")

NOT-FOR-PROFIT INDIVIDUAL AND ORGANIZATION INSURANCE POLICY
Including Employment Practices Liability Insurance
Not-For-Profit ProtectorSM

Name of Insurance Policy to which Application is applicable

NOTICE: THE POLICY PROVIDES THAT THE LIMIT OF LIABILITY AVAILABLE TO PAY JUDGMENTS OR SETTLEMENTS SHALL BE REDUCED BY AMOUNTS INCURRED FOR LEGAL DEFENSE. FURTHER NOTE THAT AMOUNTS INCURRED FOR LEGAL DEFENSE SHALL BE APPLIED AGAINST THE RETENTION AMOUNT.

IF A POLICY IS ISSUED, IT WILL BE ON A CLAIMS-MADE BASIS.

I. GENERAL INFORMATION

1. Name and Address of Applicant: Duke University
Box 104143
Durham, NC 27708-4143

2. State of Incorporation: North Carolina

3. Date of Incorporation: 1924

4. Check one of the following categories that best describes your Organization:

- | | | |
|--|--|---|
| <input type="checkbox"/> Benefit Trust | <input type="checkbox"/> Health System | <input type="checkbox"/> Nursing/Retirement Home |
| <input type="checkbox"/> Cemetery Company | <input type="checkbox"/> Historical Society | <input type="checkbox"/> Religious Organization |
| <input type="checkbox"/> Community Health Center | <input type="checkbox"/> HMO/PPO | <input type="checkbox"/> Research/Development Institute |
| <input type="checkbox"/> Condominium/Cooperative | <input type="checkbox"/> Hospital | <input type="checkbox"/> Social/Recreational Club |
| <input type="checkbox"/> Organized under Act of Congress | <input type="checkbox"/> Industrial/Agricultural Co-op | <input type="checkbox"/> Social Welfare Organization |
| <input type="checkbox"/> Foundation | <input type="checkbox"/> Labor Union | <input type="checkbox"/> Trade Association |
| <input type="checkbox"/> Fraternal Society/Association | <input type="checkbox"/> Museum | <input type="checkbox"/> University/School |
| <input type="checkbox"/> Golf/Country Club | <input type="checkbox"/> Mutual Insurance Association | |

Other: Private University & Teaching Hospital

5. Briefly describe the functions, purpose and general operations of the Organization:
Private University & Teaching Hospital

6. Organization has been continually operating since: 1924

7. Primary SIC Code(s):

8. (a) Amount of insurance requested: \$ 5,000,000

(b) Self-insured retention desired (each loss): \$ 500,000

II. ORGANIZATION INFORMATION

9. (a) Complete list of all Directors, Officers or Trustees of the Organization named in question 1 above by name and affiliation with other organizations. (If included as an attachment hereto, check here .)

(b) Are the Directors or Trustees elected or appointed and by whom?

Elected Appointed

12 by the NC Conference of the United Methodist Church; 12 by the Western NC Conference of the United Methodist Church; 12 by the graduates of Duke University.

10. (a) Is the Organization a Not-For-Profit Organization qualified under the U.S. Internal Revenue code Section 501(c)? If no, please attach an explanation. Yes No

(b) Has the Organization's tax exempt status ever been terminated, suspended or challenged or is any such action now threatened? If yes, please attach an explanation. Yes No

11. Please list all direct and indirect Subsidiaries, Affiliates, associations and fraternities. (If included as an attachment herein, check here .)

Name	Business or Type of Operation	Percentage of Ownership	Date Acquired or Created	Non-Profit or For-Profit

Is coverage to be extended to all Subsidiaries? Yes No
 If "Yes", include complete list of Directors and Officers of each Subsidiary.
 If "No", include complete list of Directors and Officers of each Subsidiary for which coverage is requested.
 (If included as an attachment hereto, check here .)

Is coverage to be extended to all Affiliates? Yes No
 If "Yes", include complete list of Directors and Officers of each Affiliate.
 If "No", include complete list of Directors and Officers of each Affiliate for which coverage is requested.
 (If included as an attachment hereto, check here .)

12. (a) Is the Applicant or any of its Subsidiaries or Affiliates involved in any joint ventures, general partnerships or limited partnerships? (If "Yes", please give details.) Yes No

13. (a) Does the Organization own, manage, maintain or control a captive insurance company? Yes No

(b) Is the Organization engaged in any form of research, development, experimentation or testing? Yes No

(c) Does the Organization act as or participate in a peer review group or committee for assessing qualifications and performance of others or the quality of products manufactured, sold, handled, or distributed? Yes No

- (d) Does the Organization take any disciplinary action or recommend disciplinary action as a result of peer review group activities? Yes No
 Written procedures followed.
- (e) Does the Organization develop standards used to evaluate the quality of goods or services? Quality Assurance Standards Yes No

III. APPLICANT'S EMPLOYEE INFORMATION

14. Please provide the following information regarding Employees and Volunteers, including Directors and Officers:

- (a) Total number of Employees: 38,914
- (b) Total number of Volunteers: 1,300

	Non-union	Union (if applicable)
Full Time:	<u>27,051</u>	<u>1,144</u>
Part Time:	<u>2,092</u>	
Seasonal:	<u>6,822</u>	
Temporary:	<u>2,949</u>	
Leased:		
Independent Contractors:	<u>5,951</u>	
Domestic (within the U.S., Canada and territories):		
Foreign		
Total:		

Number of Employees in Texas _____, California _____, Michigan _____

- (b) Is the Applicant or any of its Subsidiaries or Affiliates subject to a collective bargaining agreement? Yes No
 If yes, how many employees are also subject to this agreement? 1,144

- (c) Do the Applicant's or any of its Subsidiaries' or Affiliates' Employees belong to a Union? Yes No

Please list the name of the Union that the largest number of Employees belong to:
Local 77 - Service Union Employees - 976

- (d) Is the Applicant's or any of its Subsidiaries' or Affiliates' Employees employed under a written employment contract? Yes No
 If yes, how many are there? 1,144 (written bargaining agreement not an employment contract)

- (e) For the past 3 years, what has been the annual percentage turnover rate of employees (all locations):
 Domestic: 5% - 6% % 5% - 6% % 5% - 6% %
 Year 1 2004-05 Year 2 2003-04 Year 3 2002-03
 Foreign: _____ % _____ % _____ %
 Year 1 _____ Year 2 _____ Year 3 _____

(f) How many officers and other employees have resigned, been terminated (with or without cause) or retired within the last 24 months (all locations)?

Officers 1 Other Employees 11,541

15. Is the Organization related to or affiliated with any other organization not listed in question 1? If yes, please attach an explanation of relationship. Yes No

16. Has the Organization merged with any other organization within the last 10 years? If yes, please list dates and names of such organizations. Yes No

17. Does the Applicant or any of its Subsidiaries or Affiliates have a Human Resources Department? Yes No
If "Yes", please answer the following questions regarding the Applicant's or any of its Subsidiaries' Human Resources Department. (If "No", how is this function handled? Please attach full details.)

(a) Number of human resources departments: 1 Department 19 Offices

(b) Number of Employees: 190

18. Is the Applicant currently undergoing or does the Applicant contemplate undergoing during the next 12 months any employee layoffs or early retirements (including ones resulting from any type of company restructuring or office, plant or store closing)? (If "Yes", please attach full details.) Yes No

~~19. There has not been nor is there now pending any claim(s) against any person proposed for insurance in his or her capacity of either Director or Officer of the named Applicant or any of its Subsidiaries or Affiliates, except as follows: (Attach complete details. If no such claim(s), check here: "none".)~~

~~20. (a) No Director or Officer has knowledge or information of any act, error or omission which might give rise to a claim(s) under the proposed policy except as follows: (Attach complete details. If they have no such knowledge or information, check here: "none".)~~

~~(b) Neither the Applicant nor any of its Subsidiaries or Affiliates has knowledge or information of any act, error or omission which might give rise to a claim(s) under the proposed policy except as follows: (Attach complete details. If they have no such knowledge or information, check here: "none".)~~

21. Has the Applicant, any of its Subsidiaries, any of its Affiliates or any Director, Officer or Trustee:

(a) Been involved in any antitrust, copyright or patent litigation? Yes No
Madey - Claim file # 371-007091

(b) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state antitrust or fair trade law? Yes No
Shelton - File # 434-004377

(c) Been charged in any civil or criminal action or administrative proceeding with a violation of any federal or state securities law or regulation? Yes No

(d) Been involved in any representative actions, class actions, or derivative suits? Yes No
Jung & Feinleib - Claim file #434-003038

IF ANY OF THE ABOVE, 21 (a) - 21 (d), IS "YES", ATTACH FULL DETAILS

It is agreed that with respect to Questions 19 and 20 above, if such knowledge, information or involvement exists, any claim or action arising therefrom is excluded from the proposed coverage.

22. Previous Insurance. (If included as an attachment hereto, check here. .)

(a) Name of Insurance Company National Union Fire Insurance Company

(b) Limit of Liability \$5,000,000

(c) Self-Insured retention \$500,000

(d) Policy Expiration Date 12/4/2005

(e) Premium (indicate one year or other) \$221,040

(f) Loss experience (Attach full details. If no losses, check here .)

23. Name of Risk Manager and General Counsel (or equivalent position) and number of years in current position:
Robin Bennington - Risk Manager - 8 years; Chris Boroski, Director, Corporate Risk Mgmt-
David B. Adcock - University Counsel - 24 years
1 month

24. Has any insurance carrier refused, canceled or nonrenewed any Directors and Officers or Employment Practices insurance coverage? ***

(If "Yes", attach full details including when and reason(s).)

Yes No

[*** MISSOURI APPLICANTS NEED NOT REPLY.]

25. Attach copies of the following for the Applicant and, to the extent available, each of its Subsidiaries and Affiliates:

(a) Constitution and By-Laws

(b) List of Directors, Officers and Trustees

(c) Latest annual report with audited Financials, (If audited financials are not available, please submit a Treasurer's Warranty Letter guaranteeing the Organization's financials).

(d) Latest EEO-1 report

THE UNDERSIGNED AUTHORIZED OFFICER OF THE APPLICANT DECLARES THAT THE STATEMENTS SET FORTH HEREIN ARE TRUE. THE UNDERSIGNED AUTHORIZED OFFICER AGREES THAT IF THE INFORMATION SUPPLIED ON THIS APPLICATION CHANGES BETWEEN THE DATE OF THIS APPLICATION AND THE EFFECTIVE DATE OF THE INSURANCE, HE/SHE (UNDERSIGNED) WILL, IN ORDER FOR THE INFORMATION TO BE ACCURATE ON THE EFFECTIVE DATE OF THE INSURANCE, IMMEDIATELY NOTIFY THE INSURER OF SUCH CHANGES, AND THE INSURER MAY WITHDRAW OR MODIFY ANY OUTSTANDING QUOTATIONS OR AUTHORIZATIONS OR AGREEMENTS TO BIND THE INSURANCE.

SIGNING OF THIS APPLICATION DOES NOT BIND THE APPLICANT OR THE INSURER TO COMPLETE THE INSURANCE, BUT IT IS AGREED THAT THIS APPLICATION SHALL BE THE BASIS OF THE CONTRACT SHOULD A POLICY BE ISSUED, AND IT WILL BE ATTACHED TO AND BECOME PART OF THE POLICY.

ALL WRITTEN STATEMENTS AND MATERIALS FURNISHED TO THE INSURER IN CONJUNCTION WITH THIS APPLICATION ARE HEREBY INCORPORATED BY REFERENCE INTO THIS APPLICATION AND MADE A PART HEREOF.

NOTICE TO ARKANSAS APPLICANTS: "ANY PERSON WHO KNOWINGLY PRESENTS A FALSE OR FRAUDULENT CLAIM FOR PAYMENT OF A LOSS OR BENEFIT, OR KNOWINGLY PRESENTS FALSE INFORMATION IN AN APPLICATION FOR INSURANCE IS GUILTY OF A CRIME AND MAY BE SUBJECT TO FINES AND CONFINEMENT IN PRISON."

NOTICE TO COLORADO APPLICANTS: "IT IS UNLAWFUL TO KNOWINGLY PROVIDE FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE COMPANY. PENALTIES MAY INCLUDE IMPRISONMENT, FINES, DENIAL OF INSURANCE, AND CIVIL DAMAGES. ANY INSURANCE COMPANY OR AGENT OF AN INSURANCE COMPANY WHO KNOWINGLY PROVIDES FALSE, INCOMPLETE, OR MISLEADING FACTS OR INFORMATION TO A POLICYHOLDER OR CLAIMANT FOR THE PURPOSE OF DEFRAUDING OR ATTEMPTING TO DEFRAUD THE POLICYHOLDER OR CLAIMANT WITH REGARD TO A SETTLEMENT OR AWARD PAYABLE FROM INSURANCE PROCEEDS SHALL BE REPORTED TO THE COLORADO DIVISION OF INSURANCE WITHIN THE DEPARTMENT OF REGULATORY AGENCIES."

NOTICE TO FLORIDA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO INJURE, DEFRAUD, OR DECEIVE ANY INSURER FILES A STATEMENT OF CLAIM OR AN APPLICATION CONTAINING ANY FALSE, INCOMPLETE OR MISLEADING INFORMATION IS GUILTY OF A FELONY IN THE THIRD DEGREE."

NOTICE TO KENTUCKY APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME."

NOTICE TO MINNESOTA APPLICANTS: "ANY PERSON WHO SUBMITS AN APPLICATION OR FILES A CLAIM WITH INTENT TO DEFRAUD OR HELPS COMMIT A FRAUD AGAINST AN INSURER IS GUILTY OF A CRIME."

NOTICE TO NEW JERSEY APPLICANTS: "ANY PERSON WHO INCLUDES ANY FALSE OR MISLEADING INFORMATION ON AN APPLICATION FOR AN INSURANCE POLICY IS SUBJECT TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO NEW YORK APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION, OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO, COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME, AND SHALL ALSO BE SUBJECT TO A CIVIL PENALTY NOT TO EXCEED FIVE THOUSAND DOLLARS AND THE STATED VALUE OF THE CLAIM FOR EACH SUCH VIOLATION."

NOTICE TO OHIO APPLICANTS: "ANY PERSON WHO, WITH INTENT TO DEFRAUD OR KNOWING THAT HE IS FACILITATING A FRAUD AGAINST AN INSURER, SUBMITS AN APPLICATION OR FILES A CLAIM CONTAINING A FALSE OR DECEPTIVE STATEMENT IS GUILTY OF INSURANCE FRAUD."

NOTICE TO PENNSYLVANIA APPLICANTS: "ANY PERSON WHO KNOWINGLY AND WITH INTENT TO DEFRAUD ANY INSURANCE COMPANY OR OTHER PERSON FILES AN APPLICATION FOR INSURANCE OR STATEMENT OF CLAIM CONTAINING ANY MATERIALLY FALSE INFORMATION OR CONCEALS FOR THE PURPOSE OF MISLEADING, INFORMATION CONCERNING ANY FACT MATERIAL THERETO COMMITS A FRAUDULENT INSURANCE ACT, WHICH IS A CRIME AND SUBJECTS SUCH PERSON TO CRIMINAL AND CIVIL PENALTIES."

NOTICE TO TENNESSEE APPLICANTS: "IT IS A CRIME TO KNOWINGLY PROVIDE FALSE, INCOMPLETE OR MISLEADING INFORMATION TO AN INSURANCE COMPANY FOR THE PURPOSE OF DEFRAUDING THE COMPANY. PENALTIES INCLUDE IMPRISONMENT, FINES AND DENIAL OF INSURANCE BENEFITS."

Signed Richard H. Brodhead
(Applicant)

Richard H. Brodhead

Date _____

Title President
(must be signed by Chairman of the Board or President)

Corporation _____
(Corporate Seal)

Attest N. Allison Dalton

Broker _____

Address _____

Please read the following statement carefully and sign where indicated. If a policy is issued, this signed statement will be attached to the policy.

The undersigned authorized officer of the Applicant hereby acknowledges that he/she is aware that the limit of liability contained in this policy shall be reduced, and may be completely exhausted, by the costs of legal defense and, in such event, the Insurer shall not be liable for the costs of legal defense or for the amount of any judgment or settlement to the extent that such exceeds the limit of liability of this policy.

The undersigned authorized officer of the Applicant hereby further acknowledges that he/she is aware that legal defense costs that are incurred shall be applied against the retention amount.

Signed Richard H. Brodhead
(Applicant)

Richard H. Brodhead

Date _____

Title President
(must be signed by Chairman of the Board or President)