



**Iron-Starr Excess Agency Ltd.
(Hereinafter referred to as the "Company")**

THE BERMUDA SHORTS FORM

INSURING AGREEMENTS:

1. COVERAGE -

The Company (as stated in Item 9. of the Declarations) hereby agrees, subject to the limitations, terms and conditions contained herein, to pay those sums which the Insured shall be obligated to pay as Damages by reason of the liability arising out of the hazards covered by and as more fully defined in the **Followed Policy** (as stated in Item 4. a) of the Declarations and hereinafter referred to as "**Followed Policy**"); provided always however, that this Policy shall not apply until the **Underlying Policy(ies)** (as set forth in Section I of Endorsement No. 1 'Schedule of **Underlying Policy(ies)**' to this Policy and hereinafter referred to as "**Underlying Policy(ies)**") have paid or have been held liable to pay the full amount of their respective Limit(s) of Liability in accordance with Insuring Agreement 2.

The Company further agrees that this Policy will follow the same terms, definitions, exclusions and conditions (except as otherwise provided herein) as are, at inception hereof, contained in the **Followed Policy**.

Notwithstanding the foregoing, in the event that any of the following amendment(s) are subsequently made to the terms, definitions, exclusions and conditions of the **Followed Policy** in effect at inception hereof:

1. any change which is subject to an additional premium charge,
2. the inclusion of an additional coverage extension endorsement, or
3. any change to the insuring agreements, definitions, exclusions and conditions which is intended to broaden the scope of the coverage already provided, other than Insureds or Named Insureds added without an additional premium charge,

then such amendment(s) shall not be binding upon the Company unless otherwise agreed in writing by the Company.

2. **LIMIT OF LIABILITY -**

The Company shall be liable only to pay sums up to:

USD **XX**,000,000 (as stated in Item 5. a) of the Declarations) in respect of each Occurrence, Claim or Loss subject to a limit of

USD **XX**,000,000 (as stated in Item 5. b) of the Declarations) in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the **Followed Policy**

but liability shall attach to the Company only after the **Underlying Policy(ies)** have paid or have been held liable to pay the full amount of their respective Limit(s) of Liability as follows:

USD **XXX**,000,000 (as stated in Item 6. a) of the Declarations) in respect of each Occurrence, Claim or Loss but

USD **XXX**,000,000 (as stated in Item 6. b) of the Declarations) in the aggregate during the currency of this Policy, separately in respect of each hazard insured with an aggregate limit in the **Followed Policy**

which in turn is excess of various insurances and/or retentions as more fully set forth in the **Followed Policy**.

CONDITIONS:

1. **MAINTENANCE OF UNDERLYING INSURANCE -**

It is a condition of this Policy that the **Underlying Policy(ies)** shall be maintained in full force and effect, except for any reduction of the aggregate limits contained therein solely by payment by **Underlying Policy(ies)** of any loss(es) covered by this Policy. In the event of the Insured's failure to maintain the **Underlying Policy(ies)** in full force and effect and except with respect to the aforementioned aggregate reduction, coverage hereunder shall not be invalid, but shall apply to the same extent that it would have applied had there been compliance with this condition.

In the event any **Underlying Policy(ies)** excludes loss(es) which are covered by the **Followed Policy** and subsequently covered hereunder in accordance with the provisions of Insuring Agreement 1 - Coverage, the Company shall not drop down to apply in place of such excluded coverage.

2. ASSISTANCE AND CO-OPERATION -

The Company shall not be called upon to assume charge of the settlement or defense of any claim made or suit brought or proceeding instituted against the Insured however the Company shall have the right and shall be given the opportunity to associate with the Insured or the Insured's underlying insurers, or both, in the defense and control of any claim, suit or proceeding relative to an Occurrence, Claim or Loss where the claim or suit involves, appears reasonably likely to involve the Company, in which event the Insured and the Company shall co-operate in all things in the defense of such claim, suit or proceeding.

3. CANCELLATION -

This Policy may be canceled by the first Named Insured listed in Item 1. a) of the Declarations of this Policy by mailing or delivering to the Company at the address set forth in Item 7. a) of the Declarations of this Policy advance written notice of cancellation. This Policy may be canceled by or on behalf of the Company by delivering to the first Named Insured or by mailing to the first Named Insured, by registered, certified, or other first class mail, at the first Named Insured's address set forth in Item 1. b) of the Declarations of this Policy, written notice stating when thereafter, not less than fifteen (15) days in the event any premium is not paid when due, and not less than sixty (60) days in all other cases, cancellation shall be effective. Proof of mailing of such notice as aforesaid shall be sufficient proof of notice. It is agreed that the first Named Insured shall act on behalf of all Insureds with respect to giving and receiving notice of cancellation. The Policy Period terminates at the date and hour specified in such notice, but in case of notice of cancellation by the first Named Insured, in no event prior to the date such notice is received by the Company.

If this Policy shall be canceled by the first Named Insured, the Company shall return ninety percent (90%) of the unearned portion of the premium calculated on a pro rata basis unless there is a Minimum Earned Premium set forth in Item 8. b) of the Declarations of this Policy, in which case the Company will retain the Minimum Earned Premium and return the difference, if any, between the Minimum Earned Premium and the unearned portion of the premium calculated on a pro rata basis.

If this Policy shall be canceled by the Company, the Company shall return to the first Named Insured the unearned portion of the premium calculated on a pro rata basis.

Notwithstanding any other provision in this Policy, in the event that a financial strength rating is issued (1) below "A -" (A minus) by A.M. Best Co., or (2) below "BBB" by Standard & Poor's Ratings Services, for the Insurer (hereinafter "Credit Rating Downgrade"), this Policy may be canceled by the Named Insured by mailing written notice to the Company or by surrender of this Policy

to the Company or its authorized agent. If this Policy is canceled by the Named Insured after such Credit Rating Downgrade, the Company shall retain the pro rata proportion of the premium herein.

Payment or tender of any unearned premium by the Company shall not be a condition precedent to the effectiveness of cancellation but such payment shall be made as soon as practicable.

4. OTHER INSURANCE -

If other valid and collectible insurance is available to the Insured covering a loss also covered by this Policy, other than a Policy that is specifically written to apply in excess of this Policy, the insurance afforded by this Policy shall apply in excess of and shall not contribute with such other insurance.

5. NOTICE OF OCCURRENCE, CLAIM OR LOSS -

Whenever the Insured has information from which they may reasonably conclude that an Occurrence, Claim or Loss covered hereunder involves injuries or damages which, in the event that the Insured should be held liable, is likely to involve this Policy, notice shall be sent to the Company stated in Item 7. a) of the Declarations as soon as practicable.

6. NON FOLLOW FORM -

Notwithstanding the terms, conditions and exclusions or limitation of this Policy, in no event shall this Policy follow the terms, conditions, exclusions or limitations in the **Followed Policy** or provide coverage under this Policy with respect to or as a result of any of the following clauses or similar clauses in the **Followed Policy**:

- a. Liberalization Clause;
- b. Cancellation, non-renewal or change in terms notice provisions;
- c. State specific "No fault", Uninsured Motorist or Underinsured Motorist law, or any similar law;
- d. Crisis Management or Crisis Response provisions;
- e. Accidental Insurance provisions; or
- f. Sublimit of liability, unless coverage for such sublimit is specifically endorsed to this Policy;
- g. Service of Suit Clause or endorsement.

7. RESTRICTIVE AS UNDERLYING

Notwithstanding the terms, conditions and exclusions or limitations of this Policy, if any **Underlying Policy(ies)** with limits of liability in excess of the **Followed Policy** but underlying to this Policy (the **Intervening Policy(ies)**) contains warranties, terms, conditions, exclusions or limitations more restrictive than this Policy or the **Followed Policy**, whether on the effective date of this

Policy or at any time during the Policy Period of this Policy, then this Policy shall be deemed to follow those more restrictive warranties, terms, conditions, exclusions or limitations of the **Intervening Policy(ies)**.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its duly Authorized Representative.

SPECIMEN