

POLICY BANNER PAGE

POLICY NUMBER: APL0900000

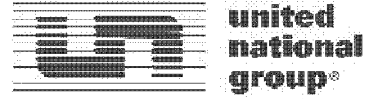
INSURED: National Health Club Risk

POLICY FORMS ARE COMPLETE

SCHEDULE OF POLICY FORMS AND ENDORSEMENTS

Form(s) and Endorsement(s) made a part of this policy at time of issue.

<u>Form Number</u>	<u>Edition Date</u>	<u>Description</u>
PROFESSIONAL LIABILITY		
DPA157	0507	PROFESSIONAL LIABILITY DEC
CPA152	0507	PERSONAL TRAINER PROFESSIONAL LIABILITY POLICY
EAA100	0307	IN WITNESS CLAUSE
EAA146	1201	TERRORISM EXCLUSION
EAA147	1201	WAR EXCLUSION
SC9	0298	SERVICE OF SUIT - STATE APPLIC



UNITED NATIONAL INSURANCE COMPANY
A Stock Company
BALA CYNWYD, PENNSYLVANIA

PROFESSIONAL LIABILITY DECLARATIONS

Policy Number: APL0900000

Renewal of: APL0800000

Named Policyholder: National Health Club Risk

THIS CONTRACT IS DELIVERED AS SURPLUS LINE INSURANCE UNDER THE 'NONADMITTED INSURANCE ACT'. THE INSURER ISSUING THIS CONTRACT IS NOT LICENSED IN COLORADO BUT IS AN APPROVED NONADMITTED INSURER. THERE IS NO PROTECTION UNDER THE PROVISIONS OF THE 'COLORADO INSURANCE GUARANTY ASSOCIATION ACT'.

Mailing Address: Purchasing Group
Street: 165 S. Union Blvd.
Suite 410
City: Lakewood
State & Zip Code: CO 80228

Producer Name: Association Insurance Group
Address: 165 S. Union Blvd.
Suite 410

Producer Number: Lakewood, CO80228
01182

Policy Period: From: January 1, 2009 To: January 1, 2011
at 12:01 A.M. Standard Time at the mailing address shown above.

IN RETURN FOR THE PAYMENT OF ALL PREMIUMS, AND SUBJECT TO ALL THE TERMS OF THE POLICY APPLICABLE TO THE NAMED POLICYHOLDER, WE AGREE WITH NAMED POLICYHOLDER TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY TO INDIVIDUAL CERTIFICATE HOLDER'S WHO PAY THEIR INDIVIDUAL PREMIUMS.

THIS PREMIUM MAY BE SUBJECT TO ADJUSTMENT.

Limits of Insurance: See Individual Certificates

Premium: See Individual Certificates

Premium shown is payable: at inception; \$ 1st Anniversary; 2nd Anniversary

Form(s) and Endorsement(s) made a part of this policy at time of issuance:

SEE ATTACHED SCHEDULE OF POLICY FORMS AND ENDORSEMENTS SAA-100

By: _____
Countersignature

PERSONAL TRAINER PROFESSIONAL LIABILITY POLICY

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

Unless otherwise noted, throughout this policy the words "you" and "your" refer to the Named Certificate Holder shown in the individual Liability Certificate attached to this policy. The words "we", "us" and "our" refer to the company providing this insurance. The term Named Policyholder means the Named Policyholder in the Declarations, to which no coverage is afforded. Other words and phrases that appear in quotation marks have special meaning. Refer to Section I, 6. Definitions or Section II. 6. Definitions, as may be applicable.

SECTION I - Personal Trainer Professional Liability Coverage

1. Insuring Agreement

- a. We will pay those sums you become legally obligated to pay as "damages" for "bodily injury" caused by or resulting from a "wrongful act" to which this insurance applies. We will have the right and duty to defend you against any "suit" seeking those "damages". However, we will have no duty to defend you against any "suit" seeking "damages" to which this insurance does not apply. We may, at our discretion, investigate any "claim" and settle any "claim" or "suit" that may result. However:

- 1) The amount we will pay for "damages" is limited as described in Section I, 4. Limits of Insurance below; and
- 2) Our right and duty to defend ends when we have used up the applicable limit of insurance in the payment of judgments or settlements under this insurance.

No other obligation or liability to pay sums or perform acts or services is covered unless explicitly provided for under Supplementary Payments.

- b. This insurance only applies to a "wrongful act" that:
- 1) Occurs in the "coverage territory";
 - 2) Occurs during the certificate period; and
 - 3) Does not begin prior to the certificate period and continue, change or resume during the certificate period.

2. Exclusions

This insurance does not apply to:

- a. "Bodily injury" for which you are obligated to pay "damages" by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability for "damages" you would have in the absence of the contract or agreement.
- b. "Bodily injury" for which you may be held liable by reason of:
 - 1) Causing or contributing to the intoxication of any person;
 - 2) The furnishing of alcoholic beverages to a person under the legal drinking age or under the influence of alcohol; or
 - 3) Any statute, ordinance or regulation relating to the sale, gift, distribution or use of alcoholic beverages.

This exclusion applies whether or not you are in the business of manufacturing, distributing, selling, serving or furnishing alcoholic beverages.

- c. Any obligation you have under a workers' compensation, disability benefits or unemployment compensation law or any similar law.
- d. "Bodily injury" to:
 - 1) An "employee" of yours arising out of and in the course of:
 - a) Employment by you; or
 - b) Performing duties related to the conduct of your business; or
 - 2) The spouse, "domestic partner", child, parent, brother or sister of that "employee" as a consequence of subparagraph (1) above.

This exclusion applies:

- 1) Whether you may be liable as an employer or in any other capacity; and
- 2) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.

- e. 1) "'Bodily injury" that would not have occurred in whole or in part but for the actual, alleged, or threatened discharge, dispersal, seepage, migration, release or escape of "pollutants" at any time.
- 2) Any loss, cost or expense arising out of any:
 - a) Request, demand or order that you or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to or assess the effects of "pollutants",
 - b) Claim, "suit", notice or order by or on behalf of any governmental authority or regulatory authority for "damages" because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing or in any way responding to or assessing the effects of "pollutants", or
 - c) Liability for any site or location that has the primary purpose to handle, process, treat, store, dispose or dump any waste material or substance.
- f. "Bodily injury" arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto", "mobile equipment" or watercraft owned or operated by or rented or loaned to you. Use includes operation and "loading or unloading". This exclusion applies even if the claims against you allege negligence or other wrong doing in the supervision, hiring, employment, training or monitoring of others by you, if the "bodily injury" involved the ownership, maintenance, use or entrustment to others of any aircraft, "auto", "mobile equipment" or watercraft that is owned or operated by or rented or loaned to you.
- g. "Bodily injury" to:
 - 1) Any person arising out of any:
 - a) Refusal to employ that person;
 - b) Termination of that person's employment; or
 - c) Employment related practices, policies, acts or omissions such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at that person; or
 - 2) The spouse, "domestic partner", child, parent, brother or sister of that person as a consequence of "bodily injury" or negligent acts, errors or omissions to that person at whom any of the employment

related practices described in subparagraphs (1)(a), (b) or (c) above is directed.

This exclusion applies:

- 1) Whether you may be liable as an employer or in any other capacity; and
 - 2) To any obligation to share "damages" with or repay someone else who must pay "damages" because of the injury.
- h.** "Bodily injury" that arises out of actual or alleged:
- 1) Infringement or dilution of:
 - a) Patent;
 - b) Trademark or service mark;
 - c) Copyright, other than copyrighted advertising materials;
 - d) Trade name;
 - e) Trade dress;
 - f) Trade secrets; or
 - g) Other intellectual property rights or laws;
 - 2) Unfair competition; or
 - 3) Antitrust violations.
- i.** "'Bodily injury" arising out of any dishonest, fraudulent, malicious or criminal acts, including willful violation of any statute, ordinance or law by you.
- j.** "Bodily injury" arising out of any "sexual misconduct", sexual abuse or molestation by you or anyone else for whom you are legally responsible.
- k.** "Bodily injury" arising out of "your product".
- l.** "'Bodily injury" however caused arising, directly or indirectly out of nuclear reaction, radiation, or radioactive contamination or any

discharge, explosion or use of any device employing nuclear fission or fusion, no matter when or by whom.

m. "Bodily Injury" arising out of any of the following:

- 1) Gymnastics;
- 2) Use of or existence of trampolines;
- 3) Body wrapping;
- 4) Nutritional or diet guarantee programs;
- 5) Sports medicine;
- 6) Medical or chiropractic procedures or treatment;
- 7) Massage therapy or
- 8) Physical therapy.

n. "Bodily injury" arising out of "personal and advertising injury".

o. "Bodily Injury".

- 1) Arising out of, resulting from, caused or contributed to by asbestos or silica; or
- 2) The cost of abatement, mitigation, removal or disposal of asbestos or silica.

This exclusion also includes:

- 1) Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with the above; and
- 2) Any obligation to share "damages" with or repay someone else who must pay "damages" because of such injury or damage.

p. "Bodily injury" arising directly or indirectly out of any action or omission that violates or is alleged to violate:

- 1) The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; or

- 2) The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
 - 3) Any statute, ordinance or regulation, other than the TCPA or CAN-SPAM Act of 2003, that prohibits or limits the sending, transmitting, communicating or distribution of material or information.
- q. Any "claim" or "suit" covered under a General Liability Policy purchased by or issued to you.
- r. "Bodily Injury", "damage", loss, cost or expense, due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution or action taken by governmental authority in hindering or defending against any of these.

This exclusion does not affect the applicability of, and is in addition to, any exclusion of terrorism, whether or not specifically denominated as such.

- s. "Bodily injury", "personal injury and advertising injury" or any other injury, however termed, arising in whole or in part out of:
- 1) the actual or threatened assault or battery whether caused by or at the instigation or direction of you, your "employees", patrons or any other person;
 - 2) the failure of you or anyone else for whom you are legally responsible to prevent or suppress assault or battery; or
 - 3) the negligent:
 - a) employment;
 - b) investigation;
 - c) supervision;
 - d) training;
 - e) retention;of a person for whom you are or ever were legally responsible and whose conduct would be excluded by (1) or (2) above.

SUPPLEMENTARY PAYMENTS

We will pay with respect to any "claim" we investigate or settle, or any "suit" against you we defend:

- 1) All expenses we incur.
- 2) The cost of bonds to release attachments, but only for bond amounts within the applicable limit of insurance. We do not have to furnish these bonds.
- 3) All reasonable expenses incurred by you at our request to assist us in the investigation or defense of the "claim" or "suit", including actual loss of earnings up to \$100 per day because of time off from work.
- 4) All costs taxed against you in the "suit".
- 5) Prejudgment interest awarded against you on that part of the judgment we pay. If we make an offer to pay the applicable limit of insurance we will not pay any prejudgment interest based on the period of time after we have made the offer.
- 6) 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 limit of insurance.

These payments will not reduce the limits of insurance.

3. WHO IS AN INSURED

Only the person named in the certificate as Named Certificate Holder is insured by this policy. Any other person, regardless of their relationship to you, including but not limited to your "employee", your partner or anyone related to you by blood, marriage or "domestic partnership" is not an insured.

4. LIMITS OF INSURANCE

- a. The Limits of Insurance shown in the certificate and the rules below fix the most we will pay regardless of the number of:
 - 1) "Claims" made or "suits" brought; or

- 2) Persons or organizations making "claims" or bringing "suits".
- b. The Certificate Holder General Aggregate Limit shown in the certificate is the most we will pay for all "damages" from "bodily injury" under SECTION I - Personal Trainer Professional Liability Coverage.
- c. Subject to the Certificate Holder General Aggregate Limit described above, the Certificate Holder Each Claim Limit of Insurance is the most we will pay for "damages" from "bodily injury" arising out of any one "claim".

The Limits of Insurance of this policy apply to the certificate period shown in the certificate, unless the certificate 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.

5. CONDITIONS

a. Applicable to Named Certificate Holder

- 1) Bankruptcy
Bankruptcy or insolvency of you or of your estate will not relieve us of our obligations under this policy.
- 2) Cancellation
 - a) You may cancel your certificate by mailing or delivering to us advance written notice of cancellation.
 - b) We may cancel your certificate by mailing or delivering to you written notice of cancellation at least:
 - i. Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - ii. Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
 - c) We will mail or deliver our notice to the Named Certificate Holder's last mailing address known to us.
 - d) Notice of cancellation will state the effective date of cancellation. The certificate period will end on that date.

e) If we cancel your certificate we will send you any premium refund due. The refund will be pro rata. If you cancel there will be no premium refund unless the cancellation is back to inception. The cancellation will be effective even if we have not made or offered a refund.

f) If notice is mailed proof of mailing will be sufficient proof of notice.

3) Changes

This policy contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4) Duties in the Event of a "Wrongful Act", Error, Omission, "Claim" or "Suit".

a) You must see to it that we are notified as soon as practicable of any "wrongful act", error or omission that may result in a "claim". To the extent possible notice should include:

- i. How, when and where the "wrongful act", error or omission took place;
- ii. The names and addresses of any injured persons and witnesses; and
- iii. The nature and location of any injury or damage arising out of the "wrongful act", error or omission.

b) If a "claim" is made or "suit" is brought against you, you must:

- i. Immediately record the specifics of the "claim" or "suit" and the date received; and
- ii. Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c) You must:

- i. Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit";
- ii. Authorize us to obtain records and other information;
- iii. Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit", and
- iv. Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of injury to which this insurance may also apply.

d) You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.

e) If you report an injury to a workers' compensation insurer which later becomes a "claim" under this insurance, failure to report such injury to us at the time of the "wrongful act", error or omission will not be considered a violation of this condition if you notify us as soon as practicable when you become aware that the negligent act, error or omission has become a "claim".

5) Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the certificate period and for as long as there are any open "claims" or "suits", but not less than three (3) years after the end of the certificate period.

6) Inspections and Surveys

a) We have the right to:

- i. Make inspections and surveys at any time;
- ii. Give you reports on the conditions we find; and
- iii. Recommend changes.

b) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We

do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:

i. Are safe or healthful; or

ii. Comply with laws, regulations, codes, ordinances or standards.

c) Paragraphs a), and b), of this condition apply not only to us but also to any rating, advisory, rate service, inspection service or similar organization that makes insurance inspections, surveys, reports or recommendations.

7) Legal Action Against Us

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

a) Join us as a part or otherwise bring us into a "suit" asking for "damages" from a certificate holder ; or

b) Sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you, 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, you and the claimant or the claimant's legal representative.

8) Other Insurance

If other valid and collectible insurance with any other insurer is available to you covering a claim also covered hereunder (except insurance purchased to apply in excess of the limits of insurance hereunder) the insurance will be excess of, and not contribute with, such insurance. If you have other coverage with us covering a claim also covered by this coverage, you must elect which coverage will apply and we will be liable under the coverage so elected and will not be liable under any other coverage.

9) Premiums

You are responsible for the payment of all premiums.

10) Representations

By accepting this policy you agree:

- a) The statements in the certificate are accurate and complete;
- b) Those statements are based upon representations you made to us; and
- c) We have issued this policy in reliance upon your representations.

11) Transfer of Rights of Recovery Against Others to Us

If you have rights to recover all or part of any payment we have made under this policy those rights are transferred to us. You must do nothing after loss to impair them. At our request you will bring "suit" or transfer those rights to us and help us enforce them.

12) When We Do Not Renew

If we decide not to renew your certificate we will mail or deliver to you written notice of the non-renewal not less than thirty (30) days prior to the end of the Certificate Period. If notice is mailed proof of mailing will be sufficient proof of notice.

b. Applicable to Named Policyholder

For the purpose of this section only the words "you" and "your" refer to the Named Policyholder shown in the Declarations. The words "we," "us" and "our" refer to the company providing this policy. Other words and phrases that appear in quotation marks have special meaning. Refer to Section 1, 6. Definitions.

1) Bankruptcy

Bankruptcy or insolvency of you or of your estate will not relieve us of our obligations under this policy.

2) Cancellation

- a) You may cancel this policy by mailing or delivering to us advance written notice of cancellation.
- b) We may cancel this policy by mailing or delivering to you written notice of cancellation at least:
 - (1) Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - (2) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- c) We will mail or deliver our notice to the Named Policyholder's last mailing address known to us.
- d) Notice of cancellation will state the effective date of cancellation. The policy period will end on that date.
- e) If you or we cancel this policy no further certificates may be issued but, the existing certificates will continue until the end of their Certificate Period, providing the premium is paid. There is no return premium as a result of cancellation of the policy.
- f) If notice is mailed proof of mailing will be sufficient proof of notice.

3) Changes

This policy contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

4) Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the policy period and for as long as there are any open "claims" or "suits", but not less than three (3) years after the end of the policy period.

5) Premiums

You are responsible for the payment to us of all premiums relative to all certificates issued to this policy.

6) Representations

We have issued this policy in reliance upon your representations.

7) When We Do Not Renew

If we decide not to renew this policy we will mail or deliver to you written notice of the non-renewal not less than thirty (30) days prior to the end of the Policy Period. If notice is mailed proof of mailing will be sufficient proof of notice. After the expiration date no further certificates can be issued.

6. DEFINITIONS:

a. "Auto" means:

- 1) A land motor vehicle, trailer or semi-trailer designed for travel on public roads, including any attached machinery or equipment; or
- 2) Any other land vehicle that is subject to a compulsory insurance or financial responsibility law or other motor vehicle insurance law in the state where it is licensed or principally garaged.

However, "auto" does not include "mobile equipment".

b. "Bodily injury" means bodily injury, sickness, or disease sustained by a person including death.

c. "Claim" means any demand or "suit" or "damages" made by any person or organization as the result of "bodily injury" from the rendering of or failure to render professional services as a personal trainer.

d. "Coverage territory" means the United States of America.

e. "Damages" include all amounts payable by you in settlement of a covered "claim" or in satisfaction of a judgment. "Damages" does not include the following:

- 1) statutory fines or penalties imposed by law or court;
- 2) "punitive or exemplary damages",
- 3) any amounts that are not insurable by law;
- 4) plaintiff's attorneys' fees associated with any of the above;
- 5) return of commissions or fees for services rendered by you; or
- 6) taxes; or

7) non-monetary judgments or settlements.

However, "damages" does include taxes, fines or penalties incurred by a third party when such taxes, fines and penalties are included by such third party in a "claim" against you.

- f. "Domestic partner" means a person who is accorded by law or regulation the status of a spouse in the jurisdiction where the "bodily injury", "claim" or "suit" took place.
- g. "Employee" includes a "leased worker", independent contractor, "temporary worker" and "volunteer worker".
- h. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
- i. "Leased worker" means a person leased to you by a labor leasing firm under an agreement between you and the labor leasing firm to perform duties related to the conduct of your business. "Leased worker" does not include "temporary worker".
- j. "Loading or unloading" means the handling of property while in the process of moving property to or removing the property from any aircraft, "auto", "mobile equipment" or watercraft.
- k. "Mobile equipment" means any type of land vehicle whether or not self-propelled that is not an "auto".
- l. "Personal and advertising injury" means injury, including consequential "bodily injury" arising out of one or more of the following offenses:
 - 1) False arrest, detention, harassment or imprisonment;
 - 2) Malicious prosecution;
 - 3) The wrongful eviction from, wrongful entry into or invasion of the right of private occupancy of a room dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 - 4) Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products, reputation, or services;

- 5) Oral or written publication, in any manner, of material that violates a person's right of privacy.
- m. "Pollutants" mean any solid, liquid, gaseous, or thermal irritant, contaminant, including smoke, vapor, soot, fumes, acids, alkalis, chemicals, and waste. Waste includes materials to be recycled, reconditioned, or reclaimed.
- n. "Property damage" means:
- 1) Physical injury to tangible property, including all resulting loss of use of that property.
 - 2) Loss of use of tangible property that has not been physically injured.
- o. "Punitive or exemplary damages" means the sum of money awarded in addition to compensatory or actual damages to serve as punishment for the wrongdoer and a deterrent to others in cases of malicious or wanton misconduct. "Punitive and exemplary damages" includes treble damages or any other increase in damages resulting from the multiplication of compensatory or actual damages.
- p. "Sexual misconduct" means any type of actual, alleged, attempted, proposed, or threatened physical touching, caressing or sexual verbal or nonverbal suggestion by you to any person, including but not limited to any past, present or potential client or family member or relative of a client or of you.
- q. "Suit" means a civil proceeding in which "damages" because of "bodily injury" to which this insurance applies is alleged. "Suit" includes:
- (1) An arbitration proceeding in which such "damages" are claimed and to which you must submit or you do submit with our consent; or
 - (2) Any other alternative dispute resolution proceeding in which such "damages" are claimed and to which you submit with our consent.
- r. "Temporary worker" means a person who is furnished to you as a substitute for a permanent "employee" on leave or to meet seasonal or short-term workload conditions.
- s. "Volunteer worker" means a person who donates his or her work and acts at the direction of and within the scope of duties determined by

you and is not paid a fee, salary, or other compensation by you or anyone else for their work performed by you.

t. "Your product" means:

(1) Any goods or products manufactured, sold, handled, distributed or disposed of by:

(a) You;

(b) Others trading under your name; or

(c) A person or organization whose business or assets you have acquired; and

(2) Containers, materials, parts or equipment furnished in connection with such goods or products;

(3) Any warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and

(4) The providing of or failure to provide warnings or instructions.

u. "Wrongful act" means any act, error, or omission in the rendering of or failure to render professional services as a personal trainer.

SECTION II - Identity Recovery Coverage

1. Insuring Agreement

We will provide the Case Management Service and Expense Reimbursement indicated below if all of the following requirements are met:

- a. There has been an "identity theft" involving your personal identity; and
- b. Such "identity theft" is first discovered by you during the certificate period for which this Identity Recovery Coverage is applicable; and
- c. Such "identity theft" is reported to us within 60 days after it is first discovered by you.

If all three of the requirements listed above have been met, then we will provide the following to you:

aa. Case Management Service

Services of an "identity recovery case manager" as needed to respond to the "identity theft", and

bb. Expense Reimbursement

Reimbursement of necessary and reasonable "identity recovery expenses" incurred as a direct result of the "identity theft" up to the limit shown on the certificate.

2. Exclusions

The following exclusions apply to this coverage:

We do not cover loss or expense arising from any of the following.

- a. The theft of a professional or business identity.
- b. Any fraudulent, dishonest or criminal act by you or any person aiding or abetting you, or your authorized representative, whether acting alone or in collusion with others.
- c. Loss other than "identity recovery expenses".

- d. An "identity theft" that is first discovered by you prior to or after the period for which this coverage applies. This exclusion applies whether or not such "identity theft" began or continued during the period of coverage.
- e. An "identity theft" that is not reported to us by you within 60 days after it is first discovered.
- f. An "identity theft" that is not reported in writing to the police.

3. Limits

Case Management Service is available as needed for any one "identity theft" for up to 12 consecutive months from the inception of the service. Expenses we incur to provide Case Management Service do not reduce the amount of limit available for Expense Reimbursement.

Expense Reimbursement is subject to a limit of \$15,000 annual aggregate... Regardless of the number of claims, this limit is the most we will pay for the total of all loss or expense arising out of all "identity thefts" to you which are first discovered by you during a 12-month period starting with the beginning of the present annual certificate period. If an "identity theft" is first discovered in one certificate period and continues into other certificate periods, all loss and expense arising from such "identity theft" will be subject to the aggregate limit applicable to the certificate period when the "identity theft" was first discovered.

Legal costs as provided under item d. of the definition of "identity recovery expenses" are part of, and not in addition to, the Expense Reimbursement limit.

Item e. (Lost Wages) and item f. (Child and Elder Care Expenses) of the definition of "identity recovery expenses" are jointly subject to a sublimit of \$250 per day, not to exceed \$5,000 in total. This sublimit is part of, and not in addition to, the Expense Reimbursement limit. Coverage is limited to wages lost and expenses incurred within 12 months after the first discovery of the "identity theft" by you.

Item g. (Mental Health Counseling) of the definition of "identity recovery expenses" is subject to a sublimit of \$1,000. This sublimit is part of, and not in addition to, the Expense Reimbursement. Coverage is limited to counseling that takes place within 12 months after the first discovery of the "identity theft" by you.

4. Deductible

Case Management Service is not subject to a deductible.

Expense Reimbursement is subject to a deductible of \$250. You shall be responsible for only one deductible under this Identity Recovery Coverage during any one certificate period.

5. Conditions

The following conditions apply to this coverage:

a. Assistance and Claims

For assistance, the you should call the **Identity Recovery Help Line** at **1-800-498-0354**.

The **Identity Recovery Help Line** can provide the you with:

- 1) Information and advice for how to respond to a possible "identity theft"; and
- 2) Instructions for how to submit a service request for Case Management Service and/or a claim form for Expense Reimbursement.

In some cases, we may provide Case Management services at our expense to you prior to a determination that a covered "identity theft" has occurred. Our provision of such services is not an admission of liability under the policy. We reserve the right to deny further coverage or service if, after investigation, we determine that a covered "identity theft" has not occurred.

As respects Expense Reimbursement, the you must send to us, within 60 days after our request, receipts, bills or other records that support his or her claim for "identity recovery expenses."

b. Bankruptcy

Bankruptcy or insolvency of you or of your estate will not relieve us of our obligations under this policy.

c. Cancellation

- 1) You may cancel your certificate by mailing or delivering to us advance written notice of cancellation.
- 2) We may cancel your certificate by mailing or delivering to you written notice of cancellation at least:

- a) Ten (10) days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b) Thirty (30) days before the effective date of cancellation if we cancel for any other reason.
- 3) We will mail or deliver our notice to the Named Certificate Holder's last mailing address known to us.
 - 4) Notice of cancellation will state the effective date of cancellation. The certificate period will end on that date.
 - 5) If we cancel your certificate we will send you any premium refund due. The refund will be pro rata. If you cancel there will be no premium refund unless the cancellation is back to inception. The cancellation will be effective even if we have not made or offered a refund.
 - 6) If notice is mailed proof of mailing will be sufficient proof of notice.

d. Changes

This policy contains all the agreements between you and us concerning the insurance afforded. This policy's terms can be amended or waived only by endorsement issued by us and made a part of this policy.

e. Computer Security

It is your responsibility to use and maintain your computer system security, including personal firewalls, anti-virus software and to properly dispose of used hard drives.

f. Duties in the Event of a "Wrongful Act", Error, Omission, "Claim" or "Suit"

- 1) You must see to it that we are notified as soon as practicable of any "wrongful act", error or omission that may result in a "claim". To the extent possible notice should include:
 - (1) How, when and where the "wrongful act", error or omission 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 "wrongful act", error or omission.
- 2) If a "claim" is made or "suit" is brought against you, you must:
 - a) Immediately record the specifics of the "claim" or "suit" and the date received; and
 - b) Notify us as soon as practicable.

You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.
- 3) You must:
 - a) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the "claim" or "suit",
 - b) Authorize us to obtain records and other information;
 - c) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit", and
 - d) Assist us, upon our request, in the enforcement of any right against any person or organization that may be liable to you because of injury to which this insurance may also apply.
- 4) You will not, except at your own cost, voluntarily make a payment, assume any obligation or incur any expense, other than for first aid, without our consent.
- 5) If you report an injury to a workers' compensation insurer which later becomes a "claim" under this insurance, failure to report such injury to us at the time of the "wrongful act", error or omission will not be considered a violation of this condition if you notify us as soon as practicable when you become aware that the negligent act, error or omission has become a "claim."

g. Examination of Your Books and Records

We may examine and audit your books and records as they relate to this policy at any time during the certificate period and for as long as there are any open "claim" or "suits", but not less than three (3) years after the end of the certificate period.

h. Inspections and Surveys

- 1) We have the right to:
 - a) Make inspections and surveys at any time;
 - b) Give you reports on the conditions we find; and
 - c) Recommend changes.
- 2) We are not obligated to make any inspections, surveys, reports or recommendations and any such actions we do undertake relate only to insurability and the premiums to be charged. We do not make safety inspections. We do not undertake to perform the duty of any person or organization to provide for the health or safety of workers or the public. We do not warrant that conditions:
 - a) Are safe or healthful; or
 - b) Comply with laws, regulations, codes, ordinances or standards.
- 3) Paragraphs a., and b., of this condition apply not only to us but also to any rating, advisory, rate service, inspection service or similar organization that makes insurance inspections, surveys, reports or recommendations.

i. Legal Action Against Us

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

- 1) Join us as a part or otherwise bring us into a "suit" asking for "damages" from a certificate holder; or
- 2) Sue us on this policy unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against you, 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, you and the claimant or the claimant's legal representative.

j. Other Insurance

If other valid and collectible insurance with any other insurer is available to you covering a claim also covered hereunder (except insurance purchased to apply in excess of the limits of insurance hereunder) the insurance will be excess of, and not contribute with, such insurance. If you have other coverage with us covering a claim also covered by this coverage, you must elect which coverage will apply and we will be liable under the coverage so elected and will not be liable under any other coverage.

k. Premiums

You are responsible for the payment of all premiums.

l. Representations

By accepting this policy you agree:

- 1) The statements in the Certificate are accurate and complete;
- 2) Those statements are based upon representations you made to us; and
- 3) We have issued this policy in reliance upon your representations.

m. Services

The following conditions apply as respects any services provided by us or our designees to you under this endorsement:

1. Our ability to provide helpful services in the event of an "identity theft" depends on the your cooperation, permission and assistance. of the "identity recovery insured."
2. All services may not be available or applicable to all individuals. For example, a Named Certificate Holder who is a in accordance with local conditions.
3. We do not warrant or guarantee that our services will end or eliminate all problems associated with an "identity theft" or prevent future "identity thefts."

n. Transfer of Rights of Recovery Against Others to Us

If you have rights to recover all or part of any payment we have made under this policy those rights are transferred to us. You must do nothing after loss to impair them. At our request you will bring "suit" or transfer those rights to us and help us enforce them.

o. When We Do Not Renew

If we decide not to renew your certificate we will mail or deliver to you written notice of the non-renewal not less than thirty (30) days prior to the end of the Certificate Period. If notice is mailed proof of mailing will be sufficient proof of notice.

6. Definitions

With respect to the provisions of the Identity Theft Coverage only, the following definitions are added:

- a. "Identity Recovery Case Manager"** means one or more individuals assigned by us to assist you with communications we deem necessary for re-establishing the integrity of your personal identity. This includes, with your permission and cooperation written and telephone communications with law enforcement authorities, governmental agencies, credit agencies and individual creditors and businesses.
- b. "Identity Theft"** means the fraudulent use of your social security number or other method of identifying you. This includes fraudulently using your personal identity to establish credit accounts, secure loans, enter into contracts or commit crimes.

"Identity theft" does not include the fraudulent use of a business name, d/b/a or any other method of identifying a business activity.

"Identity theft" does not include the unauthorized use of a valid credit card, credit account or bank account. However, "identity theft" does include the fraudulent alteration of account profile information, such as the address to which statements are sent.

- c. "Identity Recovery Expenses"** as a direct result of an "identity theft."

- 1) Costs for re-filing applications for loans, grants or other credit instruments that are rejected solely as a result of an "identity theft."

- 2) Costs for notarizing affidavits or other similar documents, long distance telephone calls and postage solely as a result of your efforts to report an "identity theft" or amend or rectify records as to your true name or identity as a result of an "identity theft."
- 3) Costs for up to 12 credit reports from established credit bureaus dated within 12 months after your knowledge or discovery of an "identity theft."
- 4) Fees and expenses for an attorney approved by us for:
 - a) Defending any civil suit brought against you by a creditor or collection agency or entity acting on behalf of a creditor for non-payment of goods or services or default on a loan as a result of an "identity theft," and
 - b) Removing any civil judgment wrongfully entered against you as a result of the "identity theft."
- 5) Your actual lost wages for time reasonably and necessarily taken away from work and away from the work premises. Time away from work includes partial or whole work days. Actual lost wages may include payment for vacation days, discretionary days, floating holidays and paid personal days. Actual lost wages does not include sick days or any loss arising from time taken away from self employment. Necessary time off does not include time off to do tasks that could reasonably have been done during non-working hours.
- 6) Your actual costs for supervision of your children or elderly or infirm relatives or dependants during time reasonably and necessarily taken away from such supervision. Such care must be provided by a professional care provider who is not your relative.
- 7) Your actual costs for counseling from a licensed mental health professional. Such care must be provided by a professional care provider who is not your.

All other provisions of this policy apply.

In Witness Clause

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 1, 2009 at 12:01 A.M. standard time, forms a part of

Policy No.: APL0900000

Issued To: National Health Club Risk

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

TERRORISM EXCLUSION

This endorsement modifies insurance provided under the following:

ALL PARTS OF THE POLICY

Notwithstanding any other provision of this policy to the contrary, this insurance does not apply to any loss, cost, expense, damage, injury or economic detriment, whether arising by contract, operation of law or otherwise whether or not concurrent or in any sequence with any other cause or event, that in any way, form or manner, directly or indirectly, arises out of, results from or is caused by "terrorism", and also including any action taken in hindering or defending against "terrorism".

"Terrorism" means any act of force or violence or other illegal means, whether actual, alleged or threatened, by any person, persons, group, private or governmental entity or entities, or any other type of organization of any nature whatsoever, whether the identity of which is known or unknown, that appears to be for political, religious, racial, ethnic, ideological, ecological or social purposes, objectives or motives and that causes or appears to be intended to cause:

1. alarm, fright, fear of danger, concern or apprehensions for public safety;
2. the interference or disruption of an electronic, communication, information or mechanical system;
3. the intimidation or coercion of the civilian population, or any governmental body;
or
4. the alteration of the policies, foreign or domestic of any governmental body,

This exclusion does not affect the applicability of, and is in addition to, any exclusion of war, warlike or military action, whether or not specifically denominated as such.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on January 1, 2009 at 12:01 A.M. standard time, forms a part of

Policy No.: APL0900000

Issued To: National Health Club Risk

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

WAR EXCLUSION

This endorsement modifies insurance provided under the following:

ALL LIABILITY COVERAGES OF THE POLICY

Any exclusion for war, warlike or military action whether or not specifically denominated as such, is deleted and replaced by the following:

Notwithstanding any provision of this policy to the contrary, this insurance does not apply to any injury, damage, loss, cost or expense, due to war, whether or not declared, or any act or condition incident to war. War includes civil war, insurrection, rebellion, revolution or action taken by governmental authority or hindering or defending against any of these.

This exclusion does not affect the applicability of, and is in addition to, any exclusion of terrorism, whether or not specifically denominated as such.

(The attaching clause need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective January 1, 2009 at 12:01 a.m. standard time, forms a part of

Policy #: APL0900000

Issued to: National Health Club Risk

By: UNITED NATIONAL INSURANCE COMPANY

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SERVICE OF SUIT CLAUSE

This endorsement modifies insurance provided under the following:
ALL COVERAGE PARTS IN THIS POLICY

We appoint the highest State official in charge of insurance affairs (Commissioner of Insurance, Director of Insurance, Insurance Commissioner, Executive Secretary, Superintendent of Insurance, or such other official title as designated by the State) of the State of _____ and his successor or successors in office as his and their duly authorized deputies, as our true and lawful attorney in and for the aforesaid State, upon whom all lawful process may be served in any action, "suit" or proceeding instituted in the said State by or on behalf of any insured or beneficiary against us, arising out of this insurance policy, provided a copy of any process, "suit", complaint or summons is sent by certified or registered mail to Richard S. March, Esq., General Counsel, United National Insurance Company, Three Bala Plaza East, Suite 300, Bala Cynwyd, PA 19004.

Countersignature