This Liability Coverage Endorsement is subject to the terms of the applicable Commercial Liability Coverage Form (GL-100) and the Liability and Medical Coverage Form (BGL-11). Only one liability coverage will apply to an occurrence and any related loss. This endorsement is attached to and made part of the policy. This is not a surety bond.

**THIS INSURANCE ENDORSEMENT FORMS PART OF YOUR POLICY CONTRACT. PLEASE READ IT CAREFULLY.**

**MINISTRY OPERATIONS**

**DIRECTORS AND OFFICERS LIABILITY COVERAGE - RELIGIOUS AND NOT-FOR-PROFIT LEADERSHIP -**

*Note: No deductible or policyholder retention applies to the coverage of this liability endorsement.*

**AGREEMENT**

We provide the Additional Coverage described in this endorsement, but only if Directors and Officers coverage is properly designated in the declarations of this policy, and only if you are a not-for-profit organization or a camp.

**DEFINITIONS**

Each of the words or phrases defined in the Definition section of the Commercial Liability Coverage Form (GL-100) and the Liability and Medical Coverage Form (BGL-11), apply to the Additional Coverage provided by this endorsement, unless otherwise modified herein. The following definitions apply only to the Additional Coverage of this endorsement.

1. **Covered person** means you and your leaders; and any spouse of your leader; in relation to any leadership activity undertaken on your behalf.

2. **Computer-related harm** means:
   a. the creation or transmission of any computer virus or other program that is harmful to any computer hardware, software, data or network connection; or
   b. the use of any computer equipment, computer program or web site for the purpose of interfering with, or causing the destruction of, any computer hardware, software, program, data, web site or network connection; or
   c. the improper use of, or failure to protect, any personal information (such as access to passwords, bank account numbers, social security numbers or similar personal information), that is obtained or held electronically; or
   d. the improper downloading, copying or distribution of any computer application, software or program in violation of any law, or in violation of any applicable licensing, accessing, or use agreement; or
   e. the improper supervision of persons having access to your computer equipment, programs, network or data.

3. **Electronic commerce activity** means engaging in online interactions that are undertaken through a web site, social media site, mobile device application or similar online platform, but only if the interaction involves an online financial transaction. Such activity includes:
   a. offering a retail product or service to online customers; and
   b. soliciting/receiving charitable donations from others through a web site; and
   c. engaging in online business transactions with vendors, suppliers, merchants or other business enterprises.

**Electronic commerce activity** includes solicitation of customers or donors, transaction processing, order fulfillment, data collection, customer support and similar functions that are
undertaken as part of your online commerce activity.

4. **Electronic commerce error** means an error or series of errors that arise out of **electronic commerce activity**, including errors involving:
   
a. the electronic transfer of any funds into or out of any savings, checking or other bank or financial institution account; or
   
b. the transmission of any credit card or debit card information through any web site or other electronic communication network; or
   
c. facilitating the unauthorized use of any credit card, debit card, online money transfer account, electronic funds transfer account, automated online banking account or similar electronic payment method; or
   
d. any other unauthorized or improper electronic transmission of funds, or the electronic transmission of information providing access to funds.

More than one such related error, or series of related errors, incidents or events will be considered a single **electronic commerce error**.

5. **Leader** means a person (whether or not a director or officer) while serving as a member of your governing board, or your administrator, director, officer or trustee, but only if acting on your behalf and within the scope of their delegated authority as such.

6. **Leadership activity** means the decision-making acts of your leaders regarding the operation of your organization, and includes related and authorized activity necessary to implement such decisions.

7. **Online financial transaction** means conveying or receiving funds through an electronic process on a web site, social media site, mobile device application or similar electronic means. **Online financial transaction** includes online credit card payment, online debit card payment, online money transfer, electronic funds transfer, automated online banking or a similar electronic payment method.

**ADDITIONAL COVERAGE**

Subject to the applicable terms of coverage, we provide insurance for the following Additional Coverages.

For purposes of the Additional Coverages set forth herein, **covered person** means you and your leaders; and any spouse of your leader; in relation to any leadership activity undertaken on your behalf. The above-named covered persons will be considered insureds for the Additional Coverages provided herein.

**DIRECTORS AND OFFICERS**

(LEADERSHIP) LIABILITY COVERAGE

We pay all sums that a covered person becomes legally obligated to pay as damages due to financial damage to which this coverage applies. The financial damage must arise out of one or more wrongful acts by your leader as part of their leadership activity. The event or events causing the financial damage:

a. must be undertaken in furtherance of your religious or not-for-profit purposes; and

b. must be an occurrence taking place in the coverage territory during the policy period.

Related decisions that are made in the course of leadership activity and that result in financial damage to one or more persons will be considered a single occurrence.

**EXCLUSIONS**

Each of the exclusions set forth in the Exclusions section of the Commercial Liability Coverage Form (GL-100) and the Liability and Medical Coverage Form (BGL-11) apply to the Additional Coverage provided by this endorsement, unless otherwise modified herein. The following exclusions apply to the Additional Coverage of this endorsement.

1. Exclusion 16 of the Additional Exclusions that Apply to All Coverages section of the Liability and Medical Coverage Form (BGL-11) is modified as follows:

   We do not pay for loss of any kind arising directly or indirectly out of or in connection with any actual or alleged sexual act or discriminatory act.

   We will, however, provide the Additional Coverage herein for financial damage resulting from one or more discriminatory acts directed against a person other than your past or present leader, employee or job applicant.
2. **We** do not pay for **loss** of any kind arising directly or indirectly out of or in connection with any actual or alleged:
   a. fraudulent or self-serving acts, willful harm, or the violation of any local, state or federal criminal or racketeering statute; or
   b. breach of contract; (whether express or implied); or
   c. failure to procure or maintain insurance of any kind.

3. **We** do not pay for any fines or non-compensatory penalties, or for any exemplary or punitive damages awarded in any legal proceeding or assessed by any local, state or federal agency.

4. **We** do not pay for **loss** of any kind arising directly or indirectly out of or in connection with:
   a. the creation, marketing, issuance or administration by **you** or your leaders of (1) any security or financial instrument (including, but not limited to, stocks, bonds, certificates, notes and other financial instruments); or (2) any fundraising or financing program of any kind; or
   b. the violation by **you** or your leaders of any local, state or federal regulation or law relating to (1) any security or financial instrument (including, but not limited to, stocks, bonds, certificates, notes and other financial instruments); or (2) any fundraising or financing program of any kind; or
   c. any lost opportunities or investment-related losses sustained by any person or entity (including **you** or your leaders), which arise out of the creation, marketing, issuance or administration by any person or entity of (1) any security or financial instrument (including, but not limited to, stocks, bonds, certificates, notes and other financial instruments); or (2) any fundraising or financing program of any kind; or
   d. the rendering of, or failure to render, any legal, financial or investment advice of any kind.

5. **We** do not pay for **loss** of any kind sustained by:
   a. any of **your** past or present employees or job applicants; or
   b. any individual within **your** association or organization (whether or not employed by **you**) if the **loss** arises directly or indirectly out of or in connection with: (1) any employment-related act, error, omission, decision, incident or event; or (2) any ordination or licensing-related act, error, omission, decision, incident or event.

     Nor do **we** pay for **loss** arising directly or indirectly out of or in connection with the administration of any employee benefit program.

6. **We** do not pay for **loss** of any kind arising directly or indirectly out of or in connection with any dispute involving the existence, validity or extent of title to any property, including disputes involving a determination of **your** interest in real, personal, or intangible property, nor do **we** pay for any loss of use of, or loss of value of, any real, personal, or intangible property.

7. **We** do not pay for **loss** of any kind arising directly or indirectly out of or in connection with:
   a. any computer-related harm or any electronic commerce error of any kind; or
   b. any error, defect or deficiency in any computer hardware, software, program, data, web site or network connection, regardless of who owns or has developed it.

     Nor do **we** pay for any damage to, destruction of, or interference with **your** computer hardware, software, program, data, web site, network connection, or any other tangible or intangible property that **you** own, lease, use or borrow.

8. **We** do not pay for **loss** of any kind if such **loss** or any related loss is, or has been, the basis of any prior claim.

9. **We** do not pay for **financial damage** of any kind relating to any claim or action instituted by or on behalf of any covered person against any other covered person; nor will **we** pay for financial damage arising directly or indirectly out of or in connection with any claim, allegation, judgment or award associated with any legal proceeding instituted by or on behalf of an covered person against any other person or entity (including any legal proceeding against your organization).

10. **We** do not pay for **financial damage** of any kind if:
    a. the event(s) that cause the financial damage occur prior to the date on which this coverage becomes effective; or
b. the event(s) that cause the financial damage occur after this coverage terminates; or

c. on the date that we first provide Directors and Officers coverage to your organization, you or your leaders are aware that the alleged financial damage has been, is being, or will be, incurred by any person or entity; or

d. on the date that we first provide Directors and Officers Coverage to your organization, you or your leaders are aware of any prior situation that may reasonably be anticipated to result in a claim against you or your leaders for financial damage.

11. We do not pay for financial damage of any kind arising directly or indirectly out of or in connection with any actual or alleged discharge, dispersal, seepage, migration, release or escape of any pollutant [as defined on page 8 of the Commercial Liability Coverage Form (GL-100)], even if such financial damage arises out of the wrongful acts of your leaders.

**HOW MUCH WE PAY**

Each of the provisions set forth in the How Much We Pay section of the Liability and Medical Coverage Form (BGL-11) apply to the Additional Coverage provided by this endorsement, unless otherwise modified herein. The following modification applies only to the Additional Coverage of this endorsement.

1. **Defense Coverage:**
   Any payments made under the Defense Coverage provided herein, up to $250,000, will be made in addition to the limits of the Additional Coverage of this endorsement. Other than the Exception set forth below, any further payment made under the Defense Coverage will reduce the limits of the Additional Coverage herein by the amount of such payment.

   **Exception:** If the Defense Coverage of this policy applies to any interest accrued after the entry of a judgment, the payment of such interest will not reduce the limits of coverage provided herein.

**OTHER PROVISIONS**

All provisions of the Commercial Liability Coverage Form (GL-100) and the Liability and Medical Coverage Form (BGL-11), apply to this endorsement, unless otherwise modified herein.