

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ CAREFULLY.

PROGRAM AND NON-PROGRAM INSOLVENCY – GLOBAL

This endorsement modifies insurance provided under the following:

ALL COVERAGE PARTS

SCHEDULE

Designated Non-Program Local Policies:

A. The following definitions apply to all coverage parts for purposes of this endorsement:

“Compulsory insurance” means insurance that:

1. Is issued by a governmental entity or an insurer licensed or permitted to do business in the jurisdiction where the insurance is intended to apply; and
2. You must have to satisfy legal requirements in that jurisdiction.

“Local insurance” means insurance issued by a governmental entity or an insurer licensed or permitted to do business in the jurisdiction where the insurance is intended to apply.

“Program local policies” means “local insurance” put into effect in connection with this policy and reinsured by us.

“Non-program local policies” means any “local insurance” in effect, or represented to be in effect, at the inception of, or during the policy period of, this policy and which was not put into effect by us in connection with this policy, including, but not limited to, any “local insurance” shown as a “non-program local policy” in the Schedule above.

B. Program Local Policies & Compulsory Insurance

Throughout the duration of this policy, you must obtain, maintain and keep in effect all “program local policies” and all “compulsory insurance”, without reduction or restriction. In the event of your failure to comply with this condition, we will only be liable to the extent that we would have been liable if you had the “program local policies” and “compulsory insurance”. Notwithstanding any provision of this policy to the contrary, in the event of an insolvency or inability to pay a valid claim by an insurer providing a “program local policy” (not including any government insurance entity or program), this policy will drop down and become primary to the extent such “program local policy” would have been primary, but only to the extent of the coverage provided under this policy. If any “local insurance” provides coverage that is excluded or not provided in this policy, such coverage shall not apply under this policy. If we drop down and pay a claim that should have been paid under a “program local policy”, you will assign to us all of your rights under the “program local policy” with respect to that claim, including, but not limited to, the right to withdraw any claim already filed.

C. Non-Program Local Policies

Throughout the duration of this policy, you must obtain, maintain and keep in effect all “non-program local policies” without reduction or restriction. Notwithstanding any provision of this policy to the contrary, except for “non-program local policies” set forth in the Schedule of “non-program local policies” above, we shall not be responsible for any insolvency or inability to pay claims of any insurers providing “non-program local policies” or any government entities or programs providing “local insurance”. All other insurance clauses in this policy shall operate as if all “non-program local policies” were valid and collectible.

SPECIMEN