



It is expressly understood and agreed by the Assured by accepting this subscription policy that Durham and Bates Agencies, Inc. is not one of the Underwriters or Insurers hereunder and neither is nor shall be in any way or to any extent liable for any loss or claim whatever, but the Insurers hereunder are only those Underwriters whose names are on file as hereinbefore set forth.

Subscription Policy No. **PDB-53504**

SUBSCRIPTION POLICY

LICENSE DEFENSE/LOSS OF INCOME and PILOTS CIVIL LEGAL LIABILITY

In consideration of the premium as hereinafter stated, the subscribers hereto, severally, but not jointly, do hereby cause to be insured, for the amounts and proportions set opposite their respective names:

ASSURED: Puget Sound Pilots Association: Members of Puget Sound Pilots Association and Pilot Technology Services II. LLC. per the attached Schedule: 2003 Western Ave., Ste. 200, Seattle, WA 98121

EFFECTIVE: February 28, 2023 to February 28, 2024

LIMIT OF LIABILITY:

<u>License Defense and Loss of Income</u>	<u>Limit of Liability</u>
Subsection 5.A - License Protection and Defense Costs	\$ 1,000,000
Subsection 5.B - Loss of Income	\$ 26,667 Per month
Subsection 5.C - Fines and Penalties	\$ 350,000
Subsection 5.D - Subsistence	\$ 30 per day
Subsection 5.E - Miscellaneous Expenses	\$ Per Policy
Subsection 5.F - Personal Effects	\$5,000 <i>except</i>
As respects Puget Sound Pilots	\$ 28,000
Subsection 5.G - Criminal Acts Defense Costs	\$ 1,500,000
Subsection 5.H - Criminal Acts Fines & Penalties	\$ 300,000

<u>Pilots Legal Liability</u>	<u>Deductible</u>	<u>Limit of Liability</u>
Subsection 6.A - Civil Legal Defense	<u>Nil</u>	\$10,000,000 CSL
Subsection 6.B - Civil Legal Liability	<u>Nil</u>	Included

THIS POLICY IS SUBJECT TO THE TERMS AND CONDITIONS OF THE FORMS, SCHEDULES AND ENDORSEMENTS ATTACHED HERETO AND REFERRED TO HEREIN, INCLUDING THE FOLLOWING: Master Policy of Marine License Insurance (Washington Pilots Form); Schedule of Licensed Pilots; Extended Radioactive Contamination Exclusion Clause with the USA Endorsement (3/1/03); Radioactive Contamination Exclusion Clause (U.S.A. Endorsement); Chemical, Biological, Bio-Chemical, and Electromagnetic Exclusion Clause (3/1/03); Economic Sanctions Limitation and Exclusion Clause; Nuclear Energy Liability Exclusion; Health Hazard Exclusion; AIMU Communicable Disease Exclusion; Lead Assurer Clause; Profit Sharing - Endorsement No. 1; Terrorism Buyback Clause – Endorsement No. 2

Total Amount Insured Hereunder \$As attached

Premium:	License Defense Loss of Income	\$149,195.00	
	Pilots Legal Liability	\$29,150.00	
	Total Annual Premium	\$178,345.00	(including TRIA)

Premium is payable in 11 installments, per the attached Schedule

Any provisions required by law to be stated in or incorporated in policies issued by any insurer subscribing hereto, shall be deemed to have been stated and incorporated herein.

It is further agreed that each of the insurers will issue their individual policies in accord with the terms described herein, upon demand by the Assured and/or his agent.

It is expressly understood and agreed by the assured by accepting this subscription policy that Durham & Bates Agencies, Inc. is not one of the insurers or underwriters hereunder and neither is nor shall be in any way or to any extent liable for any loss or claim whatever, but the insurers hereunder are only those underwriters or insurers whose names are shown as subscribing hereto.

In Witness Whereof, the insurers hereunder have caused this policy to be issued and signed by a duly authorized officer, attorney, agent or representative.

SUBSCRIBING COMPANIES

THE INSURERS AND AUTHORIZED SIGNATURE	AMOUNT OR PERCENTAGE HERETO	PREMIUM
Navigators Insurance Company Policy: SE23LIA00781901	50%	\$89,172.50
By		
StarNet Insurance Company through Berkley Offshore Underwriting Policy: BOUMA233654	50%	\$89,172.50
By		
TOTAL INSURED BY THIS POLICY	100%	\$178,345.00

Dated at Portland, Oregon, this 25th day of February, 2023

POLICY NO. PDB-53504 for PUGET SOUND PILOTS ASSOCIATION

Premium payment Schedule

Installment No.	Installment Amount	Installment Due Date
Installment 1	\$ 16,213.20	2/28/2023
Installment 2	\$ 16,213.18	3/28/2023
Installment 3	\$ 16,213.18	4/28/2023
Installment 4	\$ 16,213.18	5/28/2023
Installment 5	\$ 16,213.18	6/28/2023
Installment 6	\$ 16,213.18	7/28/2023
Installment 7	\$ 16,213.18	8/28/2023
Installment 8	\$ 16,213.18	9/28/2023
Installment 9	\$ 16,213.18	10/28/2023
Installment 10	\$ 16,213.18	11/28/2023
Installment 11	\$ 16,213.18	12/28/2023
Total Premium	\$ 178,345.00	

NAME	ANNUAL PREMIUM	CIVIL FINES & PENALTIES - \$150,000	CRIMINAL ACTS FINES & PENAL, TRC \$100,000	CRIMINAL ACTS DEPRECIAT - \$1 MILLION	LEGAL LIABILITY \$10 MILLION	ANNUAL TOTAL	MONTHLY INSTALLMENT
Named Associates							
Flight Guard Plans Actuarial							
Risk Technology Services & LLC							
1 ANACKER, D.S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
2 ANTHONY, M.L.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
3 BENDIS, S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
4 BOSTOCK, M.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
5 BOUMA, B.W.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
6 BOYNA, T.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
7 BRIDGES, D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
8 BRIDGES, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
9 CARLEY, W.M.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
10 CARLSON, L.J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
11 CARSTENSEN, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
12 COLEMAN, S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
13 CORYELL, T.D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
14 DEJUNIAN, R.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
15 GALVIN, L.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
16 GARTNER, R.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
17 GRESER, K.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
18 GROBSCHMIDT, D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
19 HANNAKUSLA, M.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
20 HENDERSON, J.D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
21 HUNTER, P.V.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
22 JENSEN, B.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
23 KALVOY, J.E.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
24 KEARNS, J.T.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
25 KELLER, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
26 KELLY, P.S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
27 KLAPFERSCH, E.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
28 KUTSCH, S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
29 KRELLER, K.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
30 LOWE, B.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
31 MAVIN, P.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
32 MICHAEL, E.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
33 MILLER, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
34 MCCOURTY, N.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
35 MCCORMACK, T.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
36 MCLAUGHLIN, D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
37 MOORE, N.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
38 MYERS, R.A.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
39 NEWMAN, A.J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
40 NINSBURG, E.P.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
41 ROUNDE, C.F.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
42 SPRAGG, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
43 STEWART, A.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
44 SEMLER, S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
45 SEWELL, J.R.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
46 SEYMOUR, L.A.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
47 SLIDDE, J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
48 SLIKER, W.J.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
49 SORIANO, D.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
50 STEWART, A.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
51 THOMPSON, S.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
52 VELAARIE, P.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
53 VAN BRANDEVELD, E.M.	320,000.00	1,735.00	330.00	400.00	350.00	3,365.00	305.90
TOTALS	\$ 21,395.00	\$ 17,490.00	\$ 21,200.00	\$ 19,360.00	\$ 29,190.00	\$ 112,345.00	\$ 16,212.70

Added Coverage for Portable Package Units (PPLUs) - Unit 528 000 [Inquiry](#)

**MASTER POLICY OF MARINE LICENSE INSURANCE
(Washington Pilots Form)**

In consideration of the payment of premium and subject to the terms and conditions set forth herein, the Insurer(s) subscribing hereto do severally, but not jointly, and in proportion to their respective subscription, agree to insure as follows:

1. INSURED.

A. The insurance provided hereunder shall be available to each Insured identified below, to the extent set forth in Schedule A:

- (1) Puget Sound Pilots Association; and
- (2) Pilot members of Puget Sound Pilots Association
- (3) Pilot Technology Services II, LLC

An Insured shall be deemed insured with respect to the specific Insuring Agreements only if a premium for such Insuring Agreement is specified in Schedule A.

2. POLICY TERM.

This Policy shall be effective February 28, 2023 and shall continue in force until February 28, 2024.

3. PREMIUM.

Premium for each Insured shall be as set forth on Schedule A. Premium shall be payable in quarterly installments, to be collected by the Puget Sound Pilots Association and remitted to Durham and Bates Agencies, Inc.

4. DEDUCTIBLE AND LIMITS OF COVERAGE.

The deductible and limits of coverage for each Insurance Agreement applicable to this Policy shall be as identified on the Declarations Page.

5. INSURING AGREEMENTS: LICENSE DEFENSE/LOSS OF INCOME.

A. License Protection and Defense Costs.

In the event the Insured's marine license becomes subject to U.S. Coast Guard, National Transportation Safety Board and/or State pilotage proceedings, pursuant to statutes and/or regulations issued with respect thereto and as a result of an occurrence, the Insurer(s) shall provide the Insured with a defense by an approved attorney and pay all law costs associated therewith, up to the limits specified herein. If the law costs exceed the limits of liability specified herein, the Insurer(s) shall not be obligated further pursuant to this section, but may, at their sole option and expense, continue to provide the Insured with a defense.

In providing the foregoing defense, the Insurer(s) shall have the option of appointing counsel to represent the Insured and shall have the further option of conducting the investigation and defense of the claim and/or conducting the negotiations with respect to settlement.

B. Loss of Income.

In the event of an occurrence which results in a confiscation, surrender, suspension, revocation or nonrenewal of an Insured's marine license or other action upon or against the Insured's marine license which prevents use thereof and no temporary marine license has been substituted therefore, the Insurer(s) agree to pay the Insured the income continuation amount specified on the Certificate of Insurance, commencing with the date on which use of the Insured's marine license became ineffective and continuing until return and/or reinstatement

of the Insured's marine license or the limits specified herein shall become exhausted, but not exceeding twelve (12) months each occurrence.

In the event of an occurrence which results in any partial limitation upon or restriction of an Insured's marine license, but not the total loss thereof referenced in the preceding paragraph, the Insurer(s) agree to pay the Insured such proportions of the income continuation amount specified herein as the reduction in earnings from such partial limitation or restriction bears to the Insured's regular earnings.

The Insured agrees to take all steps necessary to obtain a temporary marine license and/or to effect the return or reinstatement of his/her marine license. No payment shall be made under this section during periods of time in which the Insured would not ordinarily be employed pursuant to his/her marine license, by virtue of seasonal limitations, winter navigating restrictions or similar causes.

C. Fines and Penalties.

In the event of an occurrence which results in any fine or penalty being imposed against the Insured pursuant to US and Canadian federal, state or provincial statutes or regulations, but not as may be imposed otherwise nor to include punitive or exemplary damages or a fine or penalty assessed pursuant to a statute or regulation specifically denominated as criminal, the Insurer(s) shall reimburse the Insured for such fines or penalties actually paid, up to the limits specified herein.

D. Subsistence.

In the event the Insured is entitled to payment pursuant to the Income Continuation section of this Policy, the Insurer(s) shall also pay to the Insured, up to the limits identified herein, the daily subsistence rate for each day on which income continuation is paid.

E. Miscellaneous Expenses.

The Insurer(s) agree to reimburse the Insured, up to the limits specified herein, for the following miscellaneous expenses arising out of or relating to an occurrence:

- (1) \$10,000 Limit as respects law costs incurred in emergency circumstances as set forth in the law costs section of this Policy;
- (2) \$500 Limit as respects sue and labor expenses incurred pursuant to the sue and labor section of this Policy; and
- (3) \$500 Limit as respects any other out-of-pocket expenses incurred by an Insured with the approval of the Insurer(s).

F. Personal Effects.

This Company will reimburse the Assured up to the amount declared on the policy herein for:

- (a) the replacement cost of radios, computers, clothing, personal effects (excluding money, valuable papers, credit cards and jewelry except for one watch) and/ or
- (b) such instruments and equipment as have been declared and scheduled on this policy for an Agreed Value

that have become accidentally physically lost or damaged from an external cause while such personal property is on board the Vessel on which the Assured was serving or while on pilot boats or shore boats going to or from the vessel and/or while boarding or departing from the vessel.

This Company will also reimburse the Assured up to \$500.00 of expenses incurred to safeguard personal property insured hereunder from further loss or damage and/or recover same after loss or damage from a peril covered by this policy has occurred.

G. Criminal Acts Defense Costs

In the event the Insured is compelled by legal process to testify or otherwise provide evidence in a criminal proceeding or is named as a defendant in a criminal proceeding either of which is related to or involves an occurrence resulting in a pollution incident or prosecution under the Seaman's Manslaughter Statute, Marine Mammals Protection Act or the Endangered Species Act, the Insurer(s) shall provide the Insured with a defense by an approved attorney and shall pay all law costs associated therewith, subject to the deductible and up to the limits specified herein. If the law costs exceed the limits of liability specified herein, the Insurer(s) shall not be obligated further pursuant to this section, but may, at their sole option and at their expense, continue to provide the Insured with a defense.

In providing the foregoing defense, the Insurer(s) shall have the option of appointing counsel to represent the Insured and shall have the further option of conducting the investigation and defense of the claim (including appeals associated therewith) and/or conducting the negotiations with respect to settlement. The coverage afforded pursuant to this section does not include payment of any judgment, including interest thereon and/or fines or penalties associated therewith, nor does it extend to any other proceedings, whether regulatory, civil or otherwise.

For purposes of this section, a pollution incident shall be defined as the unintentional release or discharge of petroleum products or other pollutants, including those specifically defined as hazardous under CERCLA, from an occurrence as defined under section 7.A.(4) of the policy.

H. Criminal Acts Fines and Penalties

In the event of an occurrence resulting from a pollution incident which results in a criminal fine or penalty being imposed against the insured pursuant to US or Canadian federal, state or provincial statutes or regulations, including but not limited to the Clean Water Act, 33 USC 1319(c), Migratory Bird Treaty Act, 16 USC §707, Refuse Act, 33 USC §411, or a criminal fine or penalty under the Seaman's Manslaughter Statute, Marine Mammals Protection Act and the Endangered Species Act.

For purposes of this section, a pollution incident shall be defined as the unintentional release or discharge of petroleum products or other pollutants, including those specifically defined as hazardous under CERCLA, from an occurrence as defined under section 7.A.(4) of the policy.

Notwithstanding the foregoing provisions, the coverage shall not apply if it is determined by competent tribunal to be contrary to the law or public policy in which the conduct giving rise to the imposed fine or penalty occurred or contravenes the law or public policy of the state which governs the liability of the insured.

6. INSURING AGREEMENTS: PILOT'S LEGAL LIABILITY.

A. Civil Legal Defense.

In the event the Insured is compelled by legal process to testify or otherwise provide evidence in a civil proceeding or is named as a defendant in a civil lawsuit either of which is related to or involves an occurrence, the Insurer(s) shall provide the Insured with a defense by an approved attorney and shall pay all law costs associated therewith, subject to the deductible and up to the limits specified herein. If the law costs exceed the limits of liability specified herein, the Insurer(s) shall not be obligated further pursuant to this section, but may, at their sole option and at their expense, continue to provide the Insured with a defense.

In providing the foregoing defense, the Insurer(s) shall have the option of appointing counsel to represent the Insured and shall have the further option of conducting the investigation and defense of the claim (including appeals associated therewith) and/or conducting the negotiations with respect to settlement. The coverage afforded pursuant to this section does not include payment of any judgment, including interest thereon and/or fines or penalties associated therewith, nor does it extend to any other proceedings, whether regulatory, criminal or otherwise.

B. Civil Legal Liability.

In the event the Insured is named as a defendant in a civil lawsuit for which the Insurer(s) have provided the Insured with a defense pursuant to the Civil Legal Defense section of this policy, above, the Insurer(s) agree to pay any final judgment or settlement, to include pre-judgment and post-judgment interest but not fines or penalties associated therewith nor contractual liabilities in excess of an Insured's legal liability absent such contract, resulting from such civil lawsuit, subject to the deductible and up to the limits specified herein.

7. GENERAL POLICY CONDITIONS.

A. Definitions.

- (1) **Approved Attorney:** An attorney which has been approved in writing by the Insurer(s) to provide legal services with respect to coverages afforded by this Policy.
- (2) **Claim:** An occurrence which results in a claim, or an allegation of a claim, against an Insured which may give rise to coverage under this Policy.
- (3) **Marine License:** A merchant marine officer license issued by the U.S. Coast Guard, including all federal pilotage and other endorsements relating thereto; and a pilotage license issued pursuant to the authority of a state or territory of the United States, including all endorsements relating thereto.
- (4) **Occurrence:** An accident or event neither expected nor intended by the Insured, which occurs or is alleged to have occurred during the term of this policy, and as respects a Pilot member of the Association, while the Pilot member is operating under and/or which relates to the Pilot Member's marine license and which may result in a claim under this policy. The term occurrence shall not include an accident or event which (1) results from the conduct of the Insured which is determined to be willful, wanton or intentional (but excluding as intentional those actions which are operational judgments and/or are made in emergency or extreme circumstances); and/or (2) arises under statutes or regulations specifically denominated as criminal (except as covered under Paragraph 5.G "Criminal Acts Defense Cost").
- (5) **Policy:** The Policy of insurance shall consist of the Master Policy, Marine License Insurance (Washington Pilots Form), the Declarations Page, each Schedule attached hereto, and all endorsements which have been accepted and executed by the Insurer(s).

B. Prompt Notice of Occurrence and of Claim.

The Insured shall, as promptly as is possible, notify the Insurer(s) and/or Durham & Bates Agencies, Inc. of any occurrence which may give rise to coverage under this Policy, including particulars with respect thereto, and shall promptly forward copies of all notices, communications, process, pleading and other documents relating to said occurrence.

The insured shall also, as promptly as is possible, notify the Insurer(s) and/or Durham & Bates Agencies, Inc. of any claim which may give rise to coverage under this Policy, including particulars with respect thereto, and shall promptly forward copies of all notices, communications, process, pleading and other documents relating to such claim.

Notification pursuant to the foregoing provisions may be given as follows:

- (1) To the Insurer(s): Navigators Insurance Company
2101 Fourth Ave. Suite 1850
Seattle, Washington 98121

Telephone: (206) 443-8560

Attention: Ed Thiemann edward.thiemann@thehartford.com

- (2) To: Durham & Bates Agencies, Inc.
1211 SW 5th Ave., Ste. 2800
Portland, Oregon 97204

Telephone: (800) 929-0171

Facsimile: (503) 224-4236

Attention: Becky Karns – beckyk@dbates.com
Sean McCarthy – seanm@dbates.com

C. Cooperation.

The Insured shall not make or give statements, prepare reports, submit to interviews or provide information or evidence relating to an occurrence which may give rise to coverage under this Policy without the assent of the Insurer(s) and/or advice of attorneys approved by the Insurer(s), except in such instances as required by statute or regulation.

The Insured shall cooperate with the Insurer(s) and approved attorneys in the investigation and defense of all claims and all appeals with respect thereto, including, without limitation: responding fully and promptly to requests for assistance, information or statements; providing authorizations for access to documents and records; aiding in the securing of information, evidence and witnesses; assisting in the enforcement of any right or legal claim against any other person, entity or party. The Insured shall also cooperate with the Insurer(s) and approved attorneys in the negotiation and settlement of all claims. If the Insured shall fail to cooperate with the Insurer(s) and/or approved attorneys, the liability of the Insurer(s) to the Insured shall be limited to the amount for which settlement could have been made, including legal fees and costs up to the point such settlement could have been made, if the ultimate outcome or resolution of the claim exceeds the amount for which settlement could have been made.

D. Sue and Labor.

In the event of an occurrence which may give rise to coverage under this Policy, the Insured is authorized and obligated to take such steps or action as reasonably necessary to protect the interests of the Insured and the Insurer(s), including retaining attorneys other than approved attorneys in emergency circumstances when approved attorneys are not reasonably available.

E. Law Costs.

Law costs shall include legal fees and legal costs (costs of investigation, defense, taxable legal costs and costs of appeal bonds), but the Insurer(s) shall not be liable for legal fees of attorneys or legal costs associated therewith unless the same shall have been incurred with the consent of the Insurer(s), except in emergency circumstances. In emergency circumstances, the Insured shall use his/her best efforts to immediately notify the Insurer(s) and/or contact an attorney known to be approved by the Insurer(s); should the Insured be unable to do so, the Insured shall attempt to contact an experienced and qualified attorney to provide the immediate assistance required. As soon as is possible thereafter, an attorney approved by the Insurer(s) shall be appointed and shall be substituted for any other attorney employed on an emergency basis.

F. Proof of Loss.

The Insured shall, at the request of the Insurer(s), complete and submit a sworn statement of proof of loss of income, expenses and/or personal property, including such vouchers, invoices and/or other documentation as necessary to substantiate the claim and/or as reasonably required by Insurer(s).

G. Cancellation.

This Policy may be canceled by either party upon thirty (30) days advance written notice to the other. If cancellation is at the Insured's option, the return premium shall be calculated on a short rate basis; if canceled by the Insurer(s), the return premium shall be calculated on a pro rata basis. Notwithstanding the foregoing, the Insurer(s) shall be entitled to cancel this Policy for non-payment of premium on ten (10) days advance written notice to the Insured. Notice shall be deemed to have been given as of the date and time of mailing, rather than upon receipt by the other party.

H. Assignment.

No claim or demand against this Policy and/or the Insurer(s) shall be assigned or transferred, and no person or entity except a legally appointed receiver or trustee shall acquire any rights against this Policy and/or the Insurer(s), without the express written consent of the Insurer(s).

I. Subrogation.

In the event the Insurer(s) make any payment under this Policy, it/they shall be subrogated to all of the Insured's rights of recovery with respect thereto against any person or entity, and the Insured shall execute and deliver such instruments and papers, cooperate and do whatever else is necessary to secure and perfect such rights of recovery to the Insurer(s).

J. Other Insurance.

The insurance afforded by this Policy is intended to be primary. In the event the Insured has other insurance covering risks insured hereunder specifically clausured to be excess or contingent of this Policy, the Insurer(s) liability under this Policy shall not be reduced by the existence of such other insurance. However, in the event both this insurance and another insurance shall apply to risks insured hereunder, this Policy shall contribute in proportion to the limits of the respective policies.

K. Actions against the Insurer(s).

No legal recourse shall lie against the Insurer(s) relative to this Policy unless the Insured shall be in full compliance with all of the terms and conditions of this Policy. The Insured must initiate suit against the Insurer(s) within one (1) year from the date of occurrence or, for action taken by the Insurer(s) subsequent to the occurrence, within one (1) year from the date of such action.

L. Conformity to Law.

Should any term or condition of this Policy come into conflict with a statute or regulation of a state in which the Policy is issued and/or takes effect, such term or condition shall be deemed automatically amended to conform to such statute or regulation.

M. Integration and Changes.

This Policy constitutes the entire agreement of the parties, superseding all prior oral and/or written agreements and understandings; no term or condition of this Policy may be altered, amended or waived without the written assent of the Insurer(s) and the Insured.

N. Construction of Policy and Headings.

This Policy reflects the mutual assent and agreement of the parties and as such shall not be construed for or against either party; it shall also be construed as insuring only such risks as are set forth herein, to the extent set forth herein. The headings utilized in this Policy are for convenience of reference only, are not intended to be substantive and may not be used to construe this Policy.

ENDORSEMENT NO.: 1
EFFECTIVE: FEBRUARY 28, 2023 12:03 AM
ATTACHED TO AND FORMING PART OF POLICY NO.: PDB-53504
ISSUED TO: PUGET SOUND PILOTS ASSOCIATION

IT IS HEREBY UNDERSTOOD AND AGREED that at the conclusion of the policy term, the Assured shall be entitled to a Net Profit Return as outlined below provided the Assured purchases renewal coverage for a period commencing February 28, 2024 – February 28, 2025 with Durham and Bates and Navigators Insurance Company

- Loss Ratio shall mean all losses (less recoveries) paid by the Company on risks hereunder for which the premiums are billed during the respective period and collected; plus allocated loss expenses and survey fees incurred from the losses; plus adequate reserves for any claim reported to the Company and not yet paid within the policy year plus deficit as defined below from the previous 36 month period divided by the NET premiums earned during the same policy year.
- NET Premiums defined as premiums net of broker/agent commission paid and earned less any returns given during the policy term.

<u>EARNED LOSS RATIO</u>		<u>% OF NET PREMIUM RETURNED</u>
0%	to 25.0%	15.0%
25.1%	to 50.0%	7.5%

If at any time the policy to which this endorsement is attached is cancelled, this endorsement will automatically be terminated on the effective date of such cancellation.

Deficit, defined as the amount in excess of a 50% loss ratio, in any one 12 month period shall be carried forward for three consecutive years only.

Attached to and forming part of above referenced Policy Number.

All other terms and conditions remaining unchanged.

Terrorism Clause

In consideration of an allocation of 1% of the License Protection & Defense Cost Rate, this contract excludes any loss, damage, liability or expense arising from:

- A) Terrorism; and or
- B) Steps taken to prevent, suppress, control or reduce the consequences of any actual, attempted, anticipated, threatened, suspected or perceived terrorism.

For the purpose of this clause, "terrorism" means any act(s) of any person(s) or organization(s) involving:

- 1) The causing, occasioning or threatening of harm of whatever nature and by whatever means; including any act certified or uncertified by the Secretary of the Treasury of the United States;
- 2) Putting the public or any section of the public in fear,

in circumstances in which it is reasonable to conclude that the purpose(s) of the person(s) or organization(s) concerned are wholly or partly of a political, religious, ideological or similar nature.

Notwithstanding the foregoing, this exclusion shall not be applicable to the following.

- 1. Vessels, craft and units afloat, under pilotage, under construction or repair, in dock or whilst in store ashore.
- 2. Seawalls, wharves, piers, jetties, docks, berths, pontoons and associated dockside equipment all whilst in the confines of the port, terminal, shipyard, harbour or marina.
- 3. Offshore platforms whilst exploring, drilling or producing including all associated construction operations.
- 4. Cargo in the ordinary course of transit per Joint Cargo Committee Termination of Transit Clause (Terrorism) JC2001/056 or Termination of Transit Clause (Terrorism) U.S.A.

Attached to and forming a part of above referenced policy number effective at inception.
All other terms and conditions remaining unchanged.

LEAD ASSURER CLAUSE

It is agreed that these Underwriters shall follow the terms as set out by the Lead Underwriter, Navigators Insurance Company, and to follow all settlements or agreements pertaining to losses and / or claims, including the investigations, adjustments, settlement, and legal proceedings; and the conduct thereof including but not limited to the appointment of investigators, adjusters, surveyors, attorneys or other claim service firms. In the settlement of losses, claims, and/or related expenses, Underwriters shall pay as directed under the terms and conditions of this Policy upon receipt of advices of the basis upon which the Lead Underwriter paid or agreed to pay its proportion of such losses, claims, and expenses.

However, following Underwriters insofar as their proportions of coverage are concerned individually and separately, reserve the right to honor a claim which the Lead Underwriter may dispute or make ex-gratia payments insofar as their respective interests are concerned.

EXTENDED INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
NOVEMBER 1, 2002

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

1. In no case shall this insurance cover loss damage liability or expense directly or indirectly caused by or contributed to by or arising from:

- 1.1 ionizing radiations from or contamination by radioactivity from any nuclear fuel or from any nuclear waste or from the combustion of nuclear fuel;
- 1.2 the radioactive, toxic, explosive, or other hazardous or contaminating properties of any nuclear installation, reactor, or other nuclear assembly or nuclear component thereof;
- 1.3 any weapon or device employing atomic or nuclear fission and/or fusion or other like reaction or radioactive force or matter;
- 1.4 the radioactive, toxic, explosive or other hazardous or contaminating properties of any radioactive matter. The exclusion in this sub-clause does not extend to radioactive isotopes, other than nuclear fuel, when such isotopes are being prepared, carried, stored, or used for commercial, agricultural, medical, scientific or other similar peaceful purposes.

(1) CL356A

EXTENDED INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE
(U.S.A. ENDORSEMENT)

This insurance is subject to the EXTENDED INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE 11/1/02 provided that:

If Fire is an insured peril

AND

Where the subject matter insured or, in the case of a reinsurance, the subject matter insured by the original insurance, is within the U.S.A., Its Islands, onshore territories or possessions

AND

A fire arises directly or indirectly from one or more of the causes detailed in Sub-Clauses 1.1, 1.2 and 1.4 of the EXTENDED INSTITUTE RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE November 1, 2002;

Any loss or damage arising directly from that fire shall, subject to the provisions of this insurance (reinsurance), be covered, EXCLUDING however any loss, damage, liability, or expense caused by nuclear reaction, nuclear radiation, or radioactive contamination arising directly or indirectly from that fire.

AIMU CHEMICAL, BIOLOGICAL, BIO-CHEMICAL, ELECTROMAGNETIC EXCLUSION CLAUSE
(March 1, 2003)

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

In no case shall this insurance cover loss, damage, liability or expense directly or indirectly caused by or contributed to or arising from an actual or threatened act involving a chemical, biological, biochemical or electromagnetic weapon, device, agent or material when used in an intentionally hostile manner.

NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

It is agreed that:

- I. This policy does not apply:
 - A. Under any Liability Coverage, to bodily injury or property damage
 1. With respect to which an insured under this policy is also an insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Associations of Canada, or would be an insured under any such policy but for its termination upon exhaustion of its limit of liability; or
 2. Resulting from the hazardous properties of nuclear material and with respect to which (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the insured is, or had this policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
 - B. Under any Medical Payments Coverage, or under any Supplementary Payments Provision relating to first aid, to expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
 - C. Under any Liability Coverage, to bodily injury or property damage resulting from the hazardous properties of nuclear material, if
 1. The nuclear material (a) is at any nuclear facility owned by, or operated by or on behalf of an insured or (b) has been discharged or dispersed therefrom;
 2. The nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an insured; or
 3. The bodily injury or property damage arises out of the furnishing by an insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such

facility is located within the United States of America, its territories or possessions or Canada, this exclusion applies only to property damage to such nuclear facility and any property thereat.

II. As used in this endorsement:

"Hazardous properties" include radioactive, toxic or explosive properties;

"Nuclear material" means source material, special nuclear material or by-product material;

"Source material", "Special nuclear material" and "Byproduct material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;

"Spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"Waste" means any waste material (1) containing byproduct material and (2) resulting from the operation by any person or organization of any nuclear facility included within the definition of nuclear facility under paragraph (a) or (b) thereof;

"Nuclear facility" means

(a) Any nuclear reactor,

(b) Any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste,

(c) Any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the insured at the premises where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,

(d) Any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste, and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"Nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

"Property damage" includes all forms of radioactive contamination of property.

ECONOMIC SANCTIONS LIMITATION AND EXCLUSION CLAUSE

No (re)insurer shall be deemed to provide cover and no (re)insurer shall be liable to pay any claim or provide any benefit hereunder to the extent that the provision of such cover, payment of such claim or provision of such benefit would expose that (re)insurer to any sanction, prohibition or restriction under United Nations resolutions or the trade or economic sanctions, laws or regulations of the European Union, United Kingdom or United States of America.

The United States of America trade or economic sanctions, laws or regulations shall include, but not be limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC) and sanctions that may be imposed by the U.S.

Department of State under the Comprehensive Iran Sanctions, Accountability and Divestment Act of 2010 (CISADA).

HEALTH HAZARD (SPECIFIC) EXCLUSION

This insurance does not apply to any liability for, or any loss, damage, injury or expense directly or indirectly caused by or arising out of: asbestos; tobacco; coal dust; polychlorinated biphenyls; silica; silicosis; benzene; lead; talc; dioxin; mold; pesticides or herbicides; electromagnetic fields; pharmaceutical or medical drugs/products/substances/devices; or any substance containing such material or any derivative thereof.

This insurance does not apply to any liability for, or any loss, damage, injury or expense due to hearing loss or damage; human immune virus or acquired immune deficiency syndrome; cumulative trauma disorder; repetitive motion or strain injury; or carpal tunnel syndrome.

It is further agreed that this policy shall not apply to any liability for Bodily Injury or Personal Injury and/or Property Damage made by or on behalf of any person or persons directly or indirectly on account of continuous, intermittent or repeated exposures to, ingestion, inhalation, or absorption of, any substances, materials, products, wastes or emissions, noise or environmental disturbance where the Assured is or may be liable for any reason including, but not limited to, as a result of the manufacture, production, extraction, sale, handling, utilization, distribution, disposal or creation by or on behalf of the Assured of such substances, materials, products, wastes or emissions, noise or environmental disturbance.

For the purpose of this clause, the term "Personal Injury" shall mean bodily injury or insult (including death at any time resulting therefrom), mental injury, mental anguish, shock, sickness, disease, disability, detention, humiliation or wrongful eviction.

American Institute
COMMUNICABLE
DISEASE EXCLUSION
(June 15, 2020)

To be attached to and form a part of Policy No. PDB-53504 of Companies Named Herein
Insuring PER POLICY

This clause shall be paramount and shall override anything contained in this insurance inconsistent therewith.

This insurance excludes coverage for:

- 1) any loss, injury, damage, liability, cost, or expense directly or indirectly arising from the actual, alleged, or suspected transmission or existence of a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 2) any liability for, or loss, cost, or expense incurred to identify, detect, prevent, clean up, detoxify, remove, eliminate, neutralize, monitor, or test for a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 3) any liability for, or loss, cost or expense arising out of, any loss of revenue, loss of hire, diminution of value, business interruption, loss of market, delay or any direct or indirect financial loss, howsoever described, as a result of, or relating to a "Communicable Disease" or the substance or agent that causes the "Communicable Disease";
- 4) any fines, penalties, or punitive or compensatory damages as a result of, or relating to (1), (2), or (3) above.

DEFINITION

"Communicable Disease" means any disease which can be transmitted by means of any substance or agent from any organism to another organism where:

- a. the substance or agent includes, but is not limited to, a virus, bacterium, parasite or other organism or any variation thereof, whether deemed living or not, and
- b. the method of transmission, whether direct or indirect, includes but is not limited to, airborne transmission, bodily fluid transmission, transmission from or to any surface or object, solid, liquid or gas or between organisms, and
- c. the disease, substance or agent can cause or threaten damage to human health or human welfare or can cause or threaten damage to, deterioration of, loss of value of, marketability of or loss of use of property insured hereunder.

All Other Terms And Conditions Of This Policy Shall Remain Unchanged.

Dated: February 28, 2023