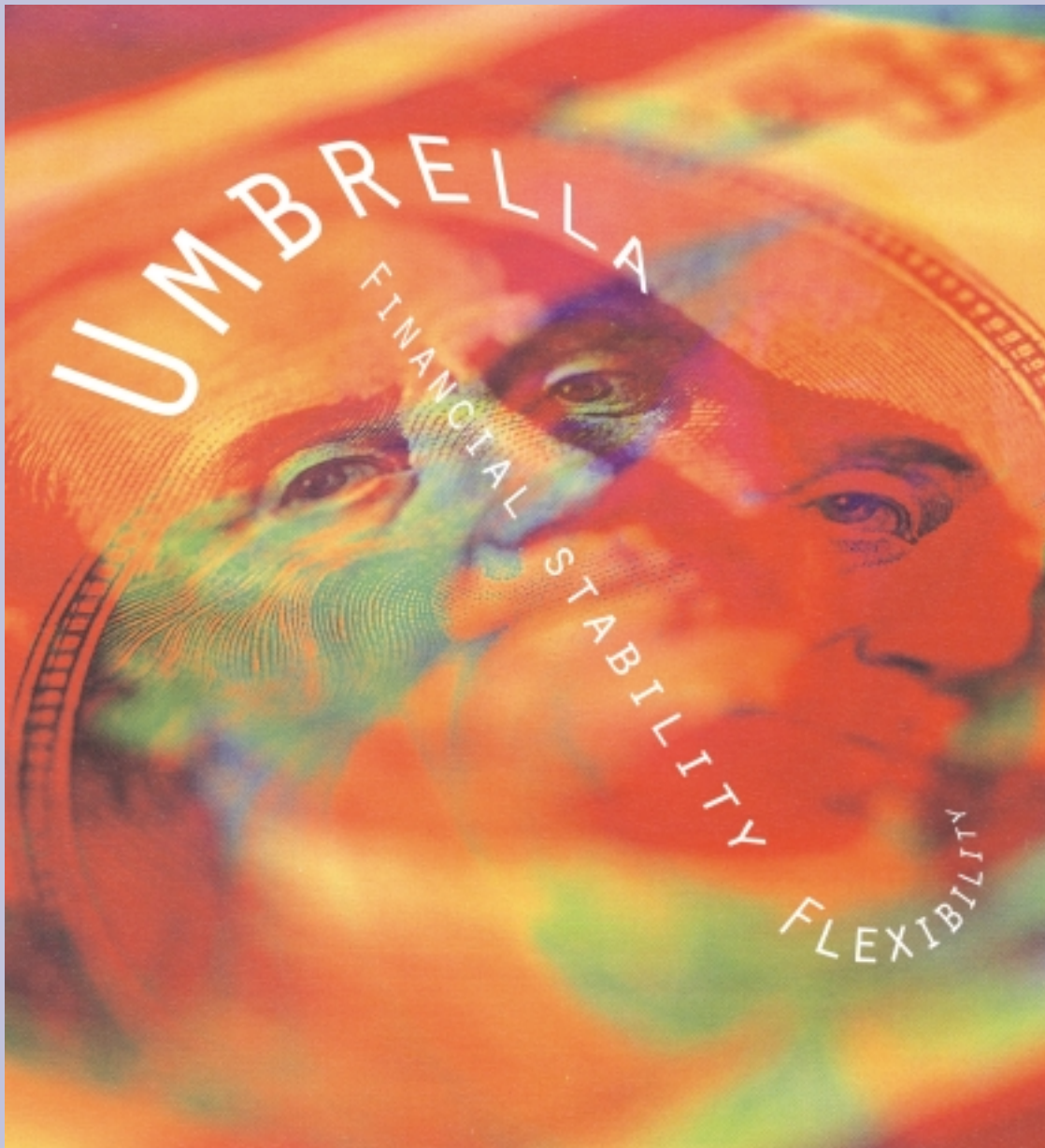


*Chubb Commercial Excess and
Umbrella Insurance*



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Chubb Commercial Excess and Umbrella Insurance



It's no secret that rapid changes in technology and an increasingly litigious society have created new and complex exposures for companies both large and small. But, did you know that for more than 30 years Chubb has helped those companies protect their bottom line with umbrella insurance?

Chubb's Excess/Umbrella liability insurance provides companies—from a local cultural institution to a multinational machinery manufacturer—a way to mitigate today's liability risks. As lawsuits continue on the upswing and jury awards increase, few companies can afford the financial burden of such litigation. Chubb has the depth of experience to assess your umbrella insurance needs and design a liability insurance program to help protect your assets.

Chubb offers you what many others can't. We offer you flexibility, starting with the ability to write an umbrella policy over other insurance companies' policies as well as our own. The Chubb umbrella is a catastrophe coverage platform that can be expanded to help protect your balance sheet from threatening events with supplemental protection, such as Named Perils/Time Element Pollution and Reputational Damages Liability insurance.

We understand that your umbrella insurance needs may extend beyond your domestic borders. Our Chubb-owned network of more than 130 offices in 31 countries is backed by underwriting, loss control and claim professionals who fully understand the intricacies of local laws and regulations. In addition, our loss control and claim professionals can be on site to conduct risk assessments or settle claims wherever you do business. And, we offer you Chubb's commitment to world-class service.



When you purchase an insurance policy, you expect your insurance company to uphold its promises. You can count on Chubb—we've been providing property and casualty insurance solutions since 1882. Our financial stability and claims philosophy continue to earn high ratings from leading independent evaluators of the insurance industry.

The quality of an umbrella policy's terms and conditions is one of the principle criteria for selecting an umbrella insurer. Chubb's policy provides you with top-quality insurance protection. In addition to writing over other carriers, our umbrella policy is part of our suite of integrated liability products—including Chubb's hallmark *Customary* General Liability, Reputation Injury and Communications Liability and Errors & Omissions Liability contracts. Take a look at what our umbrella policy offers.

Insuring Agreements

Chubb is one of the few insurance companies that offers an umbrella policy that features two separate insuring agreements—this feature helps to ensure your protection in the event of a catastrophic loss.

- ***Coverage A - Excess Follow Form Insurance***
 - Limits gaps in insurance protection by adopting the provisions of your scheduled primary policies (with few exceptions)
 - Allows greater flexibility in adapting to various or unique primary insurance policies, such as miscellaneous professional/errors and omissions, global, aviation, marine and liquor
 - Pays on behalf of the insured
- ***Coverage B - Umbrella Liability Insurance***
 - Insures against bodily injury, property damage, personal injury and advertising injury losses on an occurrence/offense basis, when no underlying insurance applies
 - Umbrella Liability Coverage B exclusions do not restrict the protection available under Excess Follow Form Coverage A
 - Coverage territory is “anywhere” and is supported by Chubb's network of offices worldwide
 - Pays on behalf of the insured
 - No self-insured retention
 - Includes protection for:
 - Nonowned aircraft with crew
 - Nonowned watercraft
 - Autos outside the United States, Puerto Rico or Canada
 - Advertising/personal injury contractual liabilities
 - Advertising/personal injury for insured's media businesses
 - Damage to alienated premises
 - Damage to third party property in the insured's care, control or custody
 - Business and host liquor liability
 - War and insurrection
 - Loss events and suits outside the United States

Defense and Supplementary Payments

- Duty to defend suits on behalf of the insured
- Supplementary payments, including defense expenses, are payable under Coverage A (on a follow form basis) and Coverage B, in addition to the limits of insurance
- Supplementary payments include:
 - Defense expenses and court costs
 - Pre- and post-judgment interest
 - Expenses incurred at our request, including up to \$1,000 per day in lost earnings
 - Cost of appeal, attachment and bail bonds for bond amounts up to the available limits of insurance
 - Payments for expenses approved by us associated with covered losses, such as:
 - 1) communications (e.g., announcements, mailings and other media), 2) crisis consultants and counseling services, and 3) logistics and travel

Versatile Limits

A key feature of Chubb's umbrella policy is the provision of several separate aggregate limits—advertising injury and personal injury, products/completed operations, excess coverage other and umbrella coverages—which do not impair or erode each other. By offering separate aggregate limits, you get more insurance where and when you need it.

- ***Advertising Injury and Personal Injury Aggregate***

A separate aggregate limit dedicated to all advertising injury and personal injury losses under the policy

- ***Products/Completed Operations Aggregate***

A separate aggregate limit dedicated to all products/completed operations losses under the policy

- ***Excess Coverage Other Aggregate***

- Under Coverage A, separate aggregate limits (nonadvertising/personal injury, nonproduct/completed operations) provided for each coverage or policy as described in the Schedule of Underlying Insurance (e.g., separate per location, per project and per policy aggregate limits)
- Under Coverage A, no aggregate limit is imposed if the underlying insurance does not apply an aggregate (e.g., auto liability insurance)

- ***Umbrella Coverages Aggregate***

A separate aggregate limit dedicated to umbrella losses (nonadvertising/personal injury, nonproduct/completed operations). Unlike single insuring agreement policies, true umbrella losses under our policy are afforded a separate aggregate limit.

Drop Down Provisions

Under Coverage A, our drop down provisions limit gaps in protection by applying when scheduled underlying limits are eroded or exhausted due to:

- Losses paid under scheduled underlying insurance that occur before our umbrella policy's effective date
- Losses paid under scheduled underlying insurance not included in the scope of our umbrella policy

In addition, there is no requirement to reinstate or replace underlying limits eroded or exhausted by paid losses.

Who Is An Insured

- **Excess Follow Form - Coverage A**
 - Helps protect anyone who is an insured in the scheduled underlying policies, including joint ventures, partnerships and limited liability companies
- **Umbrella Liability - Coverage B includes the following as insureds:**
 - Subsidiaries controlled by the first named insured
 - Newly acquired or formed organizations until the end of the policy period (for losses after acquisition)
 - Employees, including for fellow employee injuries
 - Volunteer workers
 - Lessors of equipment
 - Lessors of premises

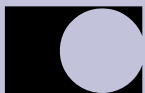
Definitions

- The policy definitions are broken into distinct groups for clarity—Policy definitions and Umbrella Coverage B definitions.
- Excess Follow Form Coverage A adopts definitions from scheduled underlying insurance, limiting gaps in protection
 - Umbrella Liability Coverage B definitions do not restrict the protection available under Excess Follow Form Coverage A
 - Several Umbrella Liability Coverage B definitions are broader in scope than standard general liability definitions, for example:
 - “Bodily injury” includes mental anguish, mental injury, shock and humiliation, if resulting from physical injury, sickness or disease
 - “Insured contract” includes both oral and written contracts and is extended to include damages because of personal injury and advertising injury
 - “Personal injury” includes discrimination, harassment and segregation (nonemployment-related)
 - “Advertising injury” includes infringement of copyright and registered trademarks in advertisements

Conditions

- Failure to maintain underlying insurance will not invalidate the umbrella policy (it will apply as though underlying insurance had been maintained)
- 60 days notice of cancellation and nonrenewal, except for nonpayment of premium
- Unearned premium is calculated pro-rata (not short-rate)
- Broadened notice and knowledge of occurrence or offense
- Waivers of subrogation recognized, if executed before loss

If you're looking for an insurance company that truly understands the complexity of umbrella insurance, then look to Chubb for solutions to your umbrella insurance needs. For more information, contact your local agent, broker or your Chubb underwriter.



Chubb Group of Insurance Companies
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Chubb refers to the member insurers of the Chubb Group of Insurance Companies: Federal Insurance Company, Pacific Indemnity Company, Great Northern Insurance Company, Vigilant Insurance Company, Northwestern Pacific Indemnity Company, Texas Pacific Indemnity Company, Chubb Custom Insurance Company, Chubb Indemnity Insurance Company, Chubb Insurance Company of New Jersey, Executive Risk Indemnity Inc., Executive Risk Specialty Insurance Company. Not all insurers do business in all jurisdictions.

This literature is descriptive only. Actual coverage is subject to the language of the policies as issued.

Form 07-01-0068 (Rev. 6/02)