

BRMA 16 A  
EXTRA CONTRACTUAL OBLIGATIONS

This Contract shall protect the Company within the limits hereof, where the ultimate net loss includes any Extra Contractual Obligations. The term "Extra Contractual Obligations" is defined as those liabilities not covered under any other provision of this Contract and which arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud, or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

The date on which any Extra Contractual Obligation is incurred by the Company shall be deemed, in all circumstances, to be the date of the original disaster and/or casualty.

However, this Article shall not apply where the loss has been incurred due to fraud by a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

*Note: For use in Excess of Loss Contracts where % of coverage provided for ECO is specified in Ultimate Net Loss Article.*

BRMA 16 B  
EXTRA CONTRACTUAL OBLIGATIONS

This Contract shall protect the Company for any Extra Contractual Obligations within the limits hereof. The term "Extra Contractual Obligations" is defined as those liabilities not covered under any other provision of this Contract and which arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud, or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.

The date on which any Extra Contractual Obligation is incurred by the Company shall be deemed, in all circumstances, to be the date of the original disaster and/or casualty.

However, this Article shall not apply where the loss has been incurred due to fraud by a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.

*Note: For use in Pro Rata Contracts where % of coverage and limit provided for ECO is specified in a separate Article.*

BRMA16 C  
EXTRA CONTRACTUAL OBLIGATIONS

- A. "Extra Contractual Obligations" are defined as those liabilities not covered under any other provision of this Contract and which arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.
- B. The date on which an Extra Contractual Obligation is incurred by the Company shall be deemed, in all circumstances, to be the date of the original accident, casualty, disaster or loss occurrence.
- C. However, coverage hereunder as respects Extra Contractual Obligations shall not apply where the loss has been incurred due to the fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.
- D. Recoveries, collectibles or retention from any other form of insurance or reinsurance including deductibles or self-insured retention which protect the Company against Extra Contractual Obligations shall inure to the benefit of the Reinsurer and shall be deducted from the total amount of Extra Contractual Obligations for purposes of determining the loss hereunder.

*Note: For use in Contracts where the % of coverage provided for ECO is specified elsewhere in the Contract. Various recoveries, which protect the Company against ECO, shall inure to the benefit of the Reinsurer.*

June 2001

BRMA 16 D  
EXTRA CONTRACTUAL OBLIGATIONS

- A. "Extra Contractual Obligations" are defined as those liabilities not covered under any other provision of this Contract and which arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.
- B. The date on which an Extra Contractual Obligation is incurred by the Company shall be deemed, in all circumstances, to be the date of the original accident, casualty, disaster or loss occurrence.
- C. However, coverage hereunder as respects Extra Contractual Obligations shall not apply where the loss has been incurred due to the fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.
- D. Recoveries from any other form of insurance or reinsurance, which protects the Company against claims the subject matter of this Article, shall inure to the benefit of the Reinsurer.

*Note: For use in Contracts where the % of coverage provided for ECO is specified elsewhere in the Contract. Insurance or reinsurance recoveries, which protect the Company against ECO, shall be deducted when determining the total ECO loss under the Contract.*

June 2001

BRMA 15/16E

EXTRA CONTRACTUAL OBLIGATIONS AND EXCESS LIMITS LIABILITY

- A. This Contract will cover \_\_\_\_\_% of the Company's share of any losses arising from Extra Contractual Obligations and/or Excess Limits Liability incurred by its reinsured. Such losses are considered to be contractually assumed for purposes of this Contract.
- B. This Contract will extend to cover \_\_\_\_\_% of any Extra Contractual Obligations and/or Excess Limits Liability the Company pays or is held liable to pay to its reinsured arising out of, but not limited to, the following:
1. Failure of the Company to agree to pay a claim within the contractual limits or to provide a defense against such claims;
  2. Actual or alleged bad faith, fraud or negligence in investigating or handling a claim or in rejecting an offer of settlement;
  3. Negligence or breach of duty in the preparation of the defense or conduct of a trial or the preparation or prosecution of any appeal and/or subrogation and/or any subsequent action resulting there from.
- C. "Extra Contractual Obligations" as used in this Contract will mean those liabilities not covered under any other provision of this Contract for which the Company is liable to its reinsured or a third party claimant, or that the Company pays or is held liable to pay as its share of a claims-related Extra Contractual Obligation awarded against one or more of its co-reinsurers.
- D. "Excess Limits Liability" as used in this Contract will mean any amount for which the Company would have been contractually liable to pay had it not been for the limit of the Contract.

*Note: For use in Contracts where % of coverage for ECO and XPL is specified in this Article.*

*Accepted for inclusion September, 2006*

BRMA 15/16F

EXTRA CONTRACTUAL OBLIGATIONS/LOSS IN EXCESS OF POLICY LIMITS

- A. This Contract shall cover Extra Contractual Obligations, as provided in the Retention and Limit Article. "Extra Contractual Obligations" shall be defined as those liabilities not covered under any other provision of this Contract and that arise from the handling of any claim on business covered hereunder, such liabilities arising because of, but not limited to, the following: failure by the Company to settle within the policy limit, or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.
- B. This Contract shall cover Loss in Excess of Policy Limits, as provided in the Retention and Limit Article. "Loss in Excess of Policy Limits" shall be defined as loss in excess of the policy limit, having been incurred because of, but not limited to, failure by the Company to settle within the policy limit or by reason of alleged or actual negligence, fraud or bad faith in rejecting an offer of settlement or in the preparation of the defense or in the trial of any action against its insured or reinsured or in the preparation or prosecution of an appeal consequent upon such action.
- C. An Extra Contractual Obligation and/or Loss in Excess of Policy Limits shall be deemed to have occurred on the same date as the loss covered under the Company's policy, and shall constitute part of the original loss.
- D. For the purposes of the Loss in Excess of Policy Limits coverage hereunder, the word "loss" shall mean any amounts for which the Company would have been contractually liable to pay had it not been for the limit of the original policy.
- E. Loss adjustment expense in respect of Extra Contractual Obligations and/or Loss in Excess of Policy Limits shall be covered hereunder in the same manner as other loss adjustment expense.
- F. However, this Article shall not apply where the loss has been incurred due to final legal adjudication of fraud of a member of the Board of Directors or a corporate officer of the Company acting individually or collectively or in collusion with any individual or corporation or any other organization or party involved in the presentation, defense or settlement of any claim covered hereunder.
- G. In no event shall coverage be provided to the extent not permitted under law.

*Note: For use in Contracts where % of coverage for ECO and XPL is not specified in this Article, but may be specified elsewhere in the Contract.*

*Accepted for inclusion September, 2006*