



**MONTPELIER UNDERWRITING INC.**  
Underwriting on Behalf of Montpelier Syndicate 5151

**CERTIFICATE**

Per Cedant's Uniform Certificate Wording as on file with both Broker and Montpelier Underwriting, Inc

**Montpelier Underwriting, Inc.**  
**One Constitution Plaza**  
**5th Floor**  
**Hartford, CT 06103**

<b>Certificate Number</b>	<b>72947</b>
<b>Broker Contact</b>	Scott Bishop
<b>Broker Company</b>	BMS Intermediaries 2877 West Lydius St Schenectady, NY 12303-4807
<b>Cedant Company</b>	Fulmont Mutual Insurance Company
<b>Issuing Company</b>	Fulmont Mutual Insurance Company 2240 State Highway 29 Johnstown, NEW YORK 12095-0487
<b>Named Insured</b>	Fulmont Mutual
<b>Reinsurance Period</b>	1/1/13 to 1/1/14
<b>Policy Number</b>	B3CFHT016
<b>Currency</b>	USD
<b>TIV</b>	6,486,000

**Layer Information (per layer)**

Layer 1

<b>Perils</b>	All Risk Excluding Flood and Earthquake
<b>Coverage</b>	As per Original Policy(ies)
<b>Layer Limit</b>	500,000
<b>Attachment Point</b>	750,000
<b>Location Reinsured</b>	TBA TBA, Key Location provided in addition to the schedule of values on file.
<b>Reinsurance Provided</b>	500,000 per location part of 500,000 excess of 750,000 per location
<b>Layer Premium</b>	4,000
<b>MUI Premium</b>	4,000
<b>Brokerage</b>	10.0%
<b>Ceding Commission %</b>	NIL

**Conditions**

- Unless the policy reinsured contains an agreed Radioactive Contamination Exclusion Clause, NMA 1191 shall apply
- Unless the policy reinsured contains an agreed Electronic Data Exclusion, NMA 2915 shall apply
- The policy level Terrorism Exclusion shall apply
- Unless the policy reinsured contains an agreed North American War Exclusion Clause, NMA 1230 shall apply
- Unless the policy reinsured contains an agreed Fungi and Bacteria Exclusion, NMA 2954 shall apply
- Unless the policy reinsured contains an agreed Fungi Coverage Limitation, NMA 2956 shall apply

**Additional Conditions**

**Authorized Signature**

*Paul Keefe*

**Date**

*1-23-2013*

## GENERAL CONDITIONS

The liability of the Reinsurer(s) named in this certificate shall follow that of the Company and, except as otherwise specifically provided in this certificate, shall be subject to the terms and conditions of the policy(ies) reinsured.

1. The Company warrants to retain for its own account, as a minimum, the amount specified in the Declarations on the face of this Certificate which amount may be subject to Treaty Reinsurance, unless otherwise declared to the Reinsurer(s). As respects Pro-Rata Reinsurance, in the event of the Company's retention being less than such amount, the Reinsurer's liability shall be proportionately reduced.

2. Except as provided by the insolvency clause and any amendments thereto referred to in General Condition 12, the obligations under this Certificate shall run to the Company and the Reinsurer(s) shall have no obligation to the original insured or anyone claiming under the policy(ies) reinsured.

3. The Company shall, unless otherwise advised, furnish the Reinsurer(s) with a copy of its policy(ies) and all endorsements thereto which in any manner affect this Reinsurance, and shall make available for inspection and place at the disposal of the Reinsurer(s) at reasonable times any of its records relating to this Reinsurance or claims in connection therewith.

4. The Reinsurance hereunder is subject to the standard Nuclear Incident Exclusion Clause(s) (NMA-1119) and standard War Exclusion Clause(s) for the coverage provided. Further, unless the policy reinsured contains an agreed mold exclusion, NMA 2956 shall apply. There shall also include a seepage exclusion that will be no less wide than the following: as promulgated by the Insurance Services Office or similar to the extent that: 1) Debris Removal losses must result from an injured peril, be from an insured premises affective insured property, and be reported within a limited time (i.e. 12 months from the date of loss); 2) insured premises does not include land, sub-surface strata, air, ground water, surface water or drinking water; 3) losses incurred by order of government, court or public authority must be excluded.

5. The Company shall notify the Reinsurer(s) promptly (in any event, no later than 45 days) of any change in the policy(ies) reinsured hereunder, which affects this Certificate.

6. Prompt notice shall be given by the Company to the Reinsurer(s) of any occurrence or accident which, without regard to liability, appears likely to involve this reinsurance and, while the Reinsurer(s) does not undertake to investigate or defend claims or suits, the Reinsurer(s), directly, or through its representatives and/or counsel, shall nevertheless have the right and be given the opportunity to associate with the Company and its representatives at the Reinsurer's expense in the defense of one claim, suit or proceeding which may involve this reinsurance with the full cooperation of the Company.

7. All claims covered by this reinsurance when settled by the Company shall be binding on the Reinsurer(s), who shall be bound to pay its proportion of such settlements. In addition thereto, the Reinsurer(s) shall be bound to pay (A) its proportion of expenses, other than Company salaries and office expenses, incurred by the Company in the investigation and settlement of claims or suits, and (B) its proportion of court costs, interest on any judgment or award and litigation expenses as follows: (a) with respect to reinsurance provided on an Excess of Loss basis, in the ratio that the Reinsurer's loss payment bears to the Company's gross loss payment; and (b) with respect to reinsurance provided on a Pro Rata basis, in the ratio that the Reinsurer's limit of liability bears to the Company's gross limit of liability.

8. Payment of the Reinsurer's proportion of loss and expense incurred by the Company will be made to the Company promptly upon receipt of proof of loss and approval by the Reinsurer(s) of satisfactory proof of payment.

9. The Reinsurer(s) will be paid or credited by the Company with its proportion of salvages, i.e., reimbursement obtained or recovery made by the Company, less the actual cost (excluding Company salaries and office expenses) of obtaining such reimbursement or making such recovery. If the reinsurance afforded by this Certificate is on an Excess of Loss basis, salvage shall be applied in the inverse order in which liability for loss attaches.

10. The Company will be liable for all taxes on premiums ceded to the Reinsurer(s) under this Certificate. Payment of premiums ceded to the Reinsurer shall be due within 45 days of inception.

11. (A) If a Reinsurance Association or Reinsurance Syndicate participate through an Underwriting Manager in coverage under this certificate, it is understood and agreed that the Underwriting Manager is not a reinsurer hereunder and neither is, nor shall be, in any way or to any extent liable for any loss or claim whatsoever. (B) The liability of the Member Companies of any Reinsurance Association or Reinsurance Syndicate participating in coverage under this certificate shall be several and not joint for the proportions set opposite their respective names in the MEMBER'S LIST on file with the Company and/or Intermediary.

12. In the event of the insolvency of the Company: (A) This reinsurance shall be payable directly to the Company, or to its liquidator, receiver, conservator or statutory successor on the basis of the liability of the Company without diminution because of the insolvency of the Company or because the liquidator, receiver, conservator or statutory successor of the Company has failed to pay all or a portion of any claim. The reinsurance shall be payable by the Reinsurers to the Company or to its liquidator, receiver, conservator or statutory successor, except as provided by Section 4118(a)(1)(A) of the New York Insurance Law, provided the conditions of 1114(c) of such law have been met, if New York applies) or except (1) where this Agreement specifically provides another payee of such reinsurance in the event of the insolvency

of the Company, and (2) where the Reinsurer(s) with the consent of the direct insured or insureds have assumed such policy obligations of the Company as direct obligations of the Reinsurer(s) to the payees under such policies and in substitution for the obligations of the Company to such payees. Then, and in that event only, the Company, with the prior approval of the certificate of assumption on New York risks by the Superintendent of Insurance of the State of New York, or with the prior approval of such other regulatory authority as may be applicable, is entirely released from its obligation and the Reinsurer shall pay any loss directly to payees under such Policy(ies). (B) In the absence of applicable law, either party may offset mutual debts and credits arising from this certificate.

13. As a condition precedent to any right of action hereunder, if any dispute shall arise between the Company and the Reinsurer(s) with reference to the interpretation of this Certificate or their rights with respect to any transaction involved, whether such dispute arises before or after termination of this certificate, such dispute, upon the written request of either party, shall be submitted to three arbitrators, one to be chosen by each party, and the third by the two so chosen. If either party refuses or neglects to appoint an arbitrator within thirty days after the receipt of written notice from the other party requesting it to do so, the requesting party may appoint two arbitrators. If the two arbitrators fail to agree in the selection of a third arbitrator within thirty days of their appointment, each of them shall name two, of whom the other shall decline one and the decision shall be made by drawing lots. All arbitrators shall be active or retired disinterested officers of insurance or reinsurance companies not under the control of either party to this Certificate.

The arbitrators shall interpret this Certificate as an honorable engagement and not as merely a legal obligation. They are relieved of all judicial formalities and may abstain from following the strict rules of law. They shall make their award with a view to effecting the general purpose of this Certificate in a reasonable manner rather than in accordance with a literal interpretation of the language. Each party shall submit its case to its arbitrator within thirty days of the appointment of the third arbitrator.

The decision in writing of any two arbitrators, when filed with the parties hereto, shall be final, and binding on both parties. Judgment may be entered upon the final decision of the arbitrators in any court having jurisdiction. Each party shall bear the expense of its own arbitrator and shall jointly and equally bear with the other party the expense of the third arbitrator and of the arbitration. Said arbitration shall take place in the city in which the Company's Head Office is located unless some other place is mutually agreed upon by the Company and the Reinsurer(s).

14. (A) This reinsurance may be cancelled at any time on a pro rata basis by either the Company or the Reinsurer(s) giving written notice to the other party, by mailing such notice to the Intermediary at the address appearing on the face of this certificate. The effective date of the cancellation shall be determined by the number of days allowed in the policy plus 30 additional days not to exceed 120 days in all. Cancellation of the policy(ies) reinsured hereunder shall constitute an automatic cancellation of this reinsurance as of the same date and on the same premium basis as that of the policy(ies) reinsured. However, if the policy(ies) is (are) cancelled and simultaneously rewritten, the Company, if it so desires, may resubmit the risk for acceptance by the Reinsurer(s) on the new basis and for the new term. The Company shall be entitled to return premiums payable on the cancelled Certificate less the amount of the ceding commission thereon, if any.

(B) In the event of non-payment of premium 90 days after inception, this Certificate may be cancelled by the Reinsurer(s) by giving not less than 15 days prior written notice stating when the reinsurance afforded under this Certificate shall terminate. Proof of mailing shall be deemed proof of notice.

15. The Intermediary named herein is hereby recognized as the intermediary negotiating this Reinsurance for all business hereunder. All communications (including but not limited to notices, statements, premiums, return premiums, commissions, taxes, losses, loss adjustment expense, salvages, and loss settlement(s) relating thereto shall be transmitted to the Company or the Reinsurer(s) through the Intermediary. Payments by the Company to the Intermediary shall be deemed to constitute payment to the Reinsurer(s). Payments by the Reinsurer(s) to the Intermediary shall be deemed to constitute payment to the Company only to the extent that such payments are actually received by the Company.

16. Service of Process (Applicable Only To Any Reinsurer Not Authorized In New York State): The Reinsurer(s) appoints the law firm of Mendes and Mount, 750 Seventh Avenue, New York, New York 10019-6829 as its attorney for service of process in the State of New York, upon whom all lawful process may be served in any action, suit or proceeding by or on behalf of the Company, arising out of the reinsurance hereunder. The applicable state law to be determined by the court of competent jurisdiction.

17. The terms of this Certificate shall not be waived or changed except by endorsement issued to form a part hereof, executed by a duly authorized representative of the Reinsurer(s)



John J. Dalton, President



**RADIOACTIVE CONTAMINATION EXCLUSION CLAUSE -  
PHYSICAL DAMAGE - DIRECT**

This policy does not cover any loss or damage arising directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination however such nuclear reaction nuclear radiation or radioactive contamination may have been caused \* NEVERTHELESS if Fire is an insured peril and a Fire arises directly or indirectly from nuclear reaction nuclear radiation or radioactive contamination any loss or damage arising directly from that Fire shall (subject to the provisions of this policy) be covered EXCLUDING however all loss or damage caused by nuclear reaction nuclear radiation or radioactive contamination arising directly or indirectly from that Fire.

\* NOTE. - If Fire is not an insured peril under this policy the words "NEVERTHELESS" to the end of the clause do not apply and should be disregarded.

NMA1191

07/05/1959

## **ELECTRONIC DATA ENDORSEMENT B**

### **1. Electronic Data Exclusion**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

- a) This Policy does not insure loss, damage, destruction, distortion, erasure, corruption or alteration of ELECTRONIC DATA from any cause whatsoever (including but not limited to COMPUTER VIRUS) or loss of use, reduction in functionality, cost, expense of whatsoever nature resulting therefrom, regardless of any other cause or event contributing concurrently or in any other sequence to the loss.

ELECTRONIC DATA means facts, concepts and information converted to a form useable for communications, interpretation or processing by electronic and electromechanical data processing or electronically controlled equipment and includes programmes, software and other coded instructions for the processing and manipulation of data or the direction and manipulation of such equipment.

COMPUTER VIRUS means a set of corrupting, harmful or otherwise unauthorised instructions or code including a set of maliciously introduced unauthorised instructions or code, programmatic or otherwise, that propagate themselves through a computer system or network of whatsoever nature. COMPUTER VIRUS includes but is not limited to 'Trojan Horses', 'worms' and 'time or logic bombs'.

- b) However, in the event that a peril listed below results from any of the matters described in paragraph a) above, this Policy, subject to all its terms, conditions and exclusions, will cover physical damage occurring during the Policy period to property insured by this Policy directly caused by such listed peril.

Listed Perils

Fire  
Explosion

### **2. Electronic Data Processing Media Valuation**

Notwithstanding any provision to the contrary within the Policy or any endorsement thereto, it is understood and agreed as follows:-

Should electronic data processing media insured by this Policy suffer physical loss or damage insured by this Policy, then the basis of valuation shall be the cost of the blank media plus the costs of copying the ELECTRONIC DATA from back-up or from originals of a previous generation. These costs will not include research and engineering nor any costs of recreating, gathering or assembling such ELECTRONIC DATA. If the media is not repaired, replaced or restored the basis of valuation shall be the cost of the blank media. However this Policy does not insure any amount pertaining to the value of such ELECTRONIC DATA to the Assured or any other party, even if such ELECTRONIC DATA cannot be recreated, gathered or assembled.

NMA 2915

25/01/2001

#### **NORTH AMERICAN WAR EXCLUSION CLAUSE (REINSURANCE)**

As regards interests which at time of loss or damage are on shore, no liability shall attach hereto in respect of any loss or damage which is occasioned by war, invasion, hostilities, acts of foreign enemies, civil war, rebellion, insurrection, military or usurped power, or martial law or confiscation by order of any government or public authority.

This War Exclusion Clause shall not, however, apply to interests which at time of loss or damage are within the territorial limits of the United States of America (comprising the fifty States of the Union and the District of Columbia and including Bridges between the U.S.A. and Mexico provided they are under United States ownership), Canada, St. Pierre and Miquelon, providing such interests are insured under policies, endorsements or binders containing a standard war or hostilities or warlike operations exclusion clause.

NMA1230

20/08/1959

### **Fungi and Bacteria Exclusion (property treaty reinsurance)**

This reinsurance agreement excludes absolutely any loss, damage, cost, expense or liability directly or indirectly caused by or contributed to by or arising from Fungi or bacteria. This exclusion will apply regardless of whether or not :

- 1) the presence of Fungi or bacteria is directly or indirectly caused by or contributed to by or results from a peril covered hereunder;
- 2) the Reinsured's original policy(ies) provide coverage;
- 3) the Reinsured's original obligations are contractual, extra-contractual, or otherwise

For the purposes of this reinsurance agreement Fungi shall be taken to include any type or form of fungus, mold or mildew and any mycotoxins, spores, scents or by products produced or released by fungi.

NMA2954

14/11/2002

**Fungi Coverage Limitation (property risk excess reinsurance)**

This reinsurance agreement excludes absolutely any loss, damage, cost, expense or liability arising from Fungi unless directly caused by or arising from one of the following listed perils:

Earthquake, Seaquake, Seismic and/or Volcanic Disturbance/Eruption, Hurricane, Rainstorm, Windstorm, Tornado, Cyclone, Typhoon, Tsunami, Flood, Hail, Freeze, Ice Storm, Weight of Snow or Ice, Avalanche, Meteor/Asteroid Impact, Landslip, Landslide, Mudslide, Bush Fire, Forest Fire, Lightning, Explosion, Fire, Aircraft and Vehicle Impact, Riots, Strikes and Civil Commotion.

Such losses arising from Fungi may only be included in the Reinsured's Ultimate Net Loss if they manifest themselves, and are reported to the Reinsured, within 12 months of the start of the event identified in relation to that Ultimate Net Loss.

If this reinsurance agreement includes cover for Extra Contractual Obligations or Excess of Policy Limit payments, then such losses which arise out of claims where Fungi are present or alleged to be present may be included in the Ultimate Net Loss but only up to a maximum of 25% of the Ultimate Net Loss.

For the purposes of this reinsurance agreement, Fungi shall be taken to include any type or form of fungus, mold or mildew and any mycotoxins, spores, scents or by products produced or released by fungi.

NMA2956

14/11/2002