

Employed Lawyers Protection PlusEmployed Lawyers Professional Liability Insurance
For Private and Not-For-Profit Companies**THIS IS A CLAIMS MADE AND REPORTED POLICY WITH DEFENSE COSTS INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the premium paid and in reliance upon all statements made and information furnished to the **Underwriter**, including all statements made in the **Application**, the **Underwriter** agrees to provide coverage as shown in the Declarations and described as follows:

EMPLOYED LAWYERS PROFESSIONAL LIABILITY INSURANCE**I. INSURING AGREEMENTS****A. EMPLOYED LAWYERS PROFESSIONAL LIABILITY COVERAGE**

The **Underwriter** shall pay on behalf of the **Individual Insured**, **Loss** from **Claims** first made against any **Individual Insured** during the **Policy Period** (or, if applicable, during the Extended Reporting Period), and reported to the **Underwriter** pursuant to the terms of this Policy and excess to any valid and collectible directors and officers liability insurance (including any deductible or self insured retention), for **Wrongful Acts**, except to the extent the **Company** has indemnified such **Individual Insured** for such **Loss**.

B. COMPANY INDEMNITY COVERAGE

The **Underwriter** shall pay on behalf of the **Company**, **Loss** from **Claims** first made against any **Individual Insured** during the **Policy Period** (or, if applicable, during the Extended Reporting Period), and reported to the **Underwriter** pursuant to the terms of this Policy, and excess to any valid and collectible directors and officers liability insurance (including any deductible or self insured retention), and excess of the **Retention**, for **Wrongful Acts**, to the extent the **Company** has indemnified such **Individual Insured** for such **Loss**.

C. DEFENSE

The **Insured** and not the **Underwriter** shall have the responsibility to defend any **Claim**. However, the **Insured** shall have the right, as soon as practicable after a **Claim** is first made, to tender the defense of such **Claim** to the **Underwriter**. Upon written notice to the **Underwriter** of such election by the **Insured** and subject to all of the provisions of Clause VI, Section C. DEFENSE AND SETTLEMENT, the **Underwriter** shall undertake and manage the defense of such **Claim**.

II. DEFINITIONS

A. **Application** means:

1. the **Application** for this policy, including any material submitted therewith;
2. the **Application(s)**, including any material submitted therewith, for all previous policies issued by the **Underwriter** of which this policy is a direct or indirect renewal or replacement, and
3. any public documents filed by the **Company** prior to the inception date of this policy with the Securities and Exchange Commission ("SEC") (or any similar federal, state, local or foreign regulatory agency);

all of which shall be deemed a part of this Policy as if physically attached hereto.

B. **Claim** means: a written demand for monetary or non-monetary relief including a complaint or similar pleading; a judicial, administrative or regulatory licensing or disciplinary proceeding against an **In-House Counsel**; an arbitration or mediation or other alternative dispute resolution proceeding if the **Individual Insured** is obligated to participate in such proceeding or if the **Individual Insured** agrees to participate in such proceeding with the **Underwriter's** written consent, such consent not to be unreasonably withheld; a **Security Holder Derivative Suit**; or a written request received by an **Insured** to toll or waive a statute of limitations, relating to a potential **Claim** as described above.

A **Claim** shall be considered made when an **In-House Counsel** first receives written notice of the **Claim**.

C. **Company** means:

1. the **Named Corporation**, and
2. any **Subsidiary**, and
3. any entity or person acting as a debtor in possession within the meaning of the United States Bankruptcy Code or similar legal status under foreign law.

D. **Damages** means any monetary judgment (including any pre- and post- judgment interest thereon) or monetary settlement including the punitive, exemplary or multiple portion of any judgment (to the extent such damage is insurable under law of any jurisdiction which has a substantial relationship to the **Insured** or to the **Claim** seeking such damage and which is most favorable to the insurability of such damage).

E. **Defense Costs** means:

any reasonable and necessary legal fees and expenses incurred in the defense of a **Claim**, whether by the **Insured** with the **Underwriter's** consent or directly by the **Underwriter**, in the investigation, adjustment, defense and appeal of a **Claim**, except that **Defense Costs** shall not include:

1. any amounts incurred in defense of any **Claim** for which any other insurer has a duty to defend, regardless of whether or not such other insurer undertakes such duty; or
2. salaries, wages, overhead or benefit expenses associated with any **Insured**; or

3. salaries, wages, overhead or benefit expenses associated with **Employees** of the **Company**;

- F. **Domestic Partner** means any person who qualifies as a domestic partner under the provisions of any federal, state or local statute or regulation, or under the terms and provisions of any employee benefit or other program established by the **Named Corporation**.
- G. **Employee** means any natural person whose labor or service is engaged by and directed by the **Company**, including part-time, seasonal, leased and temporary employees as well as volunteers, but only while that natural person is acting in his or her capacity as such. **Employee** shall not include any independent contractors, unless specifically scheduled by endorsement or as permitted by the definition of **Individual Insured**, below.
- H. **In-House Counsel** means any attorney duly licensed to practice law in any of the United States of America or its territories, Canada, or any other foreign jurisdiction while employed in the capacity of an attorney by the **Company**. In foreign jurisdictions that so require, **In-House Counsel** shall also mean any attorney who must surrender their license to practice law in order to work for the **Company**. However, **In-House Counsel** shall not mean and this policy shall not cover any person employed by the **Company** solely to perform legal services for or on behalf of others.
- I. **Individual Insured** means any past, present or future:
- i. **In-House Counsel**;
 - ii. **Employee** of the **Company** who supports an **In-House Counsel** in the performance of **Legal Professional Services**;
 - iii. licensed attorney provided by an employment contractor or agency under a written agreement between the **Company** and the employment contractor or agency to perform **Legal Professional Services** for or on behalf of the **Company**; and
 - iv. licensed attorney, not employed elsewhere, contracted directly by the **Company**, but only when scheduled by endorsement to this policy.
- J. **Insured** means the **Company** and **Individual Insured**.
- K. **Interrelated Wrongful Act** means: any causally connected **Wrongful Act** or any series of the same, similar or related **Wrongful Acts**.

L. **Legal Professional Services** means any services rendered by:

1. an **In-House Counsel** but solely in his or her capacity as an **Employee** of the **Company**;
2. any **Individual Insured** but only while acting under the supervision of and at the direction of an **In-House Counsel**;
3. **Moonlighting**; and
4. **Pro Bono** services.

M. **Loss** means:

1. **Damages**; and
2. **Defense Costs**;

but **Loss** does not include:

1. criminal or civil fines or penalties imposed by law;
2. taxes;
3. matters deemed uninsurable under the law to which this policy shall be construed;
4. any amounts other than **Defense Costs**, which an **Individual Insured** is obligated to pay as a result of a **Claim** seeking relief or redress in any form other than monetary **Damages**;
5. any return of fees;
6. any amounts for which the **Individual Insured** is not obligated to pay or for which there is no legal recourse against the **Individual Insured**;
7. any post judgment interest incurred after the **Underwriter** has tendered payment for **Damages** to any **Insured** or to a court or
8. any **Defense Costs** incurred by, settlements by or on behalf of, contractual obligations of, or judgments against any entity whether arising out of a **Claim** made against a **Company**, based upon any legal obligation to pay any amount that a **Company** has or may have to a claimant, or derived from the acts or omissions of any **Individual Insured**.

N. **Moonlighting** means any **Legal Professional Services** performed by full-time **In-House Counsel** outside working hours and outside the scope of **In-House Counsel's** employment including work performed for or on behalf of officers, directors, **Employees** and others.

O. **Named Corporation** means the first entity named in Item 1. of the Declarations Page.

P. **Personal Injury** means:

1. wrongful entry or eviction or other invasion of the right of occupancy;
2. libel, slander or other defamatory or other form of disparagement;
3. false arrest, detention or imprisonment;
4. malicious prosecution; or

5. a publication or an utterance in violation of an individual's right of privacy.

Q. **Policy Period** means the period of time specified in Item 2. of the Declarations Page.

R. **Pro Bono** means **Legal Professional Services** performed by **In-House Counsel** on a voluntary basis or as mandated by the bar to which **In-House Counsel** is a member, with or without prior approval of the **Company**.

S. **Retention** means the amount indicated in Item 4. of the Declarations Page and further described by Part VI., Paragraph B. of this policy.

T. **Retroactive Date** means the date shown in Item 5 of the Declarations Page

U. **Run-Off Policy** means either a new policy of insurance offered by the **Underwriter** at the request of the **Named Corporation**, or the automatic conversion of the in-force policy in the event of a **Transaction**. The **Run-Off Policy** shall apply to **Claims** made and reported to the **Underwriter** during the term of the **Run-Off Policy**, but only for **Wrongful Acts** occurring prior to the effective date of said **Transaction**.

V. **Security Holder Derivative Suit** means any **Claim** brought on behalf of, or in the name or right of, the **Company** by one or more security holders of the **Company** in their capacity(ies) as such, but only if such **Claim** is brought and maintained without the assistance, participation or solicitation of any **Individual Insured**.

W. **Subsidiary** means:

1. a corporation or limited liability company of which the **Company** owns on or before the inception of the **Policy Period** more than 50% of the issued and outstanding voting stock either directly, or indirectly through one or more of its **Subsidiaries** or the right to elect, appoint or designate more than 50% of such entity's board of directors, trustees, or managers and which is set forth in the **Application**; or
2. any other entities so listed by endorsement to this policy;

X. **Transaction** shall mean:

1. the **Company** merging into or consolidating with another entity such that the **Company** is not the surviving entity; or
2. the gaining of ownership or voting control by other entity(ies) or person(s) of more than 50% of the outstanding securities representing the present right to vote for the election of directors of the **Company**; or
3. any lapse, other than exhaustion of limits, in the **Company's** directors and officers liability insurance coverage.

Y. **Underwriter** means the stock insurance company identified by a check mark on the Declarations Page of this Policy.

Z. **Wrongful Act** means any actual or alleged:

1. **Personal Injury**; or
2. negligent act, error, omission, breach of duty, misstatement or misleading statement;

allegedly committed or omitted on or after the **Retroactive Date** by an **Individual Insured** but solely in the performance of **Legal Professional Services**.

III. EXCLUSIONS

The **Underwriter** shall not be liable to make any payment for **Loss** in connection with any **Claim** made against an **Insured**:

A. arising out of, based upon or attributable to such **Insured** gaining any profit, remuneration or advantage to which they were not legally entitled; however, this exclusion shall only apply if an adverse admission, a guilty plea, a plea of nolo contendere, a finding of fact, or a final and non-appealable judgment or adjudication establishes the **Insured** committed such act or omission;

B. arising out of, based upon or attributable to any dishonest or fraudulent act or omission or any criminal act or omission by such **Insured**; however, this exclusion shall only apply if an adverse admission, a guilty plea, a plea of nolo contendere, a finding of fact, or a final and non-appealable judgment or adjudication establishes the **Insured** committed such act or omission;

No **Wrongful Act** of any **Insured** shall be imputed to any other **Individual Insured** for purpose of determining the applicability of exclusions A. and B. above;

C. arising out of, based upon or attributable to the discharge, dispersal, release or escape of any substance, form of energy or sound that has been determined to be hazardous by any federal, state, local or foreign government, agency, department, statute or regulation, smoke, vapors, fibers, soot, fumes, acids, fungi, mold, spores, viruses, bacteria, alkalis, toxic chemicals, liquids or gases, waste materials, or other thermal, chemical, radiological, sonic or biological irritants, contaminants or pollutants into or upon land, the atmosphere or any water course or body of water, or any cost or expense arising out of any governmental direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants;

D. arising out of, based upon or attributable to the radioactive, toxic, or explosive properties of nuclear material which includes, but is not limited to, source material, special nuclear material and byproduct material as those terms are defined in the Atomic Energy Act of 1954 and any amendments thereto and any similar provisions of any federal, state or local statute, regulation, or ordinance or under common law;

E. arising out of, based upon or attributable to:

1. any litigation or demand against an **Insured** pending on or before the Continuity date set forth in Item 6 of the Declarations Page, or the same or essentially the same facts as alleged in such prior litigation; or

2. any **Wrongful Act**, fact, circumstance or situation which has been the subject of any written notice given under any other policy of insurance prior to inception of this policy; or

3. any **Wrongful Act**, fact, circumstance or situation of which, prior to the Continuity date set forth in Item 6 of the Declarations Page, the **Insured** had knowledge and from which the **Insured** could reasonably expect a **Claim** to arise; or

4. any **Wrongful Act**, fact, circumstance or situation of which occurred prior to the Retroactive Date;

F. arising out of, based upon or attributable to the insolvency, conservatorship, receivership, bankruptcy or liquidation of any bank, banking firm, broker, dealer, investment company, investment banker, insurance company, or other entity of a similar nature; or the failure to pay

or suspension of payment by any such entity, however this exclusion shall not apply to **Defense Costs** incurred in defending such a **Claim**;

- G. to the extent such **Loss** constitutes **Defense Costs** in a **Claim** directly or indirectly by, on behalf of, or for the benefit of any insurance carrier or surety of the **Insured** or any affiliate of the **Insured**, regardless of in whose name such **Claim** is actually made;
- H. arising out of, based upon or attributable to any actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease or death of any person, or damage to or destruction of any tangible property including loss of use thereof;
- I. brought directly or indirectly, by or on behalf of any **Insured**; parent company, Company, partner, trustee, successor or assignee of any **Insured**, or any person or entity affiliated with the **Company**; receiver, conservator, trustee, creditor or assignee of creditors or for the benefit of creditors or similar representative in the event of the insolvency or bankruptcy of the **Company**; or security holder or member of the **Company**, whether directly or derivatively, unless such security holder or member **Claim** is commenced and continued totally independent of, and totally without the solicitation of, or assistance of, or active participation of, or intervention of an **Insured**, or any director or officer of the **Company**;
notwithstanding the above, this exclusion shall not apply to:
 - 1. **Claims** arising out of moonlighting, or
 - 2. **Defense Costs** incurred in the defense of any **Claim** brought by the **Company** or in defense of any **Security Holder Derivative Suit**;
- J. brought or maintained by any **Individual Insured**;
- K. arising out of or resulting from, directly or indirectly, any actual or alleged breach of duty, or **Wrongful Act** by an **Individual Insured** before such **Individual Insured** became an **Insured** or after the **Individual Insured** ceased to be an **Insured**;
- L. arising out of or resulting from, directly or indirectly, any actual or alleged breach of duty, neglect, error, misstatement, misleading statement or omission by an **Individual Insured** in any position or capacity other than when providing **Legal Professional Services**.
- M. arising out of, based upon or attributable to any actual or alleged misappropriation of ideas or trade secrets;
- N. arising out of, based upon or attributable to any failure to comply with any law concerning workers compensation, unemployment insurance, social security, disability benefits or any similar laws, however this exclusion shall not apply to **Claims** arising from the provision of **Legal Professional Services** by **In-House Counsel** to human resources representatives;
- O. for any actual or alleged violation of any of the responsibilities, obligations, or duties imposed by Employee Retirement Income Security Act (ERISA), the National Labor Relations Act brought by any director, officer or **Employee** of the **Company** alleging or arising out of the loss of or failure to receive or obtain the benefit of securities or options on securities.
- P. for any actual or alleged violation of any of the responsibilities, obligations, or duties imposed by Employee Retirement Income Security Act (ERISA), the National Labor Relations Act (including the labor management relations act of 1947), fair labor standards act, occupational safety and health act, consolidated omnibus budget reconciliation act of 1985, worker adjustment and retraining notification act; or any amendments to or rules, regulations or orders promulgated pursuant to these laws, or similar provisions of any federal, state or local statutory or common law, however this exclusion shall not apply to **Claims** arising from the provision of **Legal**

Professional Services by In-House Counsel to an ERISA fiduciary of a plan sponsored by the **Company**.

- Q. for any actual or alleged malfunction of any product or failure of any product to perform in any manner as a result of any defect, deficiency, inadequacy or dangerous condition in such product or in its design or manufacture and for warranties or representations at any time with regard to the fitness, quality, desirability, performance, use of any product; including the failure to provide warnings or instructions for products;
- R. arising out of, based upon or attributable to, directly or indirectly, **Claims** for unpaid wages or overtime pay for hours actually worked or labor actually performed by any **Employee** of the **Company**, for improper payroll deductions or any violation of any federal, state, local or foreign statutory law or common law that governs the same topic or subject and any rules, regulations and amendments thereto; provided, however, this exclusion shall not apply to **Defense Costs** in connection therewith;
- S. arising out of, based upon or attributable to any employment practices violations or any discrimination against any person or entity on any basis, including but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, sex, sexual orientation or pregnancy; provided, however, this exclusion shall not apply to the employment practices violations of others solely to the extent that such employment practices violation(s) is in reliance upon **Legal Professional Services** provided by an **Individual Insured**;
- T. arising out of or resulting from, directly or indirectly, any **Legal Professional Services** or any other services rendered as a title abstractor or collection agent;
- U. arising out of, based upon or attributable to medical malpractice including, but not limited to, the rendering of or failure to render medical professional services, treatment or advice;
- V. arising out of, based upon or attributable to any purchase, sale or offer of or solicitation of an offer to purchase or sell any security; or
- W. arising out of, based upon or attributable to any violation of the provisions of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, any regulation promulgated under the forgoing statutes or any federal, state, local or foreign laws (i) similar to the foregoing laws (including "Blue Sky" laws) or (ii) regulating the same or similar conduct whether such law is statutory, regulatory or common law.

IV. EXTENSIONS

- A. This policy shall cover **Loss** arising from a **Claim** made against the estates, heirs, or legal representatives of any deceased **Individual Insured**, and the legal representatives of any **Individual Insured** in the event of incompetency, insolvency or bankruptcy, who was an **Individual Insured** at the time the **Wrongful Acts** upon which such **Claim** is based were allegedly committed.
- B. This policy shall cover **Loss** arising from a **Claim** made against the lawful spouse or **Domestic Partner** of an **Individual Insured** for a **Claim** arising solely out of his or her status as the spouse or **Domestic Partner** of an **Individual Insured**, including a **Claim** that seeks **Damages** recoverable from marital community property, property jointly held by the **Individual Insured** and the spouse or **Domestic Partner**, or property transferred from the **Individual Insured** to the spouse or **Domestic Partner**.

Notwithstanding Extensions A. and B., above, The **Underwriter** shall not be liable under either extension for **Claims** arising out of, based upon or attributable to any actual or alleged **Wrongful Acts** by any such heir, legal representative, **Domestic Partner** or spouse.

V. PRESUMPTIVE INDEMNIFICATION

If the **Company** is permitted or required by common or statutory law, but fails to indemnify the **Individual Insured** for **Loss** (except by reason of its financial insolvency), any payment by the **Underwriter** of such **Loss** shall be subject to the Insuring Agreement B. **Retention** amount set forth in the Declarations. The charter, by-laws, shareholder and board of director's resolutions of the **Company** shall be deemed to provide indemnification for such **Loss** to the fullest extent permitted by law.

VI. POLICY CONDITIONS

A. LIMITS OF LIABILITY

Regardless of the number of **Insureds** involved or **Claims** made, the **Underwriter's** liability under the Policy is limited as follows:

1. With respect to coverage under this Policy, the **Underwriter's** maximum aggregate liability for all **Loss** on account of all **Claims** made during the **Policy Period**, whether covered under Insuring Agreement A, or B, shall be the Limit of Liability for each **Policy Period** as set forth in Item 2. of the Declarations.
2. **Defense Costs** are part of the Limit of Liability specified in the Declarations. Payment by the **Underwriter** of **Defense Costs** incurred on account of any **Claim** shall serve to reduce the Limit of Liability stated in the Declarations. The **Underwriter** is not obligated to pay any **Loss** after the applicable Limit of Liability has been exhausted.
3. The Limit of Liability for any Extension Period, if applicable, shall be a part of and not in addition to the respective Limit of Liability applicable to the **Policy Period**.

B. RETENTION CLAUSE

The **Underwriter** shall only be liable for that portion of **Loss** arising from each **Claim** which is in excess of the respective **Retention** stated in Item 4. of the Declarations Page. Such **Retention** shall be borne by the **Insured**, uninsured and at their own risk, provided no **Retention** shall **apply** to **Loss** incurred by **Individual Insureds** for which the **Company** is not permitted or required to indemnify the **Individual Insured** or is financially unable to do so. A single **Retention** shall apply to **Loss** arising from all **Claims** alleging **Interrelated Wrongful Acts**.

C. DEFENSE AND SETTLEMENT

1. If the **Insured** is defending a **Claim** pursuant to Insuring Agreement A. above, the **Underwriter** shall advance **Defense Costs** prior to the final disposition of a **Claim**. The **Insured** shall elect counsel of its choice subject to approval and prior written consent of the **Underwriter**, such approval shall not be unreasonably withheld. The **Underwriter** shall not be liable for **Loss** admitted by the **Insured** without the **Underwriter's** prior written consent, which shall not be unreasonably withheld. The **Underwriter** reserves the right, but not the duty, at any time to take over control of the defense of any **Claim** and, with the consent of the **Insured**, settle any **Claim** as the **Underwriter** deems expedient.
2. The **Underwriter** is not obligated to pay any **Loss** after the Limit of Liability has been exhausted.
3. In the event that a **Claim** is made against any **Insured**, the **Insured** shall take reasonable measures to protect their interests.

4. If more than one **Insured** is involved in a **Claim**, the **Underwriter** may, upon request of an **Insured**, appoint separate counsel for one or more of such **Insureds** if there is a material (actual or potential) conflict of interest among any such **Insureds**.
5. The **Insured** agrees to provide the **Underwriter** with all information, assistance and cooperation which the **Underwriter** reasonably requests and agrees that in the event of a **Claim** the **Insured** will do nothing that may prejudice the **Underwriter's** position or its potential rights of recovery.
6. If with respect to any **Claim** the **Insured** refuses to consent to the first settlement acceptable to the Claimant which the **Underwriter** recommends to the **Insured** in writing, and elects to further contest the **Claim**, then the **Underwriter's** liability for such **Claim** shall not exceed the amount for which the **Claim** could have been settled, including **Defense Costs** incurred, up to the date of such refusal, plus 50% of covered **Loss** in excess of such first settlement amount, it being a condition of this insurance that the remaining 50% of such **Loss** excess of the first settlement amount shall be borne by the **Insured** at their own risk and be uninsured. Notwithstanding the foregoing, this paragraph shall not apply until the settlement amount exceeds the Retention amount stated in Item 4. of the Declarations Page.

In addition, if the **Underwriter** recommends a first settlement of a **Claim** within the Policy's applicable Limit of Liability that is acceptable to the Claimant, and the **Insured** consents to such settlement, then the **Insured's** applicable Retention for such **Claim** shall be retroactively reduced by ten percent (10%). It shall be a condition to such reduction that the **Insured** must consent to the first settlement amount within thirty (30) days after the date the **Underwriter** recommends to the **Insured** such first settlement amount, or in the case of a first settlement amount which arises from a first settlement offer by the Claimant, then within the time permitted by the Claimant to accept such first settlement offer, but in all events no later than thirty (30) days after the **Underwriter** recommends to the **Insured** such first settlement offer. If the **Insured** does not consent to the first settlement within the time prescribed above, the applicable Retention amount shall remain the respective amount set forth in Item 4. of the Declarations Page, even if consent is given to a subsequent settlement.

D. NOTICE/CLAIM REPORTING PROVISIONS

Notice hereunder shall be given in writing to the **Underwriter** at the following address:

Philadelphia Insurance Companies
One Bala Plaza, Suite 100
Bala Cynwyd, Pennsylvania 19004
Attention: Vice President, Specialty Lines Claims Department

The date of mailing shall constitute the date that such notice was given and proof of mailing shall be sufficient proof of notice. Any notice to the **Underwriter** shall specify the Part(s) of this Policy under which the notice is being given and shall be treated as notice only under such specified Part(s).

1. In the event that a **Claim** is made against the **Insured**, the **Insured** shall, as a condition precedent to the obligations of the **Underwriter** under this Policy, give written notice to the **Underwriter** as soon as practicable after the office of the General Counsel first becomes aware of such **Claim**, but, not later than 60 days after the expiration date of this Policy, or not later than the expiration date of any Extension Period, or **Run-Off Policy**, if applicable.
2. If during this **Policy Period** an **Insured** first becomes aware of any circumstances which may subsequently give rise to a **Claim** being made against any **Insured** for a specific alleged **Wrongful Act**, and as soon as practicable thereafter, but before the expiration or cancellation of this Policy, gives written notice to the **Underwriter** of the circumstances and the reasons for anticipating such a **Claim**, with full particulars as to the **Wrongful Act**, dates and persons involved, then any **Claim** which is subsequently made against the **Insured** arising out of such **Wrongful Act** will be considered made during this **Policy Period**.

3. All **Loss** arising out of the same **Wrongful Act** and all **Interrelated Wrongful Acts** shall be deemed one **Loss** on account of one **Claim**. Such **Claim** shall be deemed to be first made when the earliest of such **Claims** was first made or first deemed made pursuant to this section D.

E. CANCELLATION AND NON-RENEWAL

1. The **Underwriter** may not cancel this Policy except for failure to pay the premium when due, in which case the **Underwriter** shall mail written notice of cancellation to the **Company** at least ten (10) days prior to the effective date of cancellation.
2. The **Company** may cancel this Policy for itself and all other **Insureds** by surrender of this Policy to the **Underwriter** or any of its authorized agents or by mailing to the **Underwriter** written notice stating when thereafter the cancellation shall be effective. If the **Company** cancels, earned premium shall be computed in accordance with the customary short rate table procedure.
3. The **Underwriter** shall not be required to renew this Policy; however, written notice of the **Underwriter's** intent to non-renew this Policy shall be mailed to the **Company** at least sixty (60) days prior to the expiration of the **Policy Period**.

F. REPRESENTATIONS AND SEVERABILITY

1. The **Insured** represents that the particulars and statements contained in the **Application** are true and agree that (1) those particulars and statements are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; (2) those particulars and statements are material to the acceptance of the risk assumed by the **Underwriter** under this Policy; and (3) this Policy is issued in reliance upon the truth of such representations.
2. Except for material facts or circumstances known to the **Individual Insured** signing the **Application**, no statement in the **Application** or knowledge or information possessed by any **Insured** shall be imputed to any other **Individual Insured** for the purpose of determining the availability of coverage.

G. SUBROGATION

In the event of any payment under this Policy, the **Underwriter** shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery. The **Insured** shall execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and shall do nothing to prejudice or compromise such rights without the **Underwriter's** express written consent.

H. EXTENSION PERIOD

1. If the **Underwriter** refuses to renew this Policy the following will apply:

For no additional premium, the **Underwriter** will provide a 60 day extension of the coverage granted under this Policy for any **Claim** first made against the **Insured** during the 60 days after the non-renewal date, but only with respect to any **Wrongful Act** committed before such non-renewal date and otherwise covered by this Policy (the "Automatic Extension"). This Automatic Extension shall not apply if the **Insured** has purchased similar insurance from the **Underwriter** or any other insurer covering such **Claim**.

Upon expiration of the Automatic Extension, the **Company** shall have the right, upon payment of an additional 100% of this Policy's annual premium to an extension of the coverage granted by this Policy for any **Claim** first made against the **Insured** during the twelve (12) months after the expiration of the Automatic Extension, but only with respect to **Wrongful Acts** committed before the non-renewal date and otherwise covered by this Policy (the "Extension Period"); provided however, that the request for this Extension Period must be made to the **Underwriter**

in writing and be accompanied by payment of the additional premium prior to the expiration of the Automatic Extension. In the event similar insurance is in force covering any **Claims** first made during this Extension Period, coverage provided by this Policy shall be excess over any such other insurance.

2. If the **Company** cancels or does not renew this Policy or the **Underwriter** cancels for nonpayment of premium the following will apply:

The **Company** shall have the right, upon payment of an additional 100% annual premium, to an extension of the coverage granted under this Policy for any **Claim** first made against the **Insured** during the twelve (12) months after the date of such cancellation or non-renewal, but only with respect to any **Wrongful Acts** committed before the date of such cancellation or non-renewal and otherwise covered by this Policy (the "Extension Period"); provided however, that the request for this Extension Period must be made to the **Underwriter** in writing and be accompanied by payment of the additional premium within the 60 days following the date of such cancellation or non-renewal. In the event similar insurance is in force covering any **Claims** first made during this Extension Period, coverage provided by this Policy shall be excess over any such other insurance.

If the **Underwriter** cancels for the non-payment of premium, the **Company** may purchase the Extension Period only after any earned premium due to the **Underwriter** along with the additional premium due for the extension is paid within 10 days after the date of cancellation or Policy expiration, whichever comes first.

3. All premium paid with respect to an Extension Period shall be deemed fully earned as of the first day of the Extension Period. For the purpose of this Section, any change in premium or terms on renewal shall not constitute a refusal to renew.

I. CHANGES

Except by written endorsement issued to the **Insured** forming a part of this Policy, nothing shall effect a change in or an addition to the provisions of this Policy. Furthermore, under no circumstances shall the **Underwriter** be deemed to have waived or be estopped from asserting any right under this Policy, at law, or in equity respecting any **Claim** except as stated in writing by the **Underwriter's** authorized Claims Department representative.

J. ASSIGNMENT

Assignment of interest in this Policy shall not bind the **Underwriter** until the **Underwriter's** consent is endorsed hereon.

K. AUTHORIZATION CLAUSE AND NOTICES

By acceptance of this Policy, the **Insured** agrees that the **Named Corporation** shall act on behalf of any **Insured** with respect to the giving and receiving of any return premiums and notices that may become due under this Policy. Notice to the **Named Corporation** shall be directed to the individual named in the **Application**, or such other person as shall be designated by the **Company** in writing. Such notice shall be deemed to be notice to any **Insured**. The **Named Corporation** shall be the agent of any **Insured** to effect changes in this Policy.

L. OTHER INSURANCE

If the **Insured** has any other insurance for **Claims** covered hereunder, the insurance provided by this Policy shall be excess over such other insurance, regardless of whether such other insurance is collectible or designated as primary or excess.

M. ACCEPTANCE

This Policy embodies all agreements existing between the parties hereunder or any of their agents relating to this insurance.

N. ACTION AGAINST THE UNDERWRITER; ARBITRATION

1. No person or entity shall have any right under this Policy to join the **Underwriter** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Underwriter** be impleaded by the **Insured** or their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Underwriter** of its obligations hereunder.
2. Any dispute relating to this Policy or the alleged breach, termination or invalidity thereof, which cannot be resolved through negotiations between any **Insured** and the **Underwriter**, shall be submitted to binding arbitration. The rules of the American Arbitration Association shall apply except with respect to the selection of the arbitration panel. The panel shall consist of one arbitrator selected by such **Insured**, one arbitrator selected by the **Underwriter** and a third independent arbitrator selected by the first two arbitrators.

O. CHANGE IN OWNERSHIP OR CONTROL

If after the inception of the **Policy Period** a **Transaction** occurs then coverage under this Policy shall remain in force, but only for **Claims** made during the **Policy Period** for **Wrongful Acts** committed prior to the effective date of the **Transaction** and the premium shall be fully earned.

The **Insured** shall have the right, within 45 days after the **Transaction** (or such date the **Underwriter** may agree by endorsement), to request an offer from the **Underwriter** for a **Run-off Policy** for a term to be determined by the **Underwriter**. If elected, such **Run-off Policy** shall be conditioned upon payment during the **Policy Period** by the **Insured** of any additional premium, which shall be fully earned at inception, and shall be subject to any additional terms and conditions required by the **Underwriter**.

P. TERRITORY AND VALUATION

This Policy shall extend to any **Wrongful Act** committed anywhere in the world.

All premiums, limits, retentions, **Loss** and other amounts under this Policy are expressed and payable in the currency of the United States of America. If judgment is rendered, settlement is denominated or another element of **Loss** under this Policy is stated in a currency other than United States dollars, payment under this Policy shall be made in United States dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon or the other element of **Loss** is due, respectively.

Q. TWO OR MORE POLICIES OR COVERAGE PARTS ISSUED BY THE UNDERWRITER.

It is the **Underwriter's** stated intention that the various policies or coverage parts issued to the **Company** by the **Underwriter**, or any affiliated company, do not provide any duplication or overlap of coverage for the same **Claim**. Notwithstanding the foregoing, if more than one policy or coverage part applies to the same **Wrongful Act** or **Interrelated Wrongful Acts**, then the maximum Limit of Liability under all such coverage parts combined shall not exceed the highest applicable Limit of Liability under any one coverage part or policy. Notwithstanding the other insurance provision, if this Policy and any other policy issued to the **Company** by the **Underwriter**, or any affiliated company, apply to the same **Wrongful Act**, professional incident, occurrence, offense, accident or **Loss**, then the maximum Limit of Liability under all such policies combined shall not exceed the highest applicable Limit of Liability under any one policy.

R. ALLOCATION

If both **Loss** covered by this Policy and **Loss** not covered by this Policy are incurred either because a **Claim** includes both covered and uncovered matters, or because a **Claim** is made against both the **Individual Insured** and/or the **Company** and others, then coverage shall apply as follows:

- (1) **Defense Costs**: one hundred percent (100%) of reasonable and necessary **Defense Costs** incurred by such **Insured** from such **Claim** will be considered covered **Loss**; and
- (2) **Loss** other than **Defense Costs**: all remaining **Loss** incurred by such **Insured** from such **Claim** will be allocated between covered **Loss** and uncovered **Loss** based upon the relative legal exposures of the parties to such matters.

S. HEADINGS

The descriptions in the headings of this policy are solely for convenience, and form no part of the terms and conditions of coverage.

IN WITNESS WHEREOF, the **Underwriter** has caused this Policy to be signed by its President and Secretary, but the same shall not be binding upon the **Underwriter** unless countersigned by an authorized representative of the **Underwriter**.

President

Secretary

SAMPLE