Notice – This is a Claims Made Policy.

THIS MEANS THAT COVERAGE APPLIES ONLY TO A CLAIM FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR, IF APPLICABLE, DURING THE EXTENDED REPORTING PERIOD.

Read this entire Policy carefully to determine Your rights and duties, Our rights and duties and what is and is not covered. Various provisions in this Policy restrict coverage.

Throughout this Policy the words You and Your refer to the Insured. The words We, Us and Our refer to the Company providing this insurance.

Other words and phrases that appear in bold-faced print have special meaning. Refer to Section III. Definitions.

In consideration of the payment of the premium, Your promise to pay the Deductible shown in the Declarations, and in reliance on all statements made and information You furnished to Us, including the representations made in the Application, and subject to the Limit of Insurance stated in the Declarations, and all of the terms and conditions of this Policy, We and You agree as follows:

I. COVERAGE

A. Insuring Agreement

We will pay on the Insured’s behalf all Loss which the Insured is legally obligated to pay due to a Wrongful Act in the rendering of or failure to render Professional Services in connection with a Covered Product.

This coverage applies to Wrongful Acts taking place:

1. During the Policy Period, but then only if Claim is first made against the Insured during the Policy Period or Extended Reporting Period, if applicable; or

2. Prior to the effective date of this Policy, but after the Retroactive Date, if any, stated in the Declarations, provided that:

   a. As of the effective date of this Policy, the Insured does not have actual or constructive knowledge of any circumstances or Wrongful Act which could reasonably be expected to result in a Claim;

   b. There is no other valid and collectible insurance available to the Insured for any such prior Wrongful Act; and

   c. Claim is first made against the Insured during the Policy Period or Extended Reporting Period, if applicable.
B. Defense, Investigation and Settlement of a Claim

1. **We** have the right and duty to defend the **Insured**, including the right to select counsel, against any **Suit** brought against the **Insured** for which coverage under this Policy applies. However, **We** will have no duty to defend the **Insured** against any **Suit** for which there is no coverage under this Policy. **We** have the right to conduct any investigation or negotiation and, with **Your** consent, make any settlement of any **Claim**. If **You** refuse to consent to any settlement acceptable to the claimant that **We** recommend, then, subject to the Limit of Insurance shown in the Declarations, **Our** liability for such **Claim** will not exceed the amount for which such **Claim** could have been settled plus **Claim Expenses** up to the date **You** refused to settle such **Claim**;

2. **We** will have the right, but not the duty, to appeal any judgment; and

3. For any **Claim** to which this Policy applies:
   a. In addition to the Limit of Insurance, **We** shall pay all **Claim Expenses** that **We** incur in any such **Claim**;
   b. **Our** right and duty to defend the **Insured** and to pay **Claim Expenses** ends when the Limit of Insurance set forth in the Declarations is exhausted by payment of judgments or settlements;
   c. The **Insured** may not incur any **Claim Expenses** or admit liability for, make payment for, or settle any **Claim** without **Our** prior written consent, which shall not be unreasonably withheld. **We** shall not be liable for any expense, settlement, assumed obligation or admission to which **We** have not consented; and
   d. The **Insured** agrees to cooperate with **Us** in the defense, investigation, and settlement of any **Claim** and agrees, as a condition of coverage under this Policy, to submit to **Us** upon request such information and documentation as **We** may require in the investigation and defense of any **Claim**.

C. Extensions

1. **Estates and Legal Representatives**

   This Policy shall afford coverage for a **Claim** for the **Wrongful Act** of an individual **Insured** made against the estates, heirs or legal representatives of such **Insured** who is deceased, or against the legal representatives of such **Insured** who is incompetent or bankrupt to the extent that in the absence of such death, incompetence, or bankruptcy, such **Claim** would have been covered by this Policy.

2. **Spousal Liability**

   If a **Claim** against an individual **Insured** includes a **Claim** against such **Insured's** lawful spouse solely by reason of such person’s legal status as a spouse of such **Insured**, including a **Claim** that seeks damages recoverable from marital community property, property jointly held by the **Insured** and the spouse, or property transferred from the **Insured** to the spouse, all **Loss** which such spouse becomes legally obligated to pay by reason of such **Claim** shall be treated for purposes of this Policy as **Loss** which that **Insured** becomes legally obligated to pay. All terms and conditions of this Policy without limitation, including the Deductible, shall apply to such spousal **Loss**.
This coverage extension shall not apply to any act, error, omission, or **Personal and Advertising Injury** committed by the **Insured's** spouse.

D. **Supplemental Payments**

In addition to the Limit of Insurance, **We** shall pay:

1. Any premium for appeal bonds for the covered part of the judgment; provided, however, that **We** have no obligation to apply for, furnish, or have any court approve such bonds, or provide any collateral for such bonds;

2. Post judgment interest;

3. Prejudgment interest awarded against the **Insured** on that part of the judgment **We** pay. If **We** make an offer to pay the applicable Limit of Insurance, **We** will not pay any prejudgment interest based on that period of time after the offer;

4. All costs awarded against the **Insured** in a **Suit**, but this does not include attorneys’ fees awarded to the person or entity bringing the **Claim** or **Suit**;

5. All reasonable expenses incurred by the **Insured** at **Our** request to assist **Us** in the investigation or defense of any **Claim** or regulatory hearing covered under 6. immediately below, including actual loss of earnings because of time off work, up to $500 per day;

6. The reasonable attorneys’ fees, costs and expenses incurred in responding to an investigation of an **Insured** by a state licensing board, professional regulatory agency, or a governmental agency with authority to regulate **Professional Services**, resulting from the **Insured’s** performance of **Professional Services**. The maximum **We** will pay for all **Insureds**, regardless of the number of investigations is $35,000 per **Policy Period**. However:

   a. **We** have the right to select legal counsel; and

   b. The **Insured** must be first notified of the investigation during the **Policy Period** and must provide **Us** with written notice not later than thirty (30) days after the **Insured** has been notified of the investigation; and

7. For catastrophes which have occurred during the **Policy Period** and have been designated as a catastrophe by Insurance Services Office, Inc., up to $10,000 per catastrophe subject to a per **Policy Period** Aggregate of $30,000 for the actual reasonable extra expenses incurred by all **Named Insureds** for assisting in the insurance claims processing needs of their **Client(s)** who have been affected by the catastrophe. Such extra expenses must be incurred beginning on the date of the catastrophe and within ninety (90) days thereafter;

    provided, however, **We** have no obligation to make any Supplemental Payment once the Limit of Insurance shown in the Declarations is exhausted by payment of **Loss**.
II. TERRITORY

This insurance applies to Wrongful Acts committed by an Insured anywhere in the world, provided the Suit is brought within the United States of America, its territories and possessions, Puerto Rico or Canada.

III. DEFINITIONS

A. Claim, either in the singular or plural, means:
   1. Any written demand the Insured receives for compensatory damages for a Wrongful Act, including but not limited to, the institution of arbitration proceedings against the Insured;
   2. Any Suit seeking compensatory damages against the Insured for a Wrongful Act, commenced by the service of a complaint or similar pleading; or
   3. Any subpoena or deposition notice received by the Insured arising out of Professional Services rendered by the Insured.

B. Claim Expenses means reasonable fees and costs incurred in the defense, investigation or appeal of a Claim incurred by any attorney We retain or any attorney the Insured retains with Our written consent. Claim Expenses shall not include any remuneration, salaries, regular or overtime wages, or benefits of the Insured that are associated with the defense and investigation of a Claim except as provided in Supplemental Payments, Section I.D. above.

C. Client means any entity or individual for whom the Insured has agreed to render Professional Services, including any appointed administrator, beneficiary, executor, receiver, or trustee of such individual or entity.

D. Covered Product, either in the singular or plural, means the following products offered by a Product Provider:
   1. Property and Casualty Insurance coverage;
   2. Fidelity and Surety Bonds;
   3. Workers Compensation Insurance;
   4. Life Insurance (other than Variable Life Insurance products), Accident and Health Insurance, Medicare Supplemental Insurance, Disability Income Insurance, or Annuities (other than Variable or Equity Indexed products);
   5. Long Term Care Insurance;
   6. a. Group Employee Benefit Plans other than a Multiple Employer Welfare Arrangement (as that term is defined in the Employee Retirement Income Security Act of 1974 [ERISA], as amended): Section 125 Plans, Group Life Plans, Group Accident and Health Plans, Long Term Care Plans, and Group Disability Plans, provided such plans are fully insured at all times; and
b. Retirement, Pension or Profit Sharing Plans, Individual Retirement Accounts, Keogh Plans, 401(a), 401(k), 403(b), 408(k), 408(p), 501(b) or 503(b) and similar plans.

Covered Product does not include any plan or arrangement operating as a Multiple Employer Welfare Arrangement (as defined in ERISA, as amended).

E. Employee Benefit Plan Administration means:

1. Giving advice, counsel, or interpretation to plan participants regarding employee benefit plan provisions;

2. Handling day to day ministerial functions required by employee benefit plans, including enrollment in, or processing cancellation and termination of plan participation for participants, handling documents in association with the plan, and filing required reports with governmental and other agencies; or

3. Receipt or transmission of claims and verification of plan participation.

However, Employee Benefit Plan Administration does not include the approval or denial of coverage or claims or payment of claims.

F. First Named Insured means the first person or entity shown in the Declarations.

G. Insured means:

1. The Named Insured;

2. Solely while performing Professional Services for or on behalf of the Named Insured:

   a. Any individual or entity who or which was, is, or shall be a duly elected or appointed director, officer, manager, member, partner or employee of any Named Insured;

   b. Any individual, who was, is, or shall be a leased or loaned worker to the Named Insured;

   c. An individual or entity while acting as an independent contractor, provided there exists a written agreement with the Named Insured which is in effect at the time of the Wrongful Act for which Claim is being made, as long as that Wrongful Act is after the Retroactive Date, if any, shown in the Declarations.

H. Interrelated Wrongful Acts means Wrongful Acts that arise out of, or flow from, either directly or indirectly, one or a series of the same, common, related or repeated facts, matters, events, circumstances, transactions, practices, statements or decisions, whether such Wrongful Acts involve just the Insured or others for whose acts the Insured may be legally responsible, or the same or different claimants.

I. Loss means compensatory damages, whether part of an award or settlement, and any punitive or exemplary damages awarded against an Insured, but only to the extent such punitive or exemplary damages are insurable under applicable law. Loss shall not include:

1. Civil or criminal fines or penalties, or taxes;
2. Non-monetary relief, including any costs incurred in complying with a request, order, judgment or settlement agreement to provide non-monetary relief or attorney fees or costs awarded to the party seeking non-monetary relief;

3. The collection, payment or return of, or the failure to collect, pay or return, any commission, fee, tax, funds or premium; or

4. Any matter deemed uninsurable under the law pursuant to which this Policy shall be construed.

J. **Named Insured** means:

1. Any individual or entity shown as a **Named Insured** in the Declarations or by endorsement;

2. The immediate predecessor insurance agency provided that the majority of owners, whether such owners are individuals or entities, of such predecessor insurance agency are the same as the majority of owners of the **Named Insured**; and

3. If during the **Policy Period** the **Named Insured**:
   a. Acquires:
      i. Any entity through the acquisition of the majority of the ownership interest or stock in such entity, or through the acquisition of the right to elect or appoint the majority of the directors, trustees or member managers of such entity; or
      ii. Any entity by merger into or consolidation with the **Named Insured**; or
   b. Forms another entity;

   then, subject to the other terms and conditions of this Policy, coverage shall automatically apply to any **Claim** involving the acquired, merged, formed or consolidated entity for a period of sixty (60) days or the remainder of the **Policy Period**, whichever is less, following the effective date of such acquisition, merger, formation or consolidation (the Automatic Coverage Period), but only with respect to **Wrongful Acts** taking place after such acquisition, merger, consolidation or formation.

The **First Named Insured**, as a condition precedent to acquiring further coverage after such **Automatic Coverage Period** with respect to any **Claim** involving such acquired, merged, formed or consolidated entity, shall give written notice of such transaction to **Us** as soon as practicable, but in no event later than sixty (60) days following the effective date of such transaction, and shall thereafter promptly provide to **Us** such information as **We** may request.

Upon receipt of such notice and other information, **We** may, at **Our** option, provide to the **First Named Insured** a quotation for coverage under this Policy with respect to any **Claim** involving such entity after such **Automatic Coverage Period** for the remainder of the **Policy Period**. If the **First Named Insured** fails to comply with such condition precedent, or if within thirty (30) days following receipt of such quotation the **First Named Insured** fails to pay any additional premium required or fails to agree to any additional coverage terms and conditions as set forth in such quotation, coverage otherwise afforded hereunder shall not extend beyond the **Automatic Coverage Period**.
K. **Personal and Advertising Injury** means:

1. False arrest, detention or imprisonment;
2. Malicious prosecution;
3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy;
4. Oral or written publication of material that slanders or libels an individual or entity, or that disparages an individual’s or entity’s goods, products or services;
5. Oral or written publication of material that violates an individual’s right of privacy;
6. Misappropriation of advertising ideas; or
7. Infringement of copyright, trade name, trade dress or service mark.

L. **Policy Period** means the period of time from the Inception date of this Policy to the Expiration date shown in the Declarations, or, if applicable, any earlier termination date. The **Policy Period** does not include the Extended Reporting Period, if any.

M. **Product Provider** means any of the following entities, if such entity is not partly or wholly owned by any **Insured**:

1. An insurance company authorized to transact business in the state or jurisdiction in which such business was transacted and at the time such business was transacted;
2. A group insurance plan or trust fully insured by an insurance company authorized to transact business in the state or jurisdiction in which such business was transacted and at the time such business was transacted; or
3. Any similar entity in the business of transacting insurance that, as a risk-bearing entity, provides an insurance product, and is authorized to transact business in the state or jurisdiction in which such business was transacted and at the time such business was transacted.

N. **Professional Services** means the following services rendered in connection with a **Covered Product** by the **Insured** to a **Client** in the conduct of the **Named Insured**'s profession as an Insurance Agent or Broker or Solicitor, General Agent, Managing General Agent, Surplus Lines Broker, or a Notary Public:

1. Soliciting (whether directly or indirectly), negotiating, placing, recommending, selling or servicing a **Covered Product**; but not including the sale, surrender, conversion or any alteration of a **Covered Product** in order to acquire or invest in anything other than a **Covered Product**;
2. Providing advice or consultation solely related to a **Covered Product**, including financial planning or consulting solely related to a **Covered Product**, but not including any advice or recommendation to, in any way, sell, convert, surrender or alter a **Covered Product** in order to acquire or invest in anything other than a **Covered Product**;
3. Incidental **Claims** adjusting in connection with first party Property claims draft authority;
4. Appraising real or personal property in connection with soliciting, placing, selling or servicing a Covered Product;

5. Providing loss control or risk management services in connection with soliciting, placing, selling or servicing a Covered Product;

6. Assisting a Client to secure premium financing from a licensed premium finance company for a Covered Product placed by or on behalf of the Insured;

7. Training, managing and supervising others, but only in connection with Covered Products;

8. Employee Benefit Plan Administration;

9. Expert witness testimony related to Professional Services or a Covered Product; or

10. Insurance class instruction.

However, Professional Services shall not include:

a. The ownership, creation, formation, operation or administration of, the adjustment of or administration of claims for:
   i. Any Multiple Employer Welfare Arrangement;
   ii. Any health maintenance organization or preferred provider organization;
   iii. Any pool, syndicate, association or other similar group combination formed for the purpose of providing insurance or benefits; or
   iv. Any risk retention group, purchasing group, Professional Employer Organization (PEO), captive or self-insurance program;

b. Any services performed by any Insured in their capacity as the Named Fiduciary, as defined by ERISA, as amended, or trustee of any Employee Benefits Plan;

c. Any services which the Insured is not licensed to render on any date on which a Wrongful Act involving such services is alleged to have occurred, provided that lack of license is due to the Insured’s deliberate violation of any federal, state or local licensing law, statute, ordinance, rule, requirement or regulation, or is with the Insured’s knowledge and consent; or

d. Any commingling, misappropriation or conversion of Client’s funds.

O. Retroactive Date means:

1. The date shown under Retroactive Date in the Declarations. If "none" is entered, full prior Wrongful Acts coverage is provided, subject to all other terms and conditions of this Policy; and

2. The Retroactive Date is the earliest date on which a Wrongful Act took place for which coverage could exist for a Claim made under this Policy. Wrongful Acts which occur in whole or part prior to this date are not covered, even if a Claim is made under this Policy during the Policy Period or Extended Reporting Period.
P. **Suit** means:

A civil proceeding seeking compensatory monetary damages. **Suit** includes:

1. An arbitration proceeding seeking compensatory monetary damages, provided, however, that the **Insured** is legally required to submit to arbitration, or does so with **Our** consent; or

2. Any other alternative dispute resolution proceeding in which compensatory monetary damages are claimed, and to which the **Insured** submits with **Our** consent.

Q. **Wrongful Act**, either in singular or plural, means:

1. Any actual or alleged negligent act, error or omission, or negligent misstatement or misleading statement by the **Insured** in the rendering of or failure to render **Professional Services**; or

2. Any actual or alleged negligent **Personal and Advertising Injury** arising out of the **Insured’s** rendering of or failure to render **Professional Services**.

IV. **EXCLUSIONS**

**We** shall not be liable to make any payment in connection with any **Claim**:

A. Based upon or arising out of any dishonest, fraudulent, criminal, malicious, intentional or willful act or omission by the **Insured** or any **Loss** expected or intended by the **Insured**, provided, however, this exclusion shall not apply unless there is a judgment, final adjudication or admission adverse to such **Insured** establishing that such **Insured** committed such conduct and applies only to the **Insured** who participated in, acted with knowledge of, or acquiesced to such conduct;

B. Based upon or arising out of the **Insured** gaining in fact any personal profit or advantage to which such **Insured** was not legally entitled;

C. Based upon, arising out of, or in any way involving any actual or alleged:

1. Bodily injury, including sickness, injury, disease or death of any person; provided, however, this exclusion shall not apply to emotional distress or mental anguish solely based upon or arising out of the **Insured’s** rendering of or failure to render **Professional Services**, or

2. Damage to or destruction of any property, including loss of use thereof;

D. Based upon, arising out of, or in any way involving any actual or alleged infringement of any intellectual property rights of another. However, this exclusion will not apply to infringement of copyright, trade name, trade dress or service mark, or misappropriation of advertising ideas committed in the course of advertising by the **Insured**;

E. Based upon, arising out of, or in any way involving:

1. Any pension, welfare or benefit plan organized for the benefit of employees of any **Insured**; or
2. Any **Insured's** obligations or services as a fiduciary or trustee for any pension, welfare or benefit plan organized for the benefit of employees of any **Insured** under ERISA, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Pension Benefits Act, Pension Protection Act of 2006 (PPA), including any amendments, rules or regulations promulgated under any of the foregoing, or any similar provisions of any state or local statutory or common law;

F. Based upon, arising out of, or in any way involving any **Insured's** actions, activities, responsibilities or duties as a Third Party Claims Administrator of any plan, whether insured or self-insured, except as provided under definition III.N. **Professional Services**;

G. Based upon, arising out of, or in any way involving any sums the **Insured** is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability:

1. That the **Insured** would have in the absence of the contract or agreement, or

2. Assumed in a written contract or agreement which is fully executed prior to the time of any actual or alleged **Wrongful Act** for which the **Claim** in question is made, and provided that the coverage for the **Claim** otherwise applies under this Policy. Solely for the purposes of liability assumed in a written contract or agreement, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the **Insured** are deemed to be **Loss** (and not **Claim Expenses**), provided:

   a. Liability to such party for, or for the cost of, that party's defense has also been assumed under the written contract or agreement in question, and

   b. Such attorney fees and litigation expenses are for defense of that party against a **Claim** or **Suit** seeking **Loss** to which this insurance applies;

H. Based upon, arising out of, or in any way involving any actual or alleged warranty, promise, guarantee or representation as to the value or yield of any **Covered Products** or as to non-guaranteed interest rates or future premium payments;

I. Based upon, arising out of, or in any way involving any **Insured's** actual or alleged employment-related practices, acts or omissions, whether in violation of contract or statutory or common law, including without limitation: the refusal to employ; wrongful termination of employment; discrimination or harassment of any kind; breach of employment contract; wrongful demotion, evaluation, reassignment or discipline; defamation, slander or libel; invasion of privacy; infliction of emotional distress; retaliation; malicious prosecution or abuse of process; or the payment of, or failure to pay wages;

J. Based upon, arising out of, or in any way involving any services performed by the **Insured**, whether or not the **Insured** is licensed as such, as:

1. A tax preparer or advisor (except for tax advice provided directly concerning a **Covered Product**), accountant, architect, engineer, actuary, attorney, real estate agent or broker, or title insurance agent,

2. A financial planner, except as to services directly related to a **Covered Product**, or

3. A registered representative, registered investment advisor or investment advisor representative, or securities broker dealer;
K. Based upon, arising out of, or in any way involving any Claim or dispute between Insureds or with another insurance agent or broker, registered representative, registered investment advisor or investment advisor representative including, but not limited to, any business dispute concerning commissions, fees, client lists, or non-compete or similar agreements. However, this exclusion shall not apply if the Wrongful Act arises out of Professional Services by an Insured rendered to such other Insured, agent or broker as a Client, provided the Insured rendering such Professional Service does not have any legal or equity interest in the subject of the insurance or investment procured for the Client;

L. Based upon, arising out of, or in any way involving the Insured’s unauthorized use or release of any confidential or private information pertaining to any Client, any director, manager, partner, member, officer or employee of any Client or any family member of any such person, but this exclusion shall not apply if such use or release was made without the knowledge of the Insured seeking coverage;

M. Based upon, arising out of, or in any way involving any bankruptcy, receivership, conservatorship, insolvency, or financial inability to pay of any entity, including but not limited to a Product Provider, regardless of when the financial impairment of such entity began and whether or not any Insured was aware or could have been aware of the financial impairment of such entity. However, this exclusion shall not apply if at the time of the placement or renewal of coverage the Product Provider was:

1. An admitted insurance company rated B+ or better by A.M. Best Company,

2. A non-admitted insurance company rated A- or better by A.M. Best Company that is also authorized to conduct business in the applicable state in which the Covered Product was sold, placed or obtained, or

3. The Product Provider was guaranteed or operated by a governmental body or bodies (including, but not limited to assigned risk plans, Joint Underwriting Associations, State or Federal Flood, Wind or FAIR pools or plans, or guarantee funds), or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company;

N. Based upon, arising out of, or in any way involving the direct or indirect placement of, or any recommendation to place, any Client’s insurance, coverage, funds, premium, or product with or in any Product Provider; entity or vehicle not authorized to transact such business in the state or jurisdiction in which such business was conducted, provided, however, this exclusion shall not apply with respect to any Product Provider authorized or approved as a surplus lines insurer or carrier in the state or jurisdiction in which such business was transacted;

O. Based upon, arising out of, or in any way involving any:

1. Promissory notes,

2. Viatical or life settlements as investments, or viatical investment pools, or

3. Securities (as defined in the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, and the Investment Advisers Act of 1940, and any amendments thereto), or

4. Commodities, futures contracts, or option contracts;
P. Based upon, arising out of, or in any way involving the offering, sale or servicing of any structured settlement, provided, however, this exclusion shall not apply to a Claim solely based upon or arising out of the selling or servicing of a Covered Product utilized to fund a structured settlement;

Q. Based upon or arising out of:

1. Any Wrongful Act or any fact, circumstance or situation which has been the subject of any notice given under any insurance policy prior to the Inception date of this Policy, and

2. Any other Wrongful Act whenever occurring, which, together with a Wrongful Act which has been the subject of the notice in Q.1., above, would constitute Interrelated Wrongful Acts;

R. For Personal and Advertising Injury based upon or arising out of:

1. The oral or written publication of material, if done by or at the direction of the Insured with knowledge of its falsity, or

2. The oral or written publication of material whose first publication took place before the Retroactive Date;

S. Based upon, arising out of, or in any way involving any actual or alleged violation of:

1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law,

2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law, or

3. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.

V. LIMIT OF INSURANCE AND DEDUCTIBLE

A. The Limit of Insurance shown in the Declarations as applicable to each Claim is Our maximum liability for Loss resulting from any one Claim. Without regard to the number of Claims or Insureds against whom a Claim has been made, all Loss arising out of the same Wrongful Act or Interrelated Wrongful Acts will be subject to the each Claim limit of liability in effect when the first Claim arising out of the Wrongful Act or Interrelated Wrongful Acts was made.

B. The Limit of Insurance shown in the Declarations as applicable in the Aggregate is Our maximum liability for all Loss resulting from all Claims made during the Policy Period.

C. We shall only be liable to pay Loss and Claim Expenses in excess of the Deductible shown in the Declarations, which Deductible shall apply to each and every Claim. The Deductible does not increase the Limit of Insurance.

The Aggregate Deductible limit that applies for all Claims first made during the Policy Period will not exceed three times the Deductible shown in the Declarations Page. The Aggregate Deductible limit applies separately to each consecutive annual Policy Period.
D. If **We** pay all or part of any Deductible amount, **We** will notify the **Named Insured** of **Our** payment of the Deductible, and request reimbursement. The **Named Insured** will pay **Us** for the part of the Deductible **We** paid within thirty (30) days of **Our** request.

E. The Deductible may only be satisfied by an actual cash payment by the **Named Insured** and may not be satisfied by the release of a claim or counterclaim.

VI. **CONDITIONS**

A. **Entire Agreement**

It is agreed that this Policy together with any endorsements and the Declarations constitutes the entire agreement existing between **You** and **Us**.

B. **Extended Reporting Period**

1. **We** will provide an Extended Reporting Period as described below if this policy is cancelled or non-renewed for any reason other than non-payment of premium, or if **We** renew this Policy with insurance that has a **Retroactive Date** later than the date shown in the Declarations of this Policy.

2. Extended Reporting Periods do not extend the **Policy Period** or change the scope of coverage provided. Once in effect, Extended Reporting Periods may not be canceled.

3. Extended Reporting Periods do not apply to **Claims** that are covered under any subsequent insurance **You** purchase or that would be covered but for exhaustion of the amount of insurance applicable to such **Claims**.

4. All **Claims** under Extended Reporting Periods must be reported to **Us** in accordance with Conditions VI. D.

5. **Basic Extended Reporting Period**

   a. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts at the date of Policy termination or the end of the **Policy Period**, whichever is earlier, and lasts for sixty (60) days.

   b. **Claims** made against the **Insured** within sixty (60) days after Policy termination or the end of the **Policy Period**, whichever is earlier, and which arise out of a **Wrongful Act** that was committed during the **Policy Period** but not before the **Retroactive Date**, if any, stated in the Declarations, will be deemed to have been made on the last day of the **Policy Period**.

   c. The Basic Extended Reporting Period does not reinstate or increase the Limits of Insurance.

6. **Supplemental Extended Reporting Period**

   a. A Supplemental Extended Reporting Period is available by endorsement and for an additional charge. The terms and charges are shown in d. below. This Supplemental Extended Reporting Period begins when the Basic Extended Reporting Period, described in 5. above, ends. **You** must give **Us** a written request for the endorsement within sixty (60) days after the end of the **Policy Period**, or Policy termination date, whichever is earlier. The Supplemental
Extended Reporting Period will not go into effect unless the additional premium for it is paid promptly when due. Such premium will be deemed fully earned at the inception date of the Supplemental Extended Reporting Period.

b. The Supplemental Extended Reporting Period endorsement will set forth the specific terms applicable to the Supplemental Extended Reporting Period selected. Claims made against the Insured within the term of the Supplemental Extended Reporting Period which arise out of a Wrongful Act that was committed during the Policy Period, but not before the Retroactive Date, if any, stated in the Declarations, will be deemed to have been made on the last day of the Policy Period.

c. The Supplemental Extended Reporting Period does not reinstate or increase the Limits of Insurance.

d. Supplemental Extended Reporting Period terms and corresponding additional premium percentages:

<table>
<thead>
<tr>
<th>Term (Years)</th>
<th>Rate (% of Expiring Annual Premium)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>70%</td>
</tr>
<tr>
<td>2</td>
<td>100%</td>
</tr>
<tr>
<td>3</td>
<td>130%</td>
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e. If the Named Insured fails to notify Us of a change in control within sixty (60) days of such change, pursuant to Condition M., below, they will not be eligible to purchase any Supplemental Extended Reporting Period coverage that they might otherwise be entitled to.

C. Liberalization

If We adopt a change in Our forms or rules during the term of this Policy which would broaden the coverage provided by any form that is a part of this Policy without an extra premium charge, the broader coverage will apply to this Policy. This extension is effective upon the approval of such broader coverage in Your headquarters state.

D. Reporting of Potential Claims or Actual Claims

1. Reporting of Potential Claims

If during the Policy Period, You first become aware of a Wrongful Act which might reasonably be expected to give rise to a Claim, and during the Policy Period give written notice to Us of such Wrongful Act as required below, then any Claim subsequently made against You by reason of such Wrongful Act shall be deemed to have been first made during the Policy Period.

Written report of a potential Claim must include:

a. The specific facts and circumstances which constitute the Wrongful Act, including the date(s) thereof, and the Insured and Clients involved;

b. The date and circumstances by which You became aware of such Wrongful Act; and
c. The Loss that may reasonably result.

2. Reporting of Actual Claims

You shall provide notice to Us as soon as practicable after a Claim is first made against You. This notice shall be deemed sent to Us only if it is received by Us via facsimile or electronic mail or sent by You by prepaid registered or return-receipt-requested mail properly addressed to Us at the address shown in or attached to this Policy.

E. Legal Action Against Us

No person or organization has a right under this Policy:

1. To join Us as a party or otherwise bring Us into a Suit asking for damages from an Insured; or

2. To sue Us on this Policy unless all of its terms have been fully complied with.

A person or organization may sue Us to recover on an agreed settlement or on a final judgment against an Insured; but We will not be liable for damages that are not payable under the terms of this Policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by Us, the Insured and the claimant or the claimant's legal representative.

F. Subrogation and Assignment

1. If the Insured has rights to recover all or part of any payment We have made under this Policy, those rights are transferred to Us. The Insured must do nothing to impair them. At Our request, the Insured will bring Suit or transfer those rights to Us and help Us enforce them.

2. You may not assign any interest in this Policy unless We give Our prior written consent.

G. Changes

The terms of this Policy shall not be waived or changed, except by endorsement issued by Us to form a part of this Policy. Notice to any agent or broker or knowledge possessed by any agent or broker or by any other person shall not effect a waiver or change in any part of this Policy or stop Us from asserting Our rights under the terms of this Policy.

H. Authorization Clause/Notices

By acceptance of this Policy by payment of premium, You agree that the First Named Insured shall act on Your behalf with respect to the giving and receiving of notice of any cancellation, non-renewal, the payment of premiums, the receiving of any return premiums that may become due under this Policy, or any other notices regarding coverage or other matters.
I. Other Insurance

1. The insurance provided by this Policy shall apply only in excess of any other insurance available to the Insured and shall not contribute with other such insurance. If the Insured has other insurance for the Loss covered by this Policy, this Policy shall be excess over any other valid and collectible insurance and then shall apply only in the amount by which the applicable Limit of Insurance of this Policy exceeds the sum of the applicable Limit of Insurance of all such other insurance.

This provision will not apply if the Insured has similar coverage with Us, or one of Our affiliates. In this event, the Insured must elect under which policy the Claim will be made.

2. The Insured shall provide notice to all other insurers which reasonably might provide coverage as soon as practicable after:
   a. Receipt of a Claim;
   b. Obtaining information regarding a potential Claim; or
   c. We request such notice be given.

J. Conformance With State Statutes

Terms of this Policy that are in conflict with the statutes of the state or province in which this Policy is issued and delivered to You are hereby amended to conform to such statutes.

K. Cancellation and Nonrenewal

1. Cancellation
   a. The First Named Insured may cancel this Policy by mailing or delivering to Us advance written notice of cancellation. The Policy Period will end on the effective date requested.
   b. We may cancel this Policy only in the event of non-payment of premium, and if We cancel for non-payment of premium, We will mail by first class or certified mail, to the Named Insured and the agent or broker of record, at their last address known to Us, written notice stating the reason for cancellation, at least ten (10) days before the effective date of cancellation, or as stated in the state specific changes endorsement attached to this Policy.
   c. Notice of cancellation will state the effective date of cancellation. The Policy Period will end on the date of cancellation.
   d. If this Policy is cancelled, We will send the First Named Insured any premium refund due. If We cancel, the refund will be the pro rata unearned premium. If the First Named Insured cancels, the refund may be less than pro rata. The cancellation will be effective even if We have not made or offered a refund.
   e. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.
2. **Non-renewal by Us**

   a. *We* are not required to renew this Policy when it expires.

   b. If *We* elect not to renew this Policy, *We* will mail by first class or certified mail, to the **Named Insured** and the agent or broker of record, at their last address known to *Us*, written notice stating the reason for non-renewal, at least sixty (60) days, but not more than one hundred and twenty (120) days before the effective date of non-renewal.

   c. Notice of non-renewal will state the effective date of non-renewal. The **Policy Period** will end on the date of non-renewal.

   d. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

L. **Bankruptcy**

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve *Us* of our obligations under this Policy.

M. **Notification of Change of Control of Named Insured**

If during the **Policy Period** there is an acquisition of the **Named Insured**, or of a majority of its assets, by another individual or entity, or there is a merger or consolidation of the **Named Insured** with another entity such that the **Named Insured** is not the surviving entity, then coverage under this Policy shall continue for sixty (60) days after the date of such acquisition, merger, consolidation or change of control, but only with respect to a **Wrongful Act** occurring prior to the acquisition, merger, consolidation, or change in control.

The **Named Insured** shall give *Us* written notice of such event within sixty (60) days of the acquisition, merger, consolidation or change of control together with any information *We* may require.

The appointment of any state or federal official, agency or court of any receiver, trustee, examiner, conservator, liquidator, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Named Insured**, or the **Named Insured** becoming a debtor in possession within the meaning of the United States Bankruptcy Code or similar legal status under foreign law, shall not be considered an acquisition.

This Policy is not valid unless a Declarations page is signed by **Our** authorized representative.

IN WITNESS WHEREOF, *We* have caused the signatures of **Our** executive officers to be affixed hereto, and have caused this Policy to be countersigned by **Our** authorized representative.