

ALLIANZ PROTECT™ INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

GENERAL TERMS AND CONDITIONS

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SPECIMEN

ALLIANZ PROTECT™ INSURANCE AGENTS AND BROKERS ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

GENERAL TERMS AND CONDITIONS

THESE GENERAL TERMS AND CONDITIONS SHALL BE APPLICABLE TO ALL **COVERAGE PARTS**, UNLESS SPECIFICALLY AMENDED WITHIN A GIVEN **COVERAGE PART**.

THIS POLICY CONTAINS **FIRST PARTY COVERAGES** AND **THIRD PARTY COVERAGES**. CERTAIN COVERAGE PARTS OF THIS POLICY ARE LIMITED TO CLAIMS THAT ARE FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** AND REPORTED IN WRITING TO THE **INSURER** AS REQUIRED BY THE TERMS OF THE POLICY.

WORDS APPEARING IN BOLD ARE EITHER DEFINED IN THE GENERAL TERMS AND CONDITIONS OR A **COVERAGE PART**. DEFINED TERMS WITHIN A **COVERAGE PART** SHALL HAVE THE MEANING PROVIDED FOR SUCH TERMS IN SUCH **COVERAGE PART** BOTH FOR PURPOSES OF THIS GENERAL TERMS AND CONDITIONS AND FOR SUCH **COVERAGE PART**. EXCEPT AS OTHERWISE INDICATED, THE TERMS AND CONDITIONS SET FORTH IN EACH **COVERAGE PART** SHALL ONLY APPLY TO THAT PARTICULAR **COVERAGE PART** (AND, AS APPLICABLE, TO THIS GENERAL TERMS AND CONDITIONS) BUT SHALL IN NO WAY BE CONSTRUED TO APPLY TO ANY OTHER **COVERAGE PART** OF THIS POLICY. IF ANY PROVISION OF THE GENERAL TERMS AND CONDITIONS IS INCONSISTENT OR CONFLICTS WITH THE PROVISION SET FORTH IN THE **COVERAGE PART**, THE TERMS AND CONDITIONS OF THE **COVERAGE PART** SHALL CONTROL.

Solely with respect to the **Third Party Coverages**, the **Insurer** shall have the right and duty to defend unless such right is expressly delegated to the **Insured** by the **Insurer** in writing.

In consideration of payment of the premium by the **Insured**, the **Insured's** promise to pay the **Deductible** shown in the Declarations, and in reliance on all statements made and information furnished by the **Insured**, including representations made in the Application, and subject to all of the terms, conditions, and limitations of this Policy, the **Insurer** and the **Insured** agree as follows:

1. Coverage Extensions

1.1 Crisis Event Expenses

The **Insurer** will pay up to the amount shown in Item 5 of the Declarations for **Crisis Event Expenses** as a result of a **Crisis Event** received, commenced or occurring during the **Policy Period** or Extended Reporting Period, if applicable, and reported to the **Insurer** during the **Policy Period** or Extended Reporting Period, if applicable, in accordance with Section 5 (Reporting and Notice).

The most the **Insurer** will pay per **Policy Period** for **Crisis Event Expenses** for all **Crisis Events** is the Supplemental Limit of Liability shown in Item 5 of the Declarations.

Any payment made under this Coverage Extension shall be in addition to the **Limit of Liability**, and no **Deductible** shall apply, provided however, that the **Insurer** shall have no obligation to make such payments after the **Limit of Liability** is exhausted by the payment of **Loss**.

1.2 Pre-Claim Assistance Expenses

Solely at the **Insurer's** discretion, the **Insurer** will pay **Pre-Claim Assistance Expenses** for a potential **Claim** reported in accordance with Subsection 5.1 (Reporting of Potential Claims).

Pre-Claim Assistance Expenses must be incurred subsequent to the date that the potential **Claim** was reported to the **Insurer** and prior to the date that any **Claim** is made based upon or arising out of such potential **Claim**.

Once a potential **Claim** becomes a **Claim**, this Subsection does not apply and any **Damages** and **Claims Expenses** that result from such **Claim** are subject to Section 4 (Limit of Liability and Deductible).

The most the **Insurer** will pay per **Policy Period** for **Pre-Claim Assistance Expenses** for all potential **Claims** is the Supplemental Limit of Liability set forth in Item 5 of the Declarations.

Any payment made under this Coverage Extension shall be in addition to the **Limit of Liability**, and no **Deductible** shall apply, provided however, that the **Insurer** shall have no obligation to make such payments after the **Limit of Liability** is exhausted by the payment of **Loss**.

1.3 Estates, Heirs, Legal Representatives, Spouses & Domestic Partners

This Policy shall apply to **Claims** brought against:

- A. the heirs, executors, administrators, trustees in bankruptcy, assignees and legal representatives of any **Insured** in the event of such **Insured's** death or disability; or
- B. the **Insured's** lawful spouse or lawful domestic partner;

but only:

- 1. for the **Wrongful Acts** of such **Insured**; or
- 2. in connection with their ownership interest in property which the claimant seeks as recovery for actual or alleged **Wrongful Acts** of such **Insured**.

Any payment made under this Coverage Extension shall be part of and not in addition to the **Limit of Liability**, and the **Deductible** shall apply.

1.4 Extended Reporting Period

A. The Policy affords an Extended Reporting Periods for **Third Party Coverages** as set forth below. The **Limit of Liability** available under the Extended Reporting Periods for the **Third Party Coverages** shall be part of, and not in addition to, the **Limit of Liability** for the **Third Party Coverages** available under the last Policy issued to the **Named Insured**. The Extended Reporting Periods do not in any way reinstate or increase the **Limit of Liability** or **Aggregate Limit of Liability**, nor extend the **Policy Period**. Once in effect, Extended Reporting Periods may not be cancelled. All **Claims** under Extended Reporting Periods must be reported to the **Insurer** in accordance with Subsection 5.2 (Reporting of Claims).

B. **Claims** first made against the **Insured** and reported to the **Insurer**:

- 1. during the term of the Basic or Supplemental Extended Reporting Period; and
- 2. which arise out of a **Wrongful Act** that was committed during the **Policy Period**, or if a **Retroactive Date** is applicable, after the **Retroactive Date**, but before the end of the **Policy Period**;

will be deemed to have been made on the last day of the **Policy Period**.

C. Basic Extended Reporting Period

- 1. If the **Named Insured** cancels or non-renews this Policy, 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 ninety (90) days.
- 2. The Basic Extended Reporting Period applies to **Claims** arising out of a **Wrongful Act** that was committed during the **Policy Period** or, if a **Retroactive Date** is applicable, after the **Retroactive Date** but before the end of the **Policy Period**, and which are first made against the **Insured** within ninety (90) days after Policy termination or the end of the **Policy Period**, whichever is earlier.
- 3. The Basic Extended Reporting Period shall be included within the Supplemental Extended Reporting Period, if such Supplemental Extended Reporting Period is purchased.

4. The Basic Extended Reporting Period does not apply to **Claims** that are covered under any subsequent insurance, including policies renewed by the **Insurer**, the **Named Insured** purchases or that would be covered but for exhaustion of the amount of insurance applicable to such **Claim**.

D. Supplemental Extended Reporting Period

1. A Supplemental Extended Reporting Period is available by endorsement and for an additional charge as set forth in this Subsection. The **Named Insured** must give the **Insurer** a written request for the endorsement within ninety (90) 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 within thirty (30) days of the election of the Supplemental Extended Reporting Period. Such premium will be deemed fully earned as of the inception date of the Supplemental Extended Reporting Period.
2. 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 arises 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**.
3. The Supplemental Extended Reporting Period does not reinstate or increase the **Aggregate Limit of Liability**.
4. The Supplemental Extended Reporting Period terms and corresponding additional premium are set forth in Item 7 of the Declarations.

2. Definitions

In this Policy the words below shall have the following meanings:

- 2.1 **Aggregate Limit of Liability** means the amount specified as such in Item 3 of the Declarations.
- 2.2 **Associated Costs**, if applicable to such **Coverage Part** shall be defined therein.
- 2.3 **Authorized Insurance Company** means an insurance company authorized or approved, whether on an admitted or surplus lines basis, to sell the particular type of insurance involved in a **Claim** by the applicable regulatory agency in the state or jurisdiction in which the company is selling or transacting insurance and at the time such insurance is transacted.
- 2.4 **Claim**, if applicable to such **Coverage Part** shall be defined therein.
- 2.5 **Claim Expenses** means reasonable fees and costs incurred in the defense, investigation or appeal of a **Claim** incurred by any attorney the **Insurer** retains or any attorney the **Insured** retains with the **Insurer's** 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 Supplementary Payments Subsection in each applicable **Coverage Part**.
- 2.6 **Client** means any entity or individual, including any appointed administrator, beneficiary, executor, receiver or trustee of such individual or entity, for whom the **Insured** has agreed to render **Professional Services**, whether or not for a fee or commission, or whom the **Insured** is soliciting for the rendering of **Professional Services**. With respect to the Crime Coverage Part, if purchased, **Client** shall have the meaning set forth in the Crime Coverage Part.
- 2.7 **Coverage Part** means each **Coverage Part** that is purchased by the **Named Insured** as indicated in Item 4.a of the Declarations.
- 2.8 **Covered Product**, if applicable to such **Coverage Part** shall be defined therein.
- 2.9 **Crisis Event** means:
 - A. any **Wrongful Act**;
 - B. publication of information or allegations critical of the **Insured's** business, **Professional Services**, or financial status;

- C. the **Insured's** potential dissolution or insolvency;
- D. any unexpected departure or death of the **Insured's** managing partner, owner of a sole proprietorship, or any officer, director, partner, stockholder, shareholder or limited liability company member; or
- E. any incident of workplace violence;

that the **Insured** reasonably believes will have a material adverse effect upon its professional reputation.

Crisis Event also means any other event that could reasonably be shown to have a material adverse effect upon the **Named Insured's** professional reputation.

2.10 Crisis Event Expenses means reasonable and necessary fees, costs and expenses incurred by the **Insured** with the **Insurer's** prior written consent to retain public relations consulting services provided by a public relations firm to avert or mitigate damage to the **Insured's** professional reputation arising out of a **Crisis Event**.

2.11 Damages, if applicable to such **Coverage Part** shall be defined therein.

2.12 Deductible means the amounts stated for the applicable **Coverage Part** as shown in Item 4.a.(2) of the Declarations. With respect to the Cyber Coverage Part, if purchased, **Deductible** shall also include **Cyber Deductible**.

2.13 Discovered or **Discovery**, if applicable to such **Coverage Part** shall be defined therein.

2.14 E&O Coverage, if applicable, is the coverage identified as such in each **Coverage Part**.

2.15 Employee, except as defined within a **Coverage Part**, means any person while acting within the course and scope of his or her duties and responsibilities for and on behalf of the **Named Insured**, whom the **Named Insured** compensates by salary, wages, or commissions, and has the right to govern and direct in the performance of such service, including a part time, leased, loaned or temporary employee of the **Named Insured**, but only for work done while acting within the scope of his or her employment with the **Named Insured**. **Employee** also includes volunteers and un-paid interns acting on behalf of the **Named Insured** while performing duties equivalent to those of an employee.

2.16 Employee Benefit Plan Administration means:

- A. giving advice, counsel or interpretation to plan participants regarding employee benefit plan provisions;
- B. 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
- C. receipt or transmission of claims and verification of plan participation.

However, **Employee Benefit Plan Administration** does not include:

- 1. the approval or denial of coverage or claims, or payment of claims; or
- 2. any **Insured's** activities or obligations in connection with any pension, welfare or benefit plan organized for the benefit of the **Insured's** own employees.

2.17 Extension Expenses means **Crisis Event Expenses** and **Pre-Claim Assistance Expenses**. **Extension Expenses**, if applicable, shall also have the meaning set forth in each **Coverage Part**.

2.18 First Party Coverage, if applicable, is the coverage identified as such in each **Coverage Part**.

2.19 Insured means the **Insured Organization** and any **Insured Person**. **Insured** shall also have the meaning set forth in each **Coverage Part**.

2.20 Insured Organization means:

- A. The **Named Insured**;
- B. The predecessor insurance agency in whose financial assets and liabilities the **Named Insured** is the majority successor in interest; and

- C. Any insurance agency newly acquired or formed by the **Named Insured** during the **Policy Period** and over which the **Named Insured** maintains ownership or majority interest, but only if there is no other Errors and Omissions Liability Insurance or similar insurance available to the acquired or newly formed entity for any **Claim**. As a condition precedent to coverage:
1. coverage under this provision is provided only until the ninetieth (90th) day after the acquisition or formation of such entity by the **Named Insured** or the end of the **Policy Period**, whichever is earlier;
 2. coverage does not apply to **Claims** arising from **Wrongful Acts** committed before the acquisition or formation of the entity by the **Named Insured**, unless the **Insurer** has agreed to provide such coverage by endorsement to this Policy; and
 3. the **Insurer** may charge, and the **Named Insured** shall pay, an additional premium from the date that the **Named Insured** acquires or forms the entity.

Insured Organization may be further modified in each applicable **Coverage Part**.

2.21 Insured Person means any natural person who was, is or during the **Policy Period** shall become:

- A. a duly elected or appointed director, officer, manager, member, partner, or sole proprietor of any **Named Insured**; or

- B. an **Employee**;

solely while performing **Professional Services** for or on behalf of the **Named Insured**.

Insured Person, if applicable, shall also have the meaning set forth in each **Coverage Part**.

2.22 Insurer means the entity shown in Item 9 of the Declarations.

2.23 Limit of Liability means the amount specified as such applicable to each **Coverage Part** in Item 4.a.(1) of the Declarations.

2.24 Knowledgeable Person, if applicable to such **Coverage Part** shall be defined therein.

2.25 Loss, if applicable to such **Coverage Part**, shall be defined therein.

2.26 Named Fiduciary shall mean any individual who assumes discretionary authority for the Plan Sponsor's responsibilities, and as that term is defined in Section 402(a) of the Employee Retirement Income Security Act of 1974, as may be revised. However, **Named Fiduciary** does not include any individual acting in the capacity of Investment Manager, as that term is defined in Section 3(38) of the Employee Retirement Income Security Act of 1974, as may be revised.

2.27 Named Insured means any individual or entity stated as a **Named Insured** in Item 1 the Declarations or by endorsement.

2.28 Personal and Advertising Injury means injury arising out of one or more of the following offenses:

- A. false arrest, detention or imprisonment;
- B. malicious prosecution;
- C. the wrongful eviction from, wrongful entry into or invasion of the right of private occupancy;
- D. 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;
- E. oral or written publication of material that violates an individual's right of privacy;
- F. misappropriation of advertising ideas; or
- G. infringement of copyright, trade name, trade dress or service mark.

2.29 Policy Period means the period of time from the inception date of this Policy to the expiration date shown in Item 2 of the Declarations, or, if applicable, any earlier termination date. The **Policy Period** does not include the Extended Reporting Period, if any.

- 2.30 Pre-Claim Assistance Expenses** means reasonable fees, costs, and expenses incurred by defense counsel selected by the **Insurer** and resulting from the investigation of a potential **Claim**. **Pre-Claim Assistance Expenses** do not include: (i) salary charges or expenses of the **Insurer's** or **Insured's** employees or officers or fees and expenses of independent adjusters; or (ii) amounts payable pursuant to Subsection 1.1 (**Crisis Event Expenses**).
- 2.31 Professional Services**, if applicable to such **Coverage Part** shall be defined therein.
- 2.32 Related Wrongful Acts** means, solely with respect to **E&O Coverage**, **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.
- 2.33 Related Triggering Events** means all **Triggering Events** that have as a common nexus any fact, circumstance, situation, event, transaction, cause or a series of causally connected facts, circumstances, situations, events transactions or causes, whether such **Triggering Events** involve one or more **Insureds** or others for whose acts the **Insured** may be legally responsible, or involve the same or different claimants.
- 2.34 Retroactive Date** means the:
- A. date shown under **Retroactive Date** in the Declarations or the applicable **Coverage Part** Schedule. If "none" is entered, full prior **Wrongful Acts** coverage is provided, subject to all other terms and conditions of this Policy; and
 - B. **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.
- With respect to the Cyber Coverage Part, if purchased, **Retroactive Date** shall also include **Cyber Retroactive Date**.
- 2.35 Suit** means:
- A. a civil adjudicatory proceeding or an arbitration proceeding; provided, however, that the **Insured** is legally required to submit to arbitration, or does so with the **Insurer's** prior written consent; or
 - B. any other alternative dispute resolution proceeding provided however, that the **Insured** submits to such proceeding with the **Insurer's** prior written consent.
- 2.36 Third Party Coverage**, if applicable, is the coverage identified as such in each **Coverage Part**.
- 2.37 Triggering Event**, if applicable to such **Coverage Part** shall be defined therein.
- 2.38 Wrongful Act**, if applicable to such **Coverage Part** shall be defined therein.

3. Exclusions

The **Insurer** shall not be liable to make any payment in connection with any **Loss** in connect with the following:

3.1 Conduct

a **Claim** or **Triggering Event** based upon or arising out of:

- A. any dishonest, fraudulent, criminal, malicious or knowingly wrongful act or omission, or willful violation of any statute or regulation committed by the **Insured**, or with the knowledge, consent or approval of the **Insured**. As to any **Claim** that falls within the Insuring Agreement, this exclusion shall not apply unless there is a judgment, final ruling or admission that is adverse to the **Insured** in any judicial, administrative or alternative dispute resolution proceeding establishing that such acts or omissions were dishonest, fraudulent, criminal, malicious or knowingly wrongful, or that the **Insured** approved, consented to or had knowledge of such conduct. The conduct or knowledge of one **Insured** shall not be imputed to another **Insured**; or
- B. the **Insured** gaining in fact any personal profit or advantage to which such **Insured** was not legally entitled.

3.2 Employment Practices

a **Claim** or **Triggering Event** based upon, arising out of or in any way involving any **Insured's**: (i) 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; or (ii) with respect to the **E&O Coverages**, the unauthorized use or release of any confidential or private information pertaining to any **Employee**, or the loss, theft, accidental release or accidental publication of non-public personal information. This exclusion shall apply whether the **Insured** may be liable as an employer or in any other capacity. However, this Exclusion shall not apply to the extent such coverage is purchased by Endorsement or **Coverage Part**.

3.3 Other Coverage Parts

a **Claim** or **Triggering Event** that would otherwise be afforded coverage under any other **Coverage Part** available under this Policy, if not for the **Insured's** failure or refusal to purchase such **Coverage Part**.

3.4 Specified Regulated Business Activities

a **Claim** or **Triggering Event** based upon, arising out of or in any way involving any actual or alleged violation of:

- A. any federal, state or local statutes, ordinances or regulations regarding or relating to unsolicited marketing activities, including but not limited to the: (i) Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law; (ii) CAN-SPAM Act of 2003, including any amendment of or addition to such law; or (iii) any other federal, state or foreign anti-spam statute or any other regulation that prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information, including telemarketing, solicitations, emails, faxes or any other communications of any type or nature that violate any "anti-spam" and "do-not-call" statutes, ordinances, or regulations; or
- B. the Fair Credit Reporting Act (FCRA) and any amendment of or addition to such law, including the Fair and Accurate Credit Transactions Act (FACTA).

4. Limit of Liability and Deductible

4.1 Aggregate Limit of Liability

The **Aggregate Limit of Liability** stated in the Declarations as applicable in the aggregate for this Policy is the **Insurer's** maximum liability resulting from all **Claims**, **Triggering Events**, and **Loss** (including loss covered pursuant to the Crime Coverage Part) during the **Policy Period**, regardless of the number of **Coverage Parts** that may apply.

If a Separate Limit of Liability is indicated in Item 4.a.(1) of the Declarations, then each such Separate Limit of Liability shall be the maximum limit of the **Insurer's** liability for all amounts (including loss under the Crime Coverage Part) and all **Loss** of all **Insureds** during the **Policy Period** or the Extended Reporting Period, if applicable, with respect to the applicable **Coverage Part** as stated in Item 4.a.(1) of the Declarations. The Separate Limit of Liability for the Extended Reporting Period shall be part of and not in addition to, this Separate Limit of Liability for the **Policy Period**. Each Separate Limit of Liability shall be part of and not in addition to the **Aggregate Limit of Liability** for all **Loss** (including loss under the Crime Coverage Part) under this Policy and shall in no way serve to increase the **Insurer's Aggregate Limit of Liability** as therein stated.

If a Shared Limit of Liability is indicated in Item 4.a.(1) of the Declarations, then each such Shared Limit of Liability shall be the maximum limit of the **Insurer's** liability for all amounts (including loss under the Crime Coverage Part) and all **Loss** of all **Insureds** during the **Policy Period** or the Extended Reporting Period if applicable with respect to all **Coverage Parts** selected as set forth in the Declarations. The Limit of Liability respecting each **Coverage Part** which is indicated as Shared Limit of Liability in Item 4.a.(1). of the Declarations shall be part of and not in addition to the Shared Limit of Liability of every other **Coverage Part** which is indicated as Shared Limit of Liability in Item 4 of the Declarations. Furthermore, the Shared Limit of Liability for the Extended Reporting Period shall be part of and not in addition to, this Shared Limit of

Liability for the **Policy Period**. Each Shared Limit of Liability shall be part of and not in addition to the **Aggregate Limit of Liability** for all **Loss** (including loss under the Crime Coverage Part) under this Policy and shall in no way serve to increase the **Insurer's Aggregate Limit of Liability** as stated therein. Any **Coverage Part** for which a limit of liability is shown in Item 4.a.(1) of the Declarations which is neither indicated as "Shared" or "Separate" shall be deemed to be indicated as "Shared" in Item 4.a.(1) of the Declarations.

4.2 **Coverage Part Limit of Liability**

The **Insurer's** liability to pay under each **Coverage Part** of this Policy for each and every **Loss**, **Associated Cost** and **Extension Expense** and for all **Loss**, **Associated Costs** and **Extension Expenses** for each **Claim** and in the aggregate on account of each **Claim** and **Triggering Event** will not exceed the applicable **Coverage Part Limit of Liability**, or Sub-Limit of Liability, stated in Item 4.a.(1) of the Declarations, subject to the **Aggregate Limit of Liability** for the **Policy Period**. The **Coverage Part Limit of Liability** shall apply only in excess of the **Deductible** applicable to such **Coverage Part**.

Once the applicable **Limit of Liability** or Sub-Limit of Liability is exhausted by payments required pursuant to the applicable **Coverage Part(s)** and subject to the **Aggregate Limit of Liability** for this Policy, the **Insurer's** obligations under the affected **Coverage Part** and this Policy shall be terminated, and the **Insurer** shall have the right to withdraw from any further obligations under the Policy.

With respect to the Crime Coverage Part:

- A. The most the **Insurer** shall pay for loss resulting directly from an **Occurrence** is the applicable **Limit of Insurance** stated in the Crime Coverage Part Schedule, subject to the **Coverage Part Limit of Insurance**, and the **Aggregate Limit of Liability** for the **Policy Period**. The **Limit of Insurance** shall apply regardless of the number of **Occurrences**. The Crime Coverage Part shall be reduced by the amount of any payment made under such **Coverage Part**. If the Crime Coverage Part **Limit of Insurance** is exhausted, we will have no further liability to pay for loss which may be **Discovered** during the **Policy Period**.
- B. Any recovery by the **Insurer** after settlement of a loss covered under the Crime Coverage Part shall not be used to increase or reinstate the Crime Coverage Part **Limit of Insurance**.
- C. In the event a loss of **Securities** (as defined in the Crime Coverage Part) is settled by the **Insurer** through the use of a Lost Securities Bond, such loss shall not reduce the **Coverage Part Limit of Insurance** nor the **Aggregate Limit of Liability** unless a payment under such Lost Securities Bond is made and then only for that amount of payment.
- D. The Crime Coverage Part **Limit of Liability** shall not apply to loss or that portion of loss sustained under the ERISA Fidelity Insuring Agreement.

4.3 **Related Claims and Related Triggering Events**

All **Claims** or **Loss** resulting out of:

- A. the same **Wrongful Act** or **Related Wrongful Acts**; or
- B. the same **Triggering Event** or **Related Triggering Events**;

will constitute one single **Claim** or **Loss** and will be deemed to be first made or **Discovered** when the earliest of such **Claims**, **Triggering Events** or **Losses** was first made or **Discovered**.

4.4 **Sub-Limit of Liability**

Each Sub-Limit of Liability stated in the Declarations or applicable **Coverage Part** Schedules shall be part of and not in addition to, applicable **Limit of Liability** for such **Coverage Part** and subject to the **Aggregate Limit of Liability** of this Policy as stated in Item 3 of the Declarations.

4.5 **Supplemental Limit of Liability**

Each Supplemental Limit of Liability stated in the Declarations of this Policy or applicable **Coverage Part** Schedules shall be the **Insurer's** maximum liability for such coverage and shall be in excess of the **Aggregate Limit of Liability** of this Policy as stated in Item 3 of the Declarations.

4.6 Deductible

A. Deductible for E&O Coverage as Set Forth in Item 4.a.(2) of the Declarations

1. Deductible Type

a. Damages Only

If “**Damages Only**” is selected in Item 4.a.(2) on the Declarations, the **Deductible** stated in the Declarations as applicable to this Policy applies to all **Damages** only. The **Insurer** shall only be liable to pay covered **Damages** in excess of the **Deductible** stated in the Declarations, which **Deductible** shall apply to each and every **Claim** covered under this Policy. The **Deductible** does not increase the **Limit of Liability**.

b. Damages and Claim Expenses

If “**Damages and Claim Expenses**” is selected in Item 4.a.(2) on the Declarations, the **Deductible** stated in the Declarations as applicable to this Policy applies to all **Loss** and **Claim Expenses**. The **Insurer** shall only be liable to pay covered **Damages** and **Claim Expenses** in excess of the **Deductible** stated in the Declarations, which **Deductible** shall apply to each and every **Claim** covered under this Policy. The **Deductible** does not increase the **Limit of Liability**.

In the event that a **Claim** covered under this Policy alleges **Wrongful Acts** which are subject to separate **Deductibles** and if:

- (1) one Deductible Type applies to “**Damages Only**” and another Deductible Type applies “**Damages and Claim Expenses**”, the “**Damages and Claim Expenses**” **Deductible** shall apply to the entire **Claim**; or
- (2) the same Deductible Type applies, whether “**Damages Only**” or “**Damages and Claim Expenses**”, but to which separate deductible amounts are applied, the single highest **Deductible** shall apply to the entire **Claim**.

2. Aggregate Deductible

The Aggregate Deductible, if any, is set forth in Item 4.a.(3) of the Declarations and shall be the maximum total **Deductible** that applies for all **Claims** covered under this Policy. The Aggregate Deductible limit applies separately to each consecutive annual **Policy Period**.

3. Reimbursement of Deductible

If the **Insurer** pays all or part of any **Deductible** amount, the **Insurer** will notify the **Named Insured** of its payment of the **Deductible**, and request reimbursement. The **Named Insured** will pay the **Insurer** for the part of the **Deductible** the **Insurer** paid within thirty (30) days of the **Insurer’s** request.

B. Crime Coverage Part

With respect to the Crime Coverage Part of this policy, if purchased, Subsection 7.2 (Deductible) of the Crime Coverage Part shall apply.

C. Cyber Coverage Part

With respect to the Cyber Coverage Part of this policy, if purchased, Subsection 5.3 (Deductible) of the Cyber Coverage Part shall apply.

5. Reporting and Notice

5.1 Reporting of Potential Claims

If, during the **Policy Period**, the **Knowledgeable Person** first becomes aware of a **Wrongful Act**, **Triggering Event**, or any facts or circumstances which might reasonably be expected to give rise to a **Claim**, and during the **Policy Period** gives written notice to the **Insurer** of such **Wrongful Acts** or **Triggering Event** as required below, then any **Claim** subsequently made against the **Insured** by reason of such **Wrongful Act** or **Triggering Event** shall be deemed to have been first made and reported to the **Insurer** during the **Policy Period**.

Written report of a potential **Claim** is required and must include:

- A. the specific facts, conditions and circumstances, including the date(s) thereof, which constitute the **Wrongful Act** or **Triggering Event** and which may reasonably be expected to give rise to a **Claim**;
- B. the **Insured** and clients involved; and
- C. the date and circumstances by which the **Insured** first became aware of such specific facts, conditions and circumstances.

5.2 **Reporting of Claims**

The **Insured** shall give the **Insurer** written notice of any **Claim** first made against any **Insured** as soon as practicable once any **Knowledgeable Person** becomes aware or receives notification of such **Claim**, but in no event later than: (i) ninety (90) days after the end of the **Policy Period**; or (ii) Extended Reporting Period, if applicable.

The **Knowledgeable Person** also agrees to forward, as soon as practicable, the following:

- A. every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative;
- B. particulars sufficient to identify the **Insured**, and also reasonably obtainable information with respect to the time, place and circumstances thereof;
- C. the names, addresses and other available contact information for any witnesses;
- D. copies of all agreements with any party that is referred to, or in any way associated with, the **Claim**; and
- E. identification of any and all parties referred to, related to or in any way associated with the **Claim** or the **Wrongful Act** leading to the **Claim**.

5.3 **Notice of Triggering Event or Loss Under First Party Coverage Parts**

With respect to the:

- A. Crime Coverage Part, if purchased, written notice of any loss **Discovered** by the **Insured** shall be provided to the **Insurer** pursuant to Subsection 5.4 (Duties After Discovery of a Loss of Claim).
- B. Cyber Coverage Part, if purchased, written notice of any **Triggering Event Discovered** by the **Insured** shall be provided to the **Insurer** pursuant to Section 6 (Notice of Triggering Event Under First Party Coverage Parts).

5.4 **Address and Format of Notices to Insurer**

For a notice pursuant to this Section 5 (Reporting and Notice) to be effective, the **Knowledgeable Person** shall:

- A. provide written notice to **Insurer** at the address or email address shown in Item 8 of the Declarations, and will be accepted upon actual receipt by the **Insurer** at such address; and
- B. submit any notice and reporting to the **Insurer** required under this Policy, including all required or otherwise provided supporting information, in English. In the event any such information is not available as an original document in English, the **Knowledgeable Person** shall supply, as a condition precedent to coverage, a complete copy of the original source material together with an English language translation certified by an independent expert. Any required translation costs shall be at the **Insured's** expense.

Notice attempted in any other manner other than as provided in this Policy or to any address other than as set forth above, including without limitation, information provided in connection with the application for a successor, renewal or replacement policy to this Policy, shall not be considered effective notice hereunder.

6. **Conditions**

6.1 **Assistance and Cooperation of the Insured**

- A. The **Insured** agrees to:

1. cooperate with the **Insurer**;
2. upon the **Insurer's** request, assist in the defense, investigation and settlement of any **Claims** and, as may be appropriate, any potential **Claims**;
3. enforce any right of contribution or indemnity against any person or organization that may be liable to the **Insured** because of **Loss** to which this Policy applies; and
4. attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses.

B. The **Insured** shall not:

1. engage in any settlement activity concerning any **Claim**, incur any **Claim Expenses** or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Insurer's** written consent;
2. prejudice the **Insurer's** position, potential or actual rights of recovery, legal obligations or rights; or
3. except at the **Insured's** own cost, agree to make any voluntarily payments, assume any obligation or incur any expense without the **Insurer's** written consent.

Additional requirements with Assistance and Cooperation of the **Insured** shall be set forth in the **First Party Coverages**.

6.2 Authorization Clause/Notices

By acceptance of this Policy, the **Insureds** agree that the **Named Insured** stated in the Declarations shall act on behalf of all **Insureds** with respect to the giving and receiving of notice of any **Claim** or potential **Claim**, cancellation, nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this Policy. Notice to the **Named Insured** at the address of such **Named Insured** stated in the Declarations shall also constitute notice to all **Insureds**.

6.3 Bankruptcy

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve the **Insurer** of its obligations nor deprive the **Insurer** of any rights or defenses under this Policy.

6.4 Cancellation and Nonrenewal

A. Cancellation

1. The **Named Insured** on behalf of all **Insureds** may cancel this Policy by mailing or delivering to the **Insurer** advance written notice of cancellation. The **Policy Period** will end on the effective date requested.
2. This Policy may not be cancelled by the **Insurer**, except for non-payment of premium by the **Named Insured**. In such event, the **Insurer** shall mail by first class or certified mail written notice of cancellation for non-payment of premium to the **Named Insured** and the agent or broker of record at their last known address, at least ten (10) days before the effective date of cancellation.
3. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on the date of cancellation.
4. If this Policy is cancelled, the **Insurer** will send the **Named Insured** any premium refund due. If either the **Insurer** or the **Named Insured** cancels, the refund will be the pro rata unearned premium. The cancellation will be effective even if the **Insurer** has not made or offered a refund.
5. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

B. Nonrenewal by the **Insurer**

1. The **Insurer** is not required to renew this Policy when it expires.

2. If the **Insurer** elects not to renew this Policy, the **Insurer** will mail by first class or certified mail, to the **Named Insured** and the agent or broker of record, at their last known address, written notice stating the reason for nonrenewal, at least sixty (60) days but not more than one hundred and twenty (120) days before the effective date of nonrenewal.
3. Notice of nonrenewal will state the effective date of nonrenewal. The **Policy Period** will end on the date of nonrenewal.
4. A post office certificate of mailing or certified mail receipt will be sufficient proof of mailing of notice.

6.5 Conformance with State Statutes

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

6.6 Entire Agreement and Changes to the Policy

This Policy, together with any **Coverage Parts**, endorsements and the Declarations, constitutes the entire agreement existing between the **Insureds** and the **Insurer**.

No change in, or modification of this Policy shall be effective unless made by written endorsement issued by the **Insurer** 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 estop the **Insurer** from asserting any right under the terms of this Policy, nor shall the terms of this Policy be waived or changed.

6.7 Action Against the Insurer

No action may be taken against the **Insurer** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or entity shall have any right under this Policy to join the **Insurer** as a party to any action against any **Insured** to determine such **Insured's** liability nor shall the **Insurer** be impleaded by such **Insured** or legal representatives of such **Insured**.

6.8 Liberalization

If the **Insurer** adopts a change to its 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 the state in which the **Named Insured** is domiciled.

6.9 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 ninety (90) 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 the **Insurer** written notice of such event within ninety (90) days of the acquisition, merger, consolidation or change of control together with any information the **Insurer** 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.

6.10 Other Insurance

- A. If there is other valid insurance (whether primary, excess, contingent or self-insurance) which may apply against a **Claim** covered by any **Coverage Part** of this Policy, the insurance provided hereunder shall be excess insurance over and above the applicable limit of all other insurance or self-insurance unless such other insurance is written only as a specific excess insurance over the Limit of Liability provided in this Policy.
- B. When this insurance is excess, the **Insurer** shall have no duty under this policy to defend any **Claim** or **Suit** that any other insurer or self-insurer has a duty to defend. If such other insurer or self-insurer

refuses to defend such **Claim** or **Suit**, the **Insurer** can choose to defend and then shall be entitled to the **Insured's** rights against all such other insurers or self-insurers for any **Claim Expenses** the **Insurer** incurs.

- C. When both this insurance and any other insurance or self-insurance apply to the **Claim** on the same basis, the **Insurer** shall not be liable under this Policy for a greater proportion of **Loss** and **Claim Expenses** than the applicable **Limit of Liability** under this Policy for such **Loss** and **Claim Expenses** bears to the total applicable limit of liability of all valid and collectible insurance against such **Loss** and **Claim Expenses**. Subject to the foregoing, if a **Claim** occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata based on limits of liability or limits of insurance.

6.11 Representations and Separation of Insureds

By acceptance of this Policy, the **Named Insured** agrees that:

- A. the statements in the application for this Policy are accurate and complete;
- B. those statements are based upon representations the **Named Insured** made to the **Insurer**; and
- C. the representations made are deemed to be material, and that the **Insurer** has issued this Policy in reliance upon the truth of such representations.

Except with respect to the **Limit of Liability** and any rights or duties specifically assigned to the **Named Insured**, this insurance applies:

- 1. as if each **Named Insured** were the only **Named Insured**; and
- 2. separately to each **Insured** against whom a **Claim** is made or **Suit** is brought.

For the purposes of determining the availability of coverage under this Policy, no fact pertaining to, or knowledge possessed by, or conduct of one **Insured Person** shall be imputed to any other **Insured Person**. Further, the failure of any **Insured Person** to provide the **Insurer** with cooperation and information as required shall not impair the rights of any other **Insured Person**.

With respect to an **Insured Organization** the statements made by, information or knowledge possessed by and any conduct, act or omission of any past, present or future **Knowledgeable Person** shall be imputed to that **Insured Organization**, and the knowledge of such **Knowledgeable Persons** of the **Named Insured** shall be imputed to all **Insured Organizations**.

6.12 Sanctions Clause

This insurance does not apply to the extent that any foreign or U.S. economic or trade sanctions including, but not limited to, those sanctions administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), prohibit the **Insurer** from providing insurance.

6.13 Subrogation and Assignment

- A. When the **Insurer** pays under this Policy on behalf of any **Insured**, the **Insurer** shall receive the **Insured's** rights of recovery against any other person or entity and may subrogate against such parties. All **Insureds** are required to execute and deliver any instrument and papers and do whatever else is necessary to secure the **Insurer's** rights. No **Insured** shall prejudice the **Insurer's** subrogation rights.
- B. Any recovery received shall be applied in the following order: (i) to the repayment of expenses incurred by the **Insurer** toward recovery; (ii) to **Loss** and **Claim Expenses** made by the **Insurer**; and (iii) the repayment of the **Deductible**.
- C. No **Insured** may assign any interest in this Policy unless the **Insurer** provides its prior written consent and an endorsement is attached to the Policy effecting assignment.

6.14 Worldwide Coverage

Coverage under this Policy shall apply to **Loss** incurred, resulting from **Claims** made and **Wrongful Acts** or **Triggering Events** occurring anywhere in the world, where such coverage is legally permissible.

6.15 Valuation and Foreign Currency

All premiums, limits, deductibles, retention amounts, **Loss, Claim Expenses** and any other amounts to which this Policy may apply are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is determined or any element of **Loss** due under this Policy is stated in a currency other than that of the United States of America, payment under this Policy shall be made in the currency of the United States of America at the rate of exchange published in the Wall Street Journal on the date the final judgment is rendered, final settlement is agreed upon or the applicable element of **Loss** is due if not a final settlement.

If the **Insurer** makes reimbursement to the **Insured** of any settlement and covered costs, it will be paid in the currency of the United States. Payment of settlement and covered costs which are made by the **Insured** in the currencies of other nations will be converted to the currency of the United States at the exchange rate published in the Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon, or the date the reimbursement is processed.

6.16 Titles/Plurals/Headings

The descriptions in the headings and titles of this Policy are solely for reference and convenience and do not lend any meaning to this contract. Words and expressions in the singular shall include the plural and vice versa. In this Policy, words in **bold** typeface have special meaning and are defined. Words that are not specifically defined in this Policy have the meaning normally attributed to them.

IN WITNESS WHEREOF, the **Insurer** has caused this Policy to be signed by its President and Secretary.



Secretary



President

