

# STARSTONE NATIONAL INSURANCE COMPANY

## LAWYERS PROFESSIONAL LIABILITY INSURANCE

**THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE AND REPORTED BASIS SUBJECT TO ITS TERMS. THE COVERAGE PROVIDED BY THIS POLICY IS LIMITED TO ONLY THOSE CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE INSURER DURING THE POLICY PERIOD OR AN EXTENDED REPORTING PERIOD, IF APPLICABLE. THE LIMIT OF INSURANCE WILL BE REDUCED BY PAYMENT OF CLAIM EXPENSES AND DAMAGES. PLEASE READ THE ENTIRE POLICY CAREFULLY.**

In consideration of the payment of the premium and in reliance upon the statements in the **Application** and subject to all terms of this Policy, the **Insureds** agree with the **Insurer** as follows:

### I. INSURING AGREEMENTS

Subject to the terms, conditions and exclusions of this Policy:

#### A. COVERAGE - LAWYERS PROFESSIONAL LIABILITY

The **Insurer** shall pay on behalf of the **Insured** those sums in excess of the Retention which the **Insured** becomes legally obligated to pay as **Damages** and **Claim Expenses** as a result of any **Claim** which is first made against the **Insured** during the **Policy Period**, and reported to the **Insurer** in writing as soon as practicable during the **Policy Period** or within 60 days thereafter.

#### B. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

1. The **Insurer** shall have the right and duty to defend any **Claim** seeking **Damages** which is first made against the **Insured** during the **Policy Period**, and reported to the **Insurer** in writing as soon as practicable during the **Policy Period** or within 60 days thereafter, even if the allegations are groundless, false or fraudulent. The **Insurer** shall have no obligation to pay **Claim Expenses** for any **Claim** seeking damages which are not covered by this Policy. The **Insurer** shall have the sole right to select counsel to defend the **Insured**.

In the event an **Insured** is entitled to independent defense counsel, the **Insurer** shall only be liable for the reasonable and necessary defense costs of such counsel at rates customarily paid by the **Insurer** for the defense of similar claims in the geographic area where the **Claim** is being defended. Any such defense costs shall be considered **Claim Expenses**. Additionally, such independent defense counsel shall maintain errors and omissions coverage, shall have practiced for at least 10 years in the defense of similar claims and regularly practice in the venue in which the **Claim** is brought. The **Insured** and independent defense counsel shall fully cooperate with the **Insurer** with respect to the defense, investigation, and settlement of any **Claim**.

2. The **Insurer's** right and duty to defend any **Claim** shall end when the applicable Limit of Liability stated in Item 4 of the Declarations has been exhausted by payment of **Damages** and/or **Claim Expenses**, or have been tendered to, or on behalf of, the **Insured** or to a court of competent jurisdiction. In such case, the **Insurer** shall have the right to withdraw from the defense, payment, or settlement of any **Claim** by tendering control of such **Claim** to the **Insured**. The **Insured** agrees to accept such tender.

3. The **Insurer** shall not settle any **Claim** without the consent of the **Named Insured** which consent shall not be unreasonably withheld. If, however, the **Named Insured** refuses to consent to a settlement recommended by the **Insurer**, the **Insurer's** liability for the **Claim** shall not exceed the amount for which the **Claim** could have been settled, including **Claim Expenses** incurred up to the date of such refusal, or the remaining applicable limit of liability, whichever is less.

### II. EXTENSIONS

A. If, during the **Policy Period**, a **Disciplinary Proceeding** is made against an **Insured** by reason of a **Wrongful Act** fully occurring on or after the **Retroactive Date** and such **Disciplinary Proceeding** is reported to the **Insurer** as soon as practicable during the **Policy Period** or within 60 days thereafter, the

**Insurer** shall indemnify the **Insured** for reasonable fees, costs and expenses, paid to third parties other than an **Insured**, in responding to such **Disciplinary Proceeding**. The maximum amount payable by the **Insurer** pursuant to this paragraph A shall not exceed \$25,000 for each **Disciplinary Proceeding** up to a maximum aggregate amount of \$100,000 per **Policy Period**. The **Insurer** shall have neither the right nor the duty to defend a **Disciplinary Proceeding**. The **Insurer** shall not be obligated to pay any award, penalty, sanction, cost or order of restitution resulting from any **Disciplinary Proceeding**.

- B. In the event the **Insureds** fully comply with the reporting requirements of Section VI. B. and to the extent coverage is not otherwise available under this Policy, the **Insurer** shall pay on behalf of the **Insured** reasonable fees and expenses incurred with the **Insurer's** prior written consent resulting from a **Subpoena** first received by the **Insured** during the **Policy Period** and reported to the **Insurer** during the **Policy Period** or within 60 days thereafter. The maximum amount payable by the **Insurer** pursuant to this paragraph B shall not exceed a maximum aggregate limit of \$25,000 per **Policy Period**.
- C. The **Insurer** shall pay **Pre-Claim Expenses**, incurred with the **Insurer's** prior written consent, for a fact, circumstance, or situation which may reasonably be expected to give rise to a **Claim** against an **Insured** and which is reported in full compliance with Section VI. B. of this Policy. Payment of **Pre-Claim Expenses** shall not apply to a **Disciplinary Proceeding** or **Subpoena**. **Pre-Claim Expenses** must be incurred prior to the date that any **Claim** is made based upon or arising out of such reported fact, circumstance, or situation.
- D. The **Insurer** shall pay up to \$500 per day for reimbursement of reasonable loss of earnings, costs and expenses incurred in connection with the **Insureds'** presence, at the **Insurer's** request, at a trial, hearing, deposition, mediation or arbitration. The maximum amount payable by the **Insurer** pursuant to this paragraph D shall not exceed \$10,000 per **Claim** up to a maximum aggregate amount of \$50,000 per **Policy Period**.

Any payment by the **Insurer** pursuant to this Section II. shall be in addition to the Limits of Liability specified in Item 4 of the Declarations and the Retention shall not apply. With respect to **Pre-Claim Expenses**, once a **Claim** is made, **Damages** and **Claim Expenses** that result from such **Claim** shall reduce the applicable Limits of Liability and be subject to the Retention.

### III. DEFINITIONS

Whenever printed in boldface type, and whether in singular or plural form in this Policy, the following terms shall have the meanings indicated below.

- A. **Application** means the application for insurance and any material submitted therewith or incorporated therein, and any other documents submitted in connection with the underwriting of this Policy or any previous policies issued by the **Insurer** of which this Policy is a direct or indirect replacement or renewal.
- B. **Bodily Injury** means physical injury, sickness, disease or death of any natural person.
- C. **Claim** means:
1. a written demand for monetary damages, including the service of suit or institution of arbitration proceedings, by reason of a **Wrongful Act**; or
  2. a written request that an **Insured** sign an agreement to toll the statute of limitations, by reason of a **Wrongful Act**.

**Claim** shall not include a **Disciplinary Proceeding** or **Subpoena**. A **Claim** shall be deemed to have been first made at the time written notice of the **Claim** is first received by any **Insured**.

- D. **Claim Expenses** means:
1. fees charged by any lawyer designated by the **Insurer** to defend the **Insured**; and
  2. if authorized by the **Insurer**, all other reasonable fees, costs and expenses resulting from the investigation, adjustment, defense or appeal of any **Claim**, including the cost of appeal bonds; however the **Insurer** shall have no obligation to apply for or furnish appeal bonds on behalf of any **Insured**.

**Claim Expenses** shall not include salaries and expenses of regular employees or officers of the **Insurer** or any salaries, wages, fees, costs or expenses of any **Insured**. **Claim Expenses** shall be part of, and not in addition to, the Limits of Liability stated in Item 4 of the Declarations.

- E. **Damages** means the monetary portion of any judgment, award or settlement, including any punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages, provided always that **Damages** shall not include:
1. taxes, civil fines, criminal fines, sanctions, fees, restitution or penalties imposed by law, statute, regulation or court rule, or any amount awarded in a **Disciplinary Proceeding**;
  2. punitive or exemplary damages if deemed uninsurable under applicable law, and the multiplied portion of any multiplied damages award;
  3. the cost to comply with any form of injunctive or other non-monetary or declaratory relief;
  4. any amounts payable by any **Insured** for, or for the return of, fees, commissions, profits or charges for services or consideration; or
  5. **Claim Expenses**.
- F. **Disciplinary Proceeding** means any proceeding by a regulatory or disciplinary official or agency against an **Insured** to investigate actual or alleged professional misconduct in rendering or failing to render **Professional Services**.
- G. **Insured** means:
1. the **Named Insured** and any **Predecessor Firm**;
  2. any individual or professional corporation who is or becomes a partner, principal, officer, director, stockholder, or employee of the **Named Insured**, but solely with respect to **Professional Services** performed on behalf of the **Named Insured** or **Predecessor Firm**;
  3. any individual or professional corporation who was a partner, principal, officer, director, stockholder, or employee of the **Named Insured** or **Predecessor Firm**, but solely with respect to **Professional Services** performed on behalf of the **Named Insured** or **Predecessor Firm**;
  4. any "of counsel" or independent contractor who is a natural person, but solely with respect to **Professional Services** performed on behalf of the **Named Insured** or **Predecessor Firm** and pursuant to a written contract with the **Named Insured** or **Predecessor Firm**; or
  5. the heirs, executors, administrators, and legal representatives of any **Insured** in the event of death, incapacity or bankruptcy, and the lawful spouse or a person qualifying under applicable law as a domestic partner of such **Insured**, but solely with respect to **Professional Services** rendered by the **Insured** prior to such **Insured's** death, incapacity or bankruptcy and only to the extent that such **Insured** would otherwise be covered by this Policy.
- H. **Insurer** means the insurance company shown in the Declarations.
- I. **Named Insured** means the person or entity shown in Item 1 of the Declarations.
- J. **Personal Injury** means false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, abuse of process, malicious prosecution, libel, slander or breach of privacy.
- K. **Policy Period** means the period of time from the effective date of this Policy as set forth in Item 2 of the Declarations to the earlier of the expiration date shown in Item 2 of the Declarations or the effective date of cancellation of this Policy.
- L. **Pre-Claim Expenses** means reasonable fees, costs and expenses incurred in the investigation of a fact, circumstance, or situation which may reasonably be expected to give rise to a **Claim** against an **Insured**.
- M. **Predecessor Firm** means a legal entity, which was engaged in the practice of law, to whose financial assets and liabilities the **Named Insured** is the majority successor in interest prior to the effective date of this Policy.
- N. **Professional Services** means only those services rendered by an **Insured** in the following capacities:
1. lawyer;
  2. law clerk, paralegal, legal secretary or other legal support staff;
  3. arbitrator, mediator, lobbyist, notary public, title insurance agent, or as a member, director, or officer of any Bar Association, its governing board or any of its committees;

4. administrator, conservator, executor, guardian, receiver, trustee or in a similar fiduciary capacity, if such services are directly connected with the **Insured's** practice of law; or
5. publication or presentation of research papers or similar materials related to the practice of law but only if the total fee generated from such publication or presentation does not exceed \$25,000.

In all events, coverage as is afforded with respect to **Professional Services** shall only apply for services performed by an **Insured** for remuneration inuring to the benefit of the **Named Insured** or **Predecessor Firm**, or on a pro bono basis, if, prior to the performance of such services, a partner, director or officer of the **Named Insured** or **Predecessor Firm** approved of such services without a fee.

- O. **Related Wrongful Acts** means **Wrongful Acts** which are the same or continuous or are logically or causally connected by any common fact, situation, circumstance, event, or transaction.
- P. **Retroactive Date** means the date specified in Item 6 of the Declarations.
- Q. **Subpoena** means a subpoena or written request compelling witness testimony or document production from an **Insured**.
- R. **Wrongful Act** means any actual or alleged act, error, omission, or **Personal Injury** arising out of **Professional Services** rendered by an **Insured** for others.

#### IV. EXCLUSIONS

This Policy does not apply to any **Claim** made against the **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:

- A. any **Wrongful Act** or **Related Wrongful Act** or any fact, circumstance or situation that has been the subject of any notice or **Claim** reported under any other policy of insurance;
- B. any **Wrongful Act** prior to the **Policy Period** if any **Insured**, on or before the effective date of the first Lawyers Professional Liability Policy issued by the **Insurer** to the **Named Insured** which has been continuously renewed and maintained in effect to the effective date of this **Policy Period**, knew or could have reasonably foreseen that such **Wrongful Act** might reasonably be expected to be the basis of a **Claim**;
- C. any **Wrongful Act** prior to the **Retroactive Date** or any subsequent **Related Wrongful Act**;
- D. any dishonest, fraudulent, or malicious act, error, omission or offense committed by or ratified by any **Insured**; provided, however, this exclusion shall not apply to **Personal Injury** and the **Insurer** will provide a defense for such **Claim** unless or until such dishonest, fraudulent, or malicious act, error, omission or offense has been determined by any verdict, court ruling, administrative or regulatory ruling or legal admission, whether or not appealed;

If coverage under this Policy would be excluded because of exclusion D, the coverage otherwise afforded by this Policy shall continue to apply to any **Insured** who neither committed, personally acquiesced in, or remained passive after knowledge of such dishonest, fraudulent, or malicious act, error, omission or offense.

- E. any **Insured** having gained any personal profit or advantage to which he or she was not legally entitled;
- F. any criminal investigation, criminal proceeding or prosecution against any **Insured**;
- G. any actual or alleged assault, battery, or trespass by any **Insured**;
- H. any **Insured's** actual or alleged infringement, misuse, piracy, theft or conversion of confidential or proprietary information, copyright, patent, trademark, business ideas, business methods or trade secrets;
- I. any **Insured's** capacity as a public official or an employee of a governmental body, subdivision or agency unless the **Insured** is deemed to be such solely because the **Insured** has rendered **Professional Services** to such governmental entity;
- J. any business enterprise other than the **Named Insured** or a **Predecessor Firm** which is or was more than 15% owned by any **Insured** or an accumulation of **Insureds**, or in which any **Insured** is or was an officer, director, partner, manager, or employee, or which is or was directly or indirectly controlled, operated or managed by any **Insured**, other than solely in a fiduciary capacity;

This exclusion J. applies whether or not the **Insured's** activities also constitute or involve **Professional Services**.

- K. any **Insured's** actual or alleged activities or capacity as a fiduciary under the Employee Retirement Income Security Act of 1974, any amendments, regulations or orders issued pursuant thereto, or any similar provision of any federal, state, local or foreign regulation, statute, rule or law;

- L. any conspiracy or violation of any provisions of the Racketeer Influenced and Corrupt Organizations Act 18 USC Sections 1961, or any similar provision of any federal, state, local or foreign regulation, statute, rule or law;
- M. any actual or alleged certification or acknowledgement by any **Insured**, in his or her capacity as a notary public, of a signature on a document which the **Insured** did not witness being placed on the document;
- N. any defects in title of which any **Insured** had actual knowledge as of the date of issuance of the title insurance policy, or any breach of underwriting authority by an **Insured** in the **Insured's** capacity as a title insurance agent;
- O. any actual or alleged conversion, misappropriation or improper commingling of funds or real property; the inability to pay, collect or safeguard money, including the improper transfer of funds from an account of an **Insured** in reliance upon fraudulent instructions; or the return, restitution, or disgorgement of fees, commissions, costs or expenses;
- P. **Professional Services** provided to a trust or estate if any **Insured** is, was or becomes a beneficiary or distributee of such trust or estate;
- Q. **Professional Services** rendered by or on behalf of any **Insured** to another **Insured** or any other individual or professional corporation who, at the time of the **Wrongful Act**, was a partner, principal, officer, director, stockholder, member, or employee of the **Named Insured** or **Predecessor Firm**;
- R. any individual or entity, not an **Insured** under this Policy, with which or whom an **Insured** shares common office space;
- S. any actual or alleged investment advice, promotion, sale, solicitation, or recommendation of any securities, real estate or other investments by any **Insured**;
- T. any liability assumed by any **Insured** under any contract or agreement unless such liability would have attached to the **Insured** in the absence of such contract or agreement;
- U. any actual or alleged nuclear reaction, radiation, seepage, discharge, dispersal, pollution, release of asbestos, lead, mold or contamination of any kind, or any request, demand or order that any **Insured** test for, monitor, clean up, remove or treat asbestos, lead, mold, pollution or contamination of any kind.

This Policy does not apply to any **Claim** made against the **Insured**:

- V. for any actual or alleged **Bodily Injury**, emotional distress or mental anguish, or actual or alleged damage to, or destruction of any tangible property, including loss of use thereof; provided however, this exclusion shall not apply to emotional distress or mental anguish caused by **Personal Injury**, if solely resulting from covered **Professional Services**;
- W. for any actual or alleged:
  - 1. employment-related practices including but not limited to any workplace discrimination or harassment, abusive or hostile work environment, wrongful discharge or termination, wrongful demotion or discipline, retaliation, employment-related misrepresentation, negligent hiring, supervision, evaluation, retention, performance evaluation, wrongful reference or any violation of the:
    - a. National Labor Relations Act, Worker Adjustment and Retraining Notification Act, Consolidated Omnibus Budget Reconciliation Act, Occupational Safety and Health Act, or Family Medical Leave Act, including amendments thereto or any similar provision of any federal, state, local or foreign regulation, statute, rule or law; or
    - b. Fair Labor Standards Act, including amendments thereto or any similar provision of any federal, state, local or foreign regulation, statute, rule or law governing the classification of employees to determine their eligibility for compensation or the payment of wages, overtime, on-call time, rest periods, expense reimbursement, or minimum wages;
  - 2. failure to comply with any law concerning disability benefits, unemployment insurance, social security or workers compensation, including any amendments thereto or any similar provision of any federal, state, local or foreign regulation, statute, rule or law;
  - 3. sexual harassment, including any unwelcome sexual advance, request for a sexual favor, or other conduct of a sexual nature against another; or
  - 4. discrimination against another based upon such other's race, color, religion, creed, age, sex, disability, marital status, national origin, pregnancy, HIV status, sexual orientation or preference, Vietnam Era Veteran status, or other status that is protected pursuant to any federal, state, local or foreign regulation, statute, rule or law.

## V. LIMITS OF LIABILITY AND RETENTION

- A. The maximum liability of the **Insurer** for all **Damages** and **Claim Expenses** arising from each **Claim** covered under this Policy shall not exceed the each **Claim** Limit of Liability stated in Item 4.a. of the Declarations.
- B. The maximum liability of the **Insurer** for the combined total of all **Damages** and **Claim Expenses** arising from any and all **Claims** covered under this Policy shall not exceed the aggregate Limit of Liability stated in Item 4.b. of the Declarations.
- C. All **Claims** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same **Wrongful Act** or any **Related Wrongful Act** or one or more of a series of similar, repeated, or continuous **Wrongful Acts** or **Related Wrongful Acts** shall be deemed to be a single **Claim** subject to the each **Claim** Limit of Liability stated in Item 4.a. of the Declarations. All such **Claims** constituting a single **Claim** shall be deemed to have been first made on the date on which the earliest of such **Claims** is first made even if such date is before the **Policy Period**. The inclusion of more than one **Insured** in any **Claim** or the making of **Claims** by more than one person or organization shall not operate to increase the Limits of Liability stated in Item 4 of the Declarations.
- D. If two or more policies of insurance issued by the **Insurer** or any of its affiliated companies apply to the same claim, the **Insurer** shall not be liable for any amount greater than the limit of liability of the policy which has the highest applicable limit of liability. If the limit of liability on each policy is the same, only one limit will apply.
- E. The **Insurer** shall only be liable for those amounts payable as **Damages** and/or **Claim Expenses** which are in excess of the Retention stated in Item 5 of the Declarations. The Retention shall apply separately to each **Claim** and shall be paid by the **Named Insured**. The **Named Insured** shall promptly make direct payments within the Retention to the appropriate parties as designated by the **Insurer**. The **Insurer** shall have no obligation to make payments within the Retention. If the **Named Insured** fails to pay the Retention, then all **Insureds** shall be jointly and severally obligated to pay the Retention. If the **Insurer** brings suit to collect such amounts, then the **Insureds** responsible to pay such amounts shall pay the legal fees, costs, and expenses incurred by the **Insurer** to collect such amounts.
- F. The Retention shall not apply to a **Claim** otherwise covered by this Policy arising solely out of **Professional Services** rendered on a pro bono basis, if, prior to the performance of such services, a partner, director or officer of the **Named Insured** approved of such services without a fee.
- G. The **Named Insured's** Retention obligation shall be reduced by 50%, subject to a maximum reduction of \$25,000, for any **Claim** in which the **Insurer** and the **Named Insured** agree to final settlement with all claimants during the initial mediation of such **Claim** or within 30 days after participation in such mediation. This reduction does not apply to any **Claim** resolved through arbitration.

## VI. CONDITIONS

### A. INSURED'S DUTIES IN THE EVENT OF A CLAIM

As a condition precedent to coverage under this Policy, an **Insured's** duties in the event of a **Claim** are as follows:

1. An **Insured** shall not make any payment, incur any expense, admit liability, settle any **Claim**, stipulate to any judgment, assume any obligation, agree to arbitration or any similar means of resolution of any dispute, waive any rights, or incur any **Claim Expenses** without the prior written consent of the **Insurer**.
2. Each **Insured** shall cooperate with the **Insurer** in the defense, investigation and settlement of any **Claim**. Upon the **Insurer's** request, the **Insured** shall submit to examination or questioning, attend hearings, depositions, and trials and assist in effecting settlement, securing and giving evidence and obtaining the attendance of witnesses in the conduct of suits, mediations or similar proceedings. Each **Insured** shall assist the **Insurer** in effecting any rights of indemnity, contribution or apportionment available to any **Insured** or the **Insurer**.

### B. REPORTING AND NOTICE REQUIREMENTS

As a condition precedent to coverage under this Policy, an **Insured's** duties in the event of a **Claim** are as follows:

1. If a **Claim** is made against an **Insured**, the **Insured** must give written notice to the **Insurer** as soon as practicable but in no event later than 60 days after the end of the **Policy Period**. The **Insured** shall immediately forward to the **Insurer** every demand, notice, summons, or other process received by any **Insured**.

2. If, during the **Policy Period**, an **Insured** becomes aware of any fact, circumstance, or situation which may reasonably be expected to give rise to a **Claim** against any **Insured** and gives written notice to the **Insurer** as soon as practicable during the **Policy Period**, then any **Claim** subsequently made against the **Insured** arising out of such fact, circumstance or situation shall be deemed to have been made when written notice was first received by the **Insurer**. Written notice under this paragraph shall include the specific **Wrongful Act**, including the date(s) thereof, person(s) involved, injury or damage that may reasonably result, and the date and circumstance by which the **Insured** became aware of the **Wrongful Act**.

### C. EXTENDED REPORTING PERIOD COVERAGE

In the event of cancellation or non-renewal of this Policy, by either the **Named Insured** or the **Insurer**, for reasons other than nonpayment of premium, the **Named Insured** shall have the right to an Extended Reporting Period as follows:

#### 1. AUTOMATIC EXTENDED REPORTING PERIOD COVERAGE

Without any additional premium being required, coverage as provided under this Policy shall automatically continue for a period of 60 days following the effective date of cancellation or non-renewal, but only with respect to **Claims** for **Wrongful Acts** fully occurring prior to the effective date of such cancellation or non-renewal and otherwise covered by this Policy and only if there is no other policy that would otherwise provide insurance for such **Wrongful Act**. This 60 day period shall be referred to as the Automatic Extended Reporting Period. The Automatic Extended Reporting Period shall not be available if any **Insured's** license to practice law is revoked, suspended by or surrendered at the request of any regulating authority for reasons other than the **Insured** is disabled.

#### 2. SUPPLEMENTAL EXTENDED REPORTING PERIOD COVERAGE

The **Named Insured** shall have the right to purchase an optional Supplemental Extended Reporting Period for reporting **Claims** made against any **Insured** under this Policy.

- a. The additional premium for the Supplemental Extended Reporting Period shall be as follows:

Supplemental Extended Reported Period	Additional Premium
One year (12 months)	100% of the last annual premium of this Policy
Two years (24 months)	150% of the last annual premium of this Policy
Three years (36 months)	175% of the last annual premium of this Policy
Four years (48 months)	200% of the last annual premium of this Policy
Five years (60 months)	225% of the last annual premium of this Policy
Six Years (72 months)	235% of the last annual premium of this Policy
Unlimited (unlimited)	250% of the last annual premium of this Policy

- b. If the **Named Insured** purchases the Supplemental Extended Reporting Period, the coverage shall apply only to **Claims** for **Wrongful Acts** fully occurring prior to the effective date of cancellation or non-renewal and otherwise covered by this Policy and which are first made against any **Insured** and reported to the **Insurer** during the Supplemental Extended Reporting Period.
- c. This right to purchase the Supplemental Extended Reporting Period is subject to the following conditions:
  1. the Policy was cancelled or non-renewed for reasons other than non-payment of premium;
  2. any Retention or other amounts owed the **Insurer** have been paid;
  3. the **Insured(s)** has complied with all terms and conditions of the Policy;
  4. the **Named Insured** must send written notice to the **Insurer** of the intention to purchase the Supplemental Extended Reporting Period accompanied by the additional premium. Written notice and premium payment must be received by the **Insurer** within 60 days of cancellation or nonrenewal or the right to purchase the Supplemental Extended Reporting Period shall terminate. The Supplemental Extended Reporting Period will not go into effect unless the additional premium is received by the **Insurer** promptly when due;
  5. the Supplemental Extended Reporting Period does not increase or reinstate the limits of liability of the Policy or extend the **Policy Period**.
- d. Any **Claim** made during the Supplemental Extended Reporting Period shall be deemed to have been made during the **Policy Period**. The entire premium for the Supplemental Extended Reporting Period shall be deemed to be fully earned at the inception of the Supplemental Extended Reporting Period.

### 3. INDIVIDUAL EXTENDED REPORTING PERIOD COVERAGE

If during the **Policy Period** an **Insured**, other than the **Named Insured**, permanently ceases performance of **Professional Services** as a result of retirement, becoming permanently disabled, or death except by suicide, such **Insured** shall be entitled to an unlimited period for reporting **Claims** first made against such **Insured** under this Policy. Such reporting period shall be referred to as the Individual Extended Reporting Period.

There shall be no charge for the Individual Extended Reporting Period for eligible **Insureds** who die or become disabled during the **Policy Period**. The charge for the Individual Extended Reporting Period for eligible **Insureds** who retire during the **Policy Period** is \$1,500 per **Insured**; provided however, if the **Named Insured** has continuously renewed and maintained in effect a Lawyers Professional Liability Policy issued by the **Insurer** for three consecutive years immediately prior to the request for the Individual Extended Reporting Period, no charge shall apply.

The right to an Individual Extended Reporting Period is subject to the following conditions:

- a. the coverage shall apply only to **Claims** for **Wrongful Acts** fully occurring prior to the date of retirement, permanent disability or death of such **Insured** and otherwise covered by this Policy and which are first made against such **Insured** and reported to the **Insurer** during the Individual Extended Reporting Period;
- b. such **Insured's** license to practice law has not been revoked, suspended or surrendered at the request of any regulatory authority for reasons other than the **Insured** is disabled;
- c. the right of an **Insured** to elect an Individual Extended Reporting Period must be exercised in writing to the **Insurer**, accompanied by any additional premium due, during the same **Policy Period** that the **Insured** retired, became permanently disabled, or died, or within 60 days of the ending date of such **Policy Period**. Such written notice must include evidence of such retirement, disability, or death. The Individual Extended Reporting Period will not go into effect unless such written notice and additional premium due, if any, is received by the **Insurer** promptly when due;
- d. the Policy was not cancelled due to non-payment of premium, any Retention or other amounts owed the **Insurer** have been paid, and the **Insured(s)** has complied with all other terms and conditions of the Policy;
- e. the Individual Extended Reporting Period shall not apply to any **Claim** made while this Policy is in force or any successive renewal of this Policy is in force, or any other Extended Reporting Period that applies to this Policy or any renewal of this Policy is in force, nor will it apply if any other insurance applies to the **Claim**;
- f. the Individual Extended Reporting Period does not increase or reinstate the limits of liability of the Policy or extend the **Policy Period**;
- g. any **Claim** made during the Individual Extended Reporting Period shall be deemed to have been made during the **Policy Period**. The entire premium for the Individual Extended Reporting Period shall be deemed fully earned at the inception of the Individual Extended Reporting Period.

### D. SUBROGATION

In the event of payment by the **Insurer** under this Policy, the **Insurer** shall be subrogated to all **Insureds'** rights of recovery against any person or organization. All **Insureds** shall cooperate with the **Insurer** and do whatever is necessary to secure such rights and shall do nothing to prejudice such rights. Any amounts recovered pursuant to the exercise of such rights of subrogation shall be applied as follows: (1) to the repayment of expenses incurred toward subrogation; (2) to **Damages** and/or **Claim Expenses** paid by the **Insured** in excess of the Limits of Liability hereunder; (3) to **Damages** and/or **Claim Expenses** paid by the **Insurer**; (4) to **Damages** and/or **Claim Expenses** paid by the **Insured** in excess of the Retention; and (5) to repayment of the Retention.

### E. ASSIGNMENT

Assignment of interest under this Policy shall not bind the **Insurer** unless its consent is endorsed hereon.

### F. CANCELLATION

1. This Policy may be canceled by the **Named Insured** by providing advance written notice to the **Insurer** stating when thereafter such cancellation shall be effective. If this Policy is canceled by the **Named Insured**, the **Insurer** may retain the customary short rate proportion of the premium herein.



2. This Policy may be canceled by the **Insurer** by mailing written notice to the **Named Insured** at the address shown in the Declarations. The **Insurer** shall provide at least 10 days written notice to the **Named Insured** prior to any cancellation for non-payment of premium. The **Insurer** shall provide at least 30 days written notice to the **Named Insured** prior to cancellation for any other reason. The notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. If the **Insurer** cancels, earned premium shall be computed pro rata.

#### G. NON-RENEWAL

If the **Insurer** elects not to renew this Policy, the **Insurer** shall mail or deliver a notice of non-renewal stating the reason for non-renewal to the **Named Insured**, at the last mailing address known to the **Insurer**, at least 30 days before the expiration of this Policy. Notice of non-renewal need not be provided to the **Named Insured** if the **Named Insured** has replaced coverage elsewhere or requested termination in writing.

#### H. OTHER INSURANCE

This Policy shall be excess over any other valid insurance whether such other insurance is stated to be primary, contributory, excess, contingent, self-insurance or otherwise, unless such other insurance is written only as specific excess insurance over the limits of liability provided in this Policy.

#### I. ACTION AGAINST THE INSURER

1. No action shall lie against the **Insurer** unless, as a condition precedent thereto, the **Insureds** have fully complied with all terms of this Policy and until the amount of the **Insureds'** obligations to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Named Insured**, all claimants and the **Insurer**.
2. Nothing contained in this Policy shall give any person or organization any right to join the **Insurer** as a party in any action against any **Insured** to determine any **Insured's** liability.

#### J. CHANGES IN STATUS OF ENTITY

1. If, during the **Policy Period** any of the following transactions occur:
  - a. The acquisition of any **Named Insured** or a majority of its assets by another entity, or the merger or consolidation of any **Named Insured** into or with another entity, such that the **Named Insured** is not the surviving entity; or
  - b. The appointment of a receiver, conservator, trustee, liquidator or rehabilitator, or any similar official, for or with respect to any **Named Insured**;

then coverage under this Policy shall cease with respect to **Professional Services** rendered after such transaction. After any such transaction, this Policy may not be canceled by any **Insured** and the entire premium for this Policy will be deemed fully earned.

2. If during the **Policy Period** there is a 50 percent or greater change in the **Named Insured's** total lawyer population, or the **Named Insured** acquires the majority of the assets of another entity or acquires any organization by merger into or consolidation with the **Named Insured**, no coverage shall be afforded under this Policy for any **Claim** involving the assets acquired or the entity which is consolidated or merged with or acquired, unless:
  - a. the **Named Insured** provides written notice of such transaction within 30 days after the effective date of the transaction and the **Named Insured** provides all information the **Insurer** deems necessary and accepts any terms, conditions, exclusions and any additional premium charged; and
  - b. the **Insurer** at its sole discretion specifically agrees in writing to provide such coverage.

If the **Insurer** agrees to provide such coverage, it shall apply only to **Professional Services** rendered after the effective date of such transaction and shall apply as excess of any other valid and collectible insurance.

Notice to the **Insurer** under this section J.2.a. shall not be required if the total lawyer population of the **Named Insured**, after the transaction, is less than 4 lawyers.

#### K. APPLICATION REPRESENTATIONS

The **Insureds** and the **Insurer** agree that the **Application** is the basis for this Policy and is incorporated in and constitutes a part of this Policy. The **Application** shall be maintained on file with the **Insurer** and shall be deemed to be attached hereto as if physically attached. All **Insureds** represent that the statements and representations contained in the **Application** are true and shall be deemed material to the acceptance of

the risk and this Policy is issued in reliance upon the truth and accuracy of such statements and representations. All **Insureds** agree that if the **Application** contains statements or representations that are untrue, this Policy shall be void and of no effect whatsoever.

L. AUTHORIZATION

It is agreed the **Named Insured** shall act on behalf of all **Insureds** with respect to giving or receiving notice of cancellation or non-renewal, the payment of premiums and the receiving of any return premiums, consenting to the settlement of any **Claim**, agreeing to any changes in this Policy, and electing whether or not to purchase the Supplemental Extended Reporting Period.

M. ENTIRE AGREEMENT

By acceptance of this Policy, the **Insureds** and the **Insurer** agree that this Policy (including the **Application**) and any written endorsements attached hereto constitute the entire agreement between the parties.

N. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** or of any **Insured's** estate shall not relieve the **Insurer** of any of its obligations hereunder.

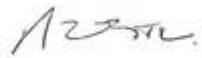
O. TERRITORY

This Policy applies to **Wrongful Acts** that occur anywhere in the world provided the **Claim** is made and suit or arbitration proceedings are brought against the **Insured** in the United States of America, its territories or possessions or Canada.

P. ECONOMIC OR TRADE SANCTION

If coverage for a **Claim** under this Policy is in violation of any economic or trade sanction, including, but not limited to, any sanction administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for such **Claim** shall be deemed null and void.

IN WITNESS WHEREOF, the **Insurer** has caused this Policy to be signed by its President and Secretary, and, if required by state law, this Policy will not be valid unless countersigned by a duly authorized representative of the **Insurer**.



\_\_\_\_\_  
President



\_\_\_\_\_  
Secretary