

Business Risk Partners

FINANCIAL INSTITUTION PROFESSIONAL LIABILITY INSURANCE POLICY – UNDERWRITTEN BY UNDERWRITERS AT LLOYD'S

THIS IS A CLAIMS MADE AND REPORTED POLICY - PLEASE READ CAREFULLY.

DECLARATIONS

- ITEM 1. **NAMED INSURED:** (Insured 's name)
ADDRESS:
- ITEM 2. **POLICY PERIOD:** EFFECTIVE FROM: (date) to (date) (AT 12:01 A.M. STANDARD TIME AT ADDRESS OF NAMED INSURED AS STATED HEREIN.)
- ITEM 3. **COVERAGE:** Only those coverage section marked "☒" are included in this policy.
- Coverage Section A – Lending Professional Liability
 - Coverage Section B – Advisory Professional Liability
 - Coverage Section C – Miscellaneous Financial Professional Liability
- ITEM 4. **LIMITS OF LIABILITY:** **Financial Institution Professional Liability Aggregate Limit of Liability**
(A) (Limit) each Claim including Loss and Claims Expenses, but in no event exceeding,
(B) (Limit) in the Aggregate for all Claims, including Loss and Claims Expenses.
- The Financial Institution Professional Liability Aggregate Limit of Liability is applicable to all Insuring Agreements of this Liability Coverage.
- ITEM 5. **DEDUCTIBLE:** \$(deductible) per Claim, including Loss and Claims Expenses.
- ITEM 6. **PREMIUM:** \$ (premium)
- ITEM 7. **RETROACTIVE DATE:** (Inception or Retro-date)
- ITEM 8. **PROFESSIONAL SERVICES:** If Coverage Section C – Miscellaneous Financial Professional Liability is selected ☒
"Miscellaneous Financial Professional Services" shall mean:
- ITEM 9. **NOTICES:** Notices required to be given to the Insurers under the Policy shall be addressed to:
Business Risk Partners, Inc.
2 Waterside Crossing, Suite 102
Windsor, CT 06095
- ITEM 10. **POLICY NUMBER:** **(Policy Number)**
- ITEM 11. **AGENT/BROKER:** **(Broker company)**

NOTICE: THIS IS A CLAIMS MADE AND REPORTED POLICY. EXCEPT AS MAY OTHERWISE BE PROVIDED HEREIN, THE COVERAGE OF THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE, IF APPLICABLE, FOR WHICH CLAIMS ARE FIRST MADE AGAINST THE INSURED WHILE THE POLICY IS IN FORCE AND WHICH ARE REPORTED TO THE COMPANY NO LATER THAN SIXTY (60) DAYS AFTER THE TERMINATION OF THE POLICY. THE COVERAGE OF THIS POLICY DOES NOT APPLY TO CLAIMS FIRST MADE AGAINST THE INSURED AFTER THE TERMINATION OF THE POLICY UNLESS AN EXTENDED REPORTING PERIOD APPLIES.

THE LIMITS OF LIABILITY AVAILABLE TO PAY LOSS, AS DEFINED IN THE POLICY, SHALL BE REDUCED BY AMOUNTS INCURRED FOR CLAIMS EXPENSES. FURTHER NOTE THAT AMOUNTS INCURRED FOR CLAIMS EXPENSES AND LOSS SHALL ALSO BE APPLIED AGAINST THE DEDUCTIBLE AMOUNT.

AUTHORIZED REPRESENTATIVE:

DATE:



2 Waterside Crossing, Suite 102, Windsor, CT 06095 *phone* 860.903.0000 *fax* 860.903.0001
www.businessriskpartners.com

WHAT TO DO IF YOU HAVE A CLAIM?

What is a claim?

a) a written demand for monetary, non-monetary, or injunctive relief made upon an Insured for a Wrongful Act; b) a civil or criminal proceeding for monetary or non-monetary relief against an Insured for a Wrongful Act, which is commenced by service of a complaint or similar pleading or return of an indictment or information in the case of a criminal proceeding; c) any formal administrative or regulatory proceeding for monetary or non-monetary relief for a Wrongful Act against an Insured which is commenced by receipt of a notice of charges; or d) any written request to toll or waive a statute of limitations received by an Insured concerning any Wrongful Act; or e) An arbitration, mediation, or similar dispute resolution proceeding in which the insured is obligated to participate for a Wrongful Act.

If you receive a claim**Send it to us immediately at:****Mail:**

Attention Claims Department
Business Risk Partners
2 Waterside Crossing Suite 102
Windsor, CT 06095

Fax: 860 903 0001**Email:**Info@BusinessRiskPartners.com

You will be contacted within 7 business days of receipt of a claim. If you have not heard from us, please call 1-877-502-7475

FINANCIAL INSTITUTION PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the payment of the premium, and in reliance upon the **Application** which shall be the basis of this Policy and deemed to be incorporated herein, and subject to all the terms, conditions, limitations and any endorsements to this Policy, the Insurers and the **Insured** agree as follows:

I. Coverage Sections

1. Coverage Section A: Lending Professional Liability

The Insurers will pay on behalf of the **Insured** all **Loss** and **Claims Expense** in excess of the Deductible resulting from **Claims** first made against the **Insured** during the **Policy Period** as a result of a **Wrongful Act** by the **Insured** in the performance of or failure to perform **Lending Services**, provided that such **Wrongful Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**.

2. Coverage Section B: Advisory Professional Liability

The Insurers will pay on behalf of the **Insured** all **Loss** and **Claims Expense** in excess of the Deductible resulting from **Claims** first made against the **Insured** during the **Policy Period** as a result of a **Wrongful Act** by the **Insured** in the performance of or failure to perform **Advisory Services**, provided that such **Wrongful Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**.

3. Coverage Section C: Miscellaneous Financial Professional Liability

The Insurers will pay on behalf of the **Insured** all **Loss** and **Claims Expense** in excess of the Deductible resulting from **Claims** first made against the **Insured** during the **Policy Period** as a result of a **Wrongful Act** by the **Insured** in the performance of or failure to perform **Miscellaneous Financial Professional Services**, provided that such **Wrongful Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**.

II. EXTENSIONS

1. Subpoena Compliance Coverage Extension –

If the **Insured** receives a subpoena during the **Policy Period**, for documents or testimony related to **Professional Services**, but to which the **Insured** is not party to a lawsuit, the Insurers will pay legal fees and other reasonable costs in connection with the **Insured's** document production or representation in giving sworn testimony. The Insurers will only pay such legal fees and other reasonable costs incurred after the **Insured's** provision of notice to the Insurers of such subpoena. The maximum payment made by the Insurers pursuant to this extension shall be \$10,000 per subpoena and \$20,000 in the aggregate each **Policy Period**, regardless of the number of subpoenas or the number of **Insureds** subject to subpoenas. The Deductible shall not apply to this Extension. Any payments made pursuant to this Extension shall not reduce the Limits of Liability. The Insurers shall not pay **Loss** pursuant to this Extension. Notice of a Subpoena will constitute notice of a circumstance under the Policy in accordance with Section V.1.

2. Witness and Attendance Expense Coverage Extension

This Policy shall also include “**Witness and Attendance Expense Coverage**”. “**Witness and Attendance Expense Coverage**” shall reimburse up to \$10,000 for each **Claim** and \$30,000 in the aggregate for all **Claims** during the **Policy Period**.

No Deductible shall apply to the **Witness and Attendance Expense Coverage** afforded by this Extension. Any payments made pursuant to this Extension shall not reduce the Limits of Liability.

3. Loss of Document Coverage Extension

This Policy shall also include “**Loss of Document Coverage Extension**”. If, during the **Policy Period**, the **Insured** discovers that any **Documents**, which are the property of or entrusted to the **Insured** and in the custody of the **Insured** or in the custody of any other person to or with whom such **Documents** have been entrusted, lodged or deposited by the **Insured** in the ordinary course of business, have been destroyed, damaged, lost, or mislaid and, after diligent search, cannot be found, and providing that written notice of the lost documents, including identification of the **Documents**, this Policy shall indemnify the **Insured** for costs, charges and expenses incurred by the **Insured** in replacing and/or restoring such **Documents** up to a maximum of **\$50,000** reported to Insurers during the **Policy Period**, arising out of such **Documents** being destroyed, damaged, lost or mislaid.

The following additional provisions apply:

1. The **Deductible** shall not apply to this Additional Coverage.
2. The Underwriters shall not be liable for any lost **Document** discovered as a result of **Documents** having been destroyed, damaged, lost, or mislaid prior to the **Retroactive Date** specified in the Declarations.
3. The amount of any Claim for costs and expenses incurred by the **Insured** in replacing and/or restoring **Documents** shall be supported by bills, invoices and/or accounts which shall be subject to approval by a competent person to be nominated by the Insurers with the approval of the **Insured**.

4. Spousal Extension

If a **Claim** against an **Insured** includes allegations against the lawful spouse of such **Insured** solely by reason of (a) such spousal status, or (b) such spouse’s ownership interest in property or assets that are sought as recovery for such **Claim**, any sums for which such spouse becomes legally obligated to pay on account of such **Claim** shall be deemed **Loss**.

All terms and conditions of this Policy, including the Deductible, applicable to **Loss** and **Claims Expenses** sustained by an **Insured** in the **Claim** shall also apply to such spousal loss.

This Extension shall not apply to the extent the **Claim** alleges any act, error or omission by such spouse.

5. Personal Injury Extension

Subject to all other terms and conditions, this Policy covers **Loss** and **Claims Expenses** the **Insured** becomes legally obligated to pay as a result of **Claim** arising out of **Personal Injury**.

III. DEFINITIONS

1. **“Advisory Services”** means
 - a) Finance, economic or investment advice regarding investments in securities, real estate, retirement planning, credit counseling, debt consolidation, tax preparation, or
 - b) Financial, business, management or economic consulting, or
 - c) Investment management services, including real estate investment advisory, portfolio management, administrative services, asset valuation services;by the **Insured** to a **Client** pursuant to a written contract.
2. **“Affiliated Entity”** means:
 - a) any entity owned or controlled by any Insured, or
 - b) any person or entity which owns or controls any Insured, or
 - c) any entity which is under common ownership or control with any Insured, or
 - d) any entity of which any Insured is a director, officer, partner or principal shareholder.
3. **“Application”** means all signed applications, including attachments and other materials submitted in connection with the underwriting of this policy or for any other policy of which this policy is a renewal, replacement or which it succeeds in time. Application should also include all publically available documents and any other documents filed by the **Insured** with any federal, state, or local foreign regulatory agency during the 12 months prior to the inception of this policy period.
4. **“Claim(s)”** means:
 - a) a written demand for monetary, non-monetary, or injunctive relief made upon an Insured for a **Wrongful Act**;
 - b) a civil or criminal proceeding for monetary or non-monetary relief against an **Insured** for a **Wrongful Act**, which is commenced by service of a complaint or similar pleading or return of an indictment or information in the case of a criminal proceeding;
 - c) any formal administrative or regulatory proceeding for monetary or non-monetary relief for a **Wrongful Act** against an **Insured** which is commenced by receipt of a notice of charges; or
 - d) any written request to toll or waive a statute of limitations received by an Insured concerning any **Wrongful Act**; or
 - e) An arbitration, mediation, or similar dispute resolution proceeding in which the insured is obligated to participate for a **Wrongful Act**.
5. **“Claims Expenses”** means reasonable and necessary fees, costs and expenses incurred by the Insurers, or by the **Insured** with the prior written consent of the Insurers,

subject to the limitations set forth in Section V.2(b) - Consent and Settlement, consisting of fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of **Claims**, including the fees, costs and expenses associated with mediation and arbitration

“**Claims Expenses**” do not include salary charges, wages or expenses of the **Insured** itself or its partners, principals, officers, directors, members or employees of the **Insured**.

6. “**Client**” means any person or entity for whom or for which the **Insured** provides **Professional Services** pursuant to a written agreement.
7. “**Documents**” means deeds, wills, agreements, maps, plans, records, written or printed books, letters, certificates or written or printed documents and/or forms of any nature whatsoever (excluding, however, any Bearer Bonds or Coupons, Bank or Currency Notes or other negotiable paper) used in connection with the Insured’s Professional Services.
8. “**Extended Reporting Period**” (if purchased) means the applicable period of time after the end of the **Policy Period** for reporting **Claims** arising out of **Wrongful Acts** committed or alleged to have been committed prior to the end of the **Policy Period** and on or subsequent to the **Retroactive Date**.
9. “**Insured**” means:
 - a) the **Named Insured** in Item 1. of the Declarations page or any **Subsidiary**;
 - b) the estate, heirs, executors, administrators, and legal representatives of an **Insured**, in the event of such **Insured's** death, disability, incapacity, insolvency, or bankruptcy, but only to the extent such **Insured** would have otherwise been provided coverage under this Policy;
 - c) any person who is, was, or hereafter becomes a partner, principal, officer, director, member, or employee of an **Insured** but only while acting on behalf of such **Insured**;
 - d) any temporary personnel, leased personnel, or independent contractors, who is paid directly or indirectly by the **Insured**, but only while acting under the direct supervision and on behalf of an **Insured**, and only if the temporary or leased personnel is not otherwise insured for such service.
10. “**Interrelated Wrongful Act(s)**” means **Wrongful Acts** which are the same, related or continuous, or **Wrongful Acts** which arise from the same, related or common nexus of facts regardless of whether such **Claims** involve the same or different claimants, Insureds or legal causes of action
11. “**Lending Services**” means any act performed by an **Insured** for or with respect to a Lending Customer of the Company in the course of:
 - a) The origination of any **Loan**, including making or refusing to make any **Loan**;
 - b) Credit reporting or statements of creditworthiness in connection with any **Loan** or **Lending Customer**.
 - c) The restructuring of any **Loan** or refusing or failing to restructure any **Loan**;
 - d) The termination or transfer of any **Loan**; and
 - e) The repossession of or foreclosure on any property.

“Lending Services” shall include **“Loan Servicing”**

12. **“Lending Customer”** means any person or entity which is not affiliated with the Insured and to which an extension of credit, agreement to extend credit, or refusal to extend credit was made or negotiated on behalf of the Company.
13. **“Loan”** means any mortgage, credit line or other extension of credit, loan or any transaction in the nature of a loan, whether in the context of consumer lending, commercial lending, mortgage banking or otherwise, but not including financing for investment banking, or for leveraged management buyouts.
14. **“Loan Servicing”** means the administration of any existing **Loan**, and includes the following servicing activities:
- a) Collecting, receiving or recording payments on **Loans** held by a Lending Customer;
 - b) The exercise of any contractual, statutory or other right arising from a late payment, breach of condition or default on any **Loan**;
 - c) Establishing or administering tax or insurance escrow accounts on mortgage loans held by a **Lending Customer**; and
 - d) managing real property owned by or under the supervision or control of an **Insured**.

“Loan Servicing” does not include **“Lending Services”**.

15. **“Loss”** means a compensatory monetary amount for which the **Insured** may be held legally liable, including judgments (inclusive of any pre- or post-judgment interest), awards, or settlements negotiated with the prior approval of the Insurers,

Loss shall include punitive or exemplary damages to the fullest extent permitted by law. However, in determining the insurability of punitive or exemplary damages, the applicable law for insurability will be the law most favorable to the **Insured**, provided the most favorable law has a reasonable relationship to the **Claim**. Law which will be deemed reasonably related includes the law (1) of the state where the **Insured** is incorporated or has its principal place of business; (2) of the state where the **Claim** is pending; or (3) of the state where any **Wrongful Act** happened as alleged in the **Claim**.

Loss shall not include:

- a) any disgorgement, return, withdrawal, restitution or reduction of any sums which are or were in the possession or control of any **Insured**, or any amounts credited to any **Insured's** account;
 - b) fines, sanctions, taxes, penalties or awards deemed uninsurable pursuant to any applicable law;
 - c) punitive, exemplary, treble damages or any other damages resulting from the multiplication of compensatory damages;
 - d) equitable relief, or fees, costs or expenses incurred by the **Insured** to comply with any such equitable relief.
16. **“Miscellaneous Financial Professional Services”** means those services specified in Item 8 of the Declarations Page provided by the **Insured** to a **Client**.
17. **“Named Insured”** means the **Named Insured** listed in Item 1. of the Declarations page.

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18. **"Personal Injury"** means false arrest, detention or imprisonment, or malicious prosecution; the publication or utterance of a libel or slander or other defamatory or disparaging material; invasion, infringement or interference with rights of privacy or publicity; wrongful entry or eviction; or invasion of the right of private occupancy.
19. **"Policy Period"** means the period set forth in Item 2 of the Declarations Page or any shorter period that may occur as a result of a cancellation of this Policy, or other termination date, and specifically excludes any **Extended Reporting Period**.
20. **"Professional Services"** means **"Lending Services"**, **"Advisory Services"**, **"Miscellaneous Financial Professional Services"**, but only if the applicable coverage section is selected in Item 3 of the Declarations Page.
21. **"Retroactive Date"** means the date specified in Item 6 of the Declarations. This Policy shall apply only to **Claims** resulting from **Wrongful Acts** committed entirely on or after that date.
22. **"Subsidiary"** means any entity, other than a joint venture, in which the **Named Insured** has an ownership interest of greater than 50%, provided that such entity:
- a) was so owned at the inception date of the Policy;
 - b) becomes so owned after the inception date of this Policy and its revenues do not exceed 25% of the **Named Insured's** revenues at the time it becomes so owned;
 - c) becomes so owned after the inception date of this Policy and its revenues exceed 25% of the **Named Insured's** revenues at the time it becomes so owned, provided the conditions set forth in Section VI.3 - Acquisitions/Creations are satisfied.
- If during the **Policy Period** the **Named Insured** ceases to have an ownership interest of greater than 50% in such entity, coverage under this Policy or any subsequent renewal thereof for such entity shall apply only to its **Wrongful Acts** taking place prior to the date the **Named Insured** ceased having an ownership interest of greater than 50%.
23. **"Witness Attendance and Expense Coverage"** means any reasonable expenses incurred by an **Insured** attending any trial, hearing or arbitration proceeding pursuant to the resolution of a **Claim** at Insurers request. It shall not include any lost salary, sales, revenue or billable hours incurred by the **Insured**.
24. **"Wrongful Act(s)"** means any actual or alleged negligent act, error or omission, or series of continuous, repeated, related or interrelated acts, errors or omissions, alleged to have been committed by the **Insured**, solely while performing **Professional Services** for others for a fee.

IV. EXCLUSIONS

Exclusions applicable to All Coverage Sections

This Policy does not apply to any **Claim**:

1. based upon, arising out of directly or indirectly, or in any way involving intentional wrongdoing, fraud, dishonesty, criminal or malicious acts by the **Insured**, if a judgment or other final, non-appealable, adjudication adverse to the **Insured** establishes such an act, omission or willful violation; however, this Exclusion shall not apply to any **Insured** that did not commit, participate in, or have knowledge of any such conduct;

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2. brought or maintain by or on behalf of any **Insured** or **Affiliated Entity** in any capacity for any bodily injury, sickness, disease, emotional distress, mental anguish, outrage, or death;
 3. based upon, arising out of, directly or indirectly, or in any way involving, injury to or destruction of any tangible property including loss of use thereof;
 4. based upon, arising out of, directly or indirectly, or in any way involving, the commingling of monies or accounts, or loss of monies received by the **Insured** or credited to the **Insured's** account;
 5. based upon, arising out of, directly or indirectly, or in any way involving, infringement of copyright; plagiarism, piracy or misappropriation of ideas; or infringement of title, slogan, trademark, trade name, trade dress, service mark or service name, actual or alleged misappropriation of trade secrets, or proprietary or confidential information;
 6. by an employee, former employee, or job applicant, of the **Insured** provided, however, this exclusion shall not apply to an employee, former employee, or job applicant, of the Insured in the capacity as **Lending Customer** or **Client**.
 7. based upon, arising out of, directly or indirectly, or in any way involving, the gaining in fact of any personal profit or advantage to which the **Insured** is not legally entitled, or out of any disputes involving the **Insured's** fees or charges, if a judgment or other final, non-appealable, adjudication adverse to the **Insured** establishes such an act;
 8. based upon or arising out of:
 - a) an **Insured's** alleged liability under any oral or written contract or agreement, including but not limited to express warranties or guarantees; or
 - b) the liability of others an **Insured** assumes under any oral or written contract or agreement;provided, however, this exclusion shall not apply to:
 - a) an **Insured's** liability that exists in the absence of such contract or agreement; or
 - b) that part of any **Claim** against an **Insured** by a **Client** of the **Insured**, that alleges a breach of contractual obligations in the rendering of or failure to render **Professional Services**;
 9. the discharge, dispersal, release or escape of pollution or contamination of any kind or any governmental or regulatory directive or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollution or contamination of any kind, provided however, this exclusion shall not apply to any claim based on or arising out of any allegation for the failure to supervise any employee of the **Insured**;
 10. based upon, arising out of, directly or indirectly, or in any way involving violations of the Employee Retirement Income Security Act of 1974 and the Racketeer Influenced and Corrupt Organizations Act of 1970, as amended, or any rules or regulations promulgated thereunder, or similar provisions of any federal, state or local statutory law or common law;
 11. based upon, arising out of, directly or indirectly, or in any way involving war, invasion, acts of foreign enemies, hostilities (whether war be declared or not), civil war, rebellion, revolution, insurrection, military or usurped power or confiscation or nationalization or requisition or destruction of or damage to property by or under the order of any government or public or

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- local authority;
12. for the rendering of investment banking services, including but not limited to any advice in connection with, securities offerings, syndications, securitizations or similar activities; provided, however, this exclusion shall not apply to **Coverage Section B Advisory Services** for an insured's activities of giving financial advice or investment advisory services to **Clients** investing in securities so long as the Insured is not providing services to companies involved in such merger, acquisition, restricting or divestiture transaction;
 13. based upon, arising out of or attributable to the purchase or sale of securities for which any **Insured** receives commission or other remuneration or where the **Insured** had an equity interest in the issuer of such securities;
 14. based upon, arising out of or attributable to the activities of any **Insured** as a "Broker," "Dealer" or "Underwriter," as those terms are defined in the Securities Exchange Act of 1934;
 15. for an accounting of profits made from the purchase or sale of securities of any **Insured** within the meaning of Section 16(b) of the Securities Exchange Act of 1934 or any similar provisions of any federal, state, local or common law;
 16. based upon, arising out of or attributable to any **Wrongful Act** occurring prior to the inception date of the first Financial Institutional Professional Liability Insurance policy issued to the **Named Insured** in Item 1 of the Declarations by the Insurer and continuously renewed and maintained in effect thereafter to the inception date of this policy, if on or before such date any Insured knew or could have reasonably foreseen that such **Wrongful Act** could lead to a Claim, or alleging, arising out of, based upon or attributable to any subsequent **Wrongful Act**
 17. based upon, arising out of or attributable to the facts alleged, or arising out of the same or **Interrelated Wrongful Acts** alleged or contained in any **Claim** which has been reported, or in any circumstances of which notice has been given, under any policy of which this policy is a renewal or replacement or which it may succeed in time;
 18. any **Insured's** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business, other than that of the **Named Insured**;

Exclusions applicable to Coverage Section A: Lending Professional Liability

This Policy does not apply to any Claim:

19. based upon or arising out of any lending or advisory services where such services are not reasonably regarded as part of the process of extending a loan, lease or extension of credit to a **Lending Customer**.
20. based upon or arising out of the insolvency any entity; provided, however, this exclusion shall not apply to any **Claim** arising out of a **Lending Customer's** failure to make payment with respect to any **Loan** that is the product of any extension of credit made or negotiated by an **Insured**.
21. based upon or arising out of any error, misstatement, misleading statement, act, omission, neglect or breach of duty arising out of the operation or control of any entity or property that the **Insured** acquired as security or collateral for any loan, lease or extension of credit.

V. CLAIMS

1. Notice of Claims and Potential Claims

In the event of a **Claim**, the **Insured** shall as a condition precedent to the coverage afforded by this Policy:

- a) Give written notice, which notice must be received by the Insurers as soon as practicable but in no event later than 60 days from the expiration of the **Policy Period**. Such notice shall contain particulars sufficient to identify the **Insured** and claimant, and complete information regarding the facts and circumstances surrounding the involved matter.
- b) Immediately forward to the Insurers every demand, notice, summons and/or pleading received by the **Insured**;

If the **Insured** becomes aware of an actual or alleged **Wrongful Act** that may reasonably be expected to give rise to a **Claim**, and if the **Insured** reports such **Wrongful Act** to the Insurers in writing during the **Policy Period**, then any **Claim** subsequently arising from such **Wrongful Act** shall be deemed under this Policy to be a **Claim** made during the **Policy Period** in which such written notice is received by the Insurers. Such written notice to the Insurers shall include a complete and comprehensive statement of the facts and circumstances surrounding the **Wrongful Act**.

All **Claims** alleging or in any way involving **Interrelated Wrongful Acts** shall be deemed to constitute a single **Claim** and shall be deemed to have been made at the earliest time at which any such Claim is deemed to have been first made

All notices under this Policy shall be given in writing as described in Item 8 of the Declarations, and with reference to the Policy Number indicated in the Declarations. Notice shall not become effective until the date of receipt by the Insurers.

2. **Defense, Consent and Settlement**

a) **Defense**

The Insurers have the sole right to appoint defense counsel and the right and duty to defend any **Claim** made against the **Insured**.

b) **Consent and Settlement**

As a condition precedent to coverage under this Policy, the **Insured** shall not admit liability, settle any **Claim**, or incur any **Claims Expenses**, without the prior written consent of the Insurers. The Insurers have the right to make such investigation and conduct negotiations and, with the written consent of the **Insured**, effect settlement of any **Claim** as the Insurers deem reasonable.

If the Insurers recommend a settlement of a **Claim** within the Policy's applicable Limit of Liability which is acceptable to the claimant, and the **Insureds** refuse to consent, then Insurer's liability for all Loss including **Claims Expenses** on account of such **Claim** shall not exceed the total sum of:

- (a) the amount for which Insurer could have settled such **Claim**, plus **Claims Expenses** incurred up to the date of the **Insured's** refusal to consent to such settlement; and
- (b) fifty percent (50%) of any **Loss**, including **Claims Expenses**, in excess of the amount referenced in paragraph (1) above, incurred in connection with such Claim. The remaining fifty percent (50%) of any **Loss**, including **Claims Expenses**, in excess of the amount referenced in paragraph (a) above will be borne uninsured and at the **Insured's** own risk;

The Insurers shall not be obligated to pay any **Loss** or **Claims Expenses**, or to undertake or continue the defense of any **Claim**, after the applicable limit of the Insurers' liability has been exhausted by payment of **Loss** and **Claims Expenses** or after deposit of the applicable limit of the Insurers' liability with or subject to control of a court of competent jurisdiction.

3. Cooperation and Subrogation

The **Insured** shall provide the Insurers with such cooperation, assistance and information as the Insurers may request, all without charge to the Insurers.

In the event of any payment under this Policy, the Insurers shall be subrogated to all of the **Insured's** rights of recovery, and the **Insured** shall preserve and secure, and not prejudice, such rights.

4. Territory

This Policy applies to **Wrongful Acts** committed by the **Insured** anywhere in the world to the extent permitted by law.

VI. GENERAL CONDITIONS

1. Limits of Liability/Deductible

The Insurers' maximum liability for all **Loss** and **Claims Expenses** resulting from each **Claim** shall be the Limit of Liability for each **Claim** set forth in Item 4A of the Declarations. The Insurers' maximum aggregate liability for all **Loss** and **Claims Expenses** resulting from all **Claims** covered by this Policy shall be the aggregate Limit of Liability for all **Claims** set forth in Item 4(B) of the Declarations.

All **Claims** arising out of the same **Wrongful Act** shall be considered first made within the **Policy Period** in which the earliest of such **Claims** was first made and all such **Claims** shall be subject to one such Limit of Liability as set forth in Item 4A of the Declarations. For purposes of the Limits of Liability, continuous, repeated, related or interrelated **Wrongful Acts** shall be considered as one **Wrongful Act**.

The Limits of Liability of the Insurers for any **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability of the Insurers for the **Policy Period**.

The Insurers shall only be liable for **Loss** and **Claims Expenses** which are in excess of the Deductible stated in Item 5 of the Declarations. This Deductible shall apply separately to each **Claim** and shall be borne by the **Insured** and remain uninsured. For purposes of the Deductible, **Claims** arising out of one **Wrongful Act** or out of continuous, repeated, related, or interrelated **Wrongful Acts** shall be considered as arising out of one **Wrongful Act**, and only one Deductible amount shall apply thereto. The Deductible shall not reduce or increase the Limits of Liability.

Claims made against more than one **Insured** arising out of one **Wrongful Act** under this Policy shall not operate to increase the Limits of Liability.

2. Extended Reporting Period

If the **Insurers** or the **Named Insured** cancel or refuse to renew this Policy, the **Named Insured** shall have the right to purchase an **Extended Reporting Period** to apply to **Claims** first made against the **Insured** and reported to the Insurers during the **Extended Reporting**

Period for a period of one year for an additional premium of 100% of the total annual premium, but only with respect to **Claims** arising out of **Wrongful Acts** committed before the date of such cancellation or non-renewal. This **Extended Reporting Period** is subject to all other terms, conditions, limitations and endorsements of this Policy.

If during the policy period the **Named Insured** shall merge or sell substantially all of its assets to any other person or entity, or an entity or person shall acquire more than 50% of the voting power of the **Named Insured**, The **Named Insured** shall have the ability to right to request and Underwriters in its sole discretion may offer an **Extended Reporting Period** for a period of up to 6 years:

As a condition precedent to the **Named Insured's** right to purchase the **Extended Reporting Period**, the full premium for this Policy and **Policy Period** must have been paid.

The **Named Insured's** right to purchase the **Extended Reporting Period** must be exercised by notice in writing received by the Insurers not later than 30 days following the non-renewal or cancellation date of this Policy, and must include, within that same 30-day period, payment of premium for the applicable **Extended Reporting Period**. If such notice is not so given to the Insurers, the **Named Insured** shall not, at a later date, be able to exercise such right. At the commencement of any **Extended Reporting Period**, the entire premium thereafter shall be deemed earned.

The Limits of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the Limits of Liability for the Period of Insurance.

3. Acquisitions/Creations

If during the **Policy Period** the **Named Insured** acquires or creates an entity pursuant to Section III.22(c) - **Subsidiary**, such entity shall be considered an **Insured** under this Policy for a period of 90 days from the date of the acquisition or creation, but only for **Wrongful Acts** committed after the date of acquisition or creation. Coverage beyond 90 days will apply if:

- a) Written notice of such acquisition or creation is provided to the Insurers;
- b) the **Named Insured** provides the Insurers with information that they may require;
- c) the **Insured** accepts any special terms, conditions, exclusions, or additional premium charges as may be required by the Insurers; and
- d) the Insurers, at their sole discretion, agree to provide such coverage.

4. Change of Control

If during the **Policy Period** the **Named Insured** shall merge or sell substantially all of its assets to any other person or entity, or an entity or person shall acquire more than 50% of the voting power of the **Named Insured**, then this Policy shall continue in full force and effect as to **Wrongful Acts** occurring prior to the effective time of this change in control, but there shall be no coverage afforded by this Policy for any actual or alleged **Wrongful Acts** occurring after the effective time of the change of control. The **Named Insured** shall have the right to an offer by the **Insurer** of an Extended Reporting period described in clause VI.**GENERAL CONDITIONS** Section 2. **Extended Reporting Period** of this policy. The **Named Insured** shall give written notice to the Insurer as soon as possible of the change in control but must be within 60 days of the effective time of the change in control.

5. Other Insurance

If any **Claim** or **Wrongful Act** noticed to the Insurers under this Policy is insured by another valid policy or policies, then this Policy shall apply only in excess of the amount of any deductibles, retentions and limits of liability under such other policy or policies, whether such other policy or policies are stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically excess of this Policy by reference in such other policy to the Policy Number indicated on this Policy's Declarations.

6. Reimbursement of Insurers

If the Insurers have paid any **Loss** and/or **Claims Expenses** in excess of the applicable Limit of Liability or within the amount of the applicable Deductible or in relation to any **Claim** pursuant to which a judicial determination has been made that no coverage applies, the **Insured** shall be liable to the Insurers for any and all such amounts and, upon demand, shall pay such amounts to the Insurers promptly.

7. Alteration and Assignment

No change, modification, or assignment of interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Insurers.

8. Warranty of Application and Entire Contract

The Insured has provided information, including an **Application** with claim and loss history, to Insurers or their representatives which has induced Insurers or their representatives to issue this Policy. The **Named Insured**, for itself and on behalf of all **Insureds**, warrants the truth of such information at the effective date of this Policy. This information is considered to be part of this Policy and material to the issuance of this Policy.

By acceptance of this Policy, the **Insured** agrees that the statements in the Declarations and Application are its agreements and representations, that this Policy is issued in reliance upon the truth of such representations, and that this Policy embodies all agreements existing between the **Insured** and the Insurers.

9. Notice Of Cancellation

This Policy may be cancelled by the Named Insured by giving written notice to the Insurers stating when thereafter such cancellation shall be effective. This Policy may be cancelled by the Insurers by mailing to the Named Insured at the Named Insured's address shown in Item 1 of the Declarations, written notice stating when, not less than 30 days thereafter, the cancellation shall be effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice.

10. Named Insured Sole Agent

The Named Insured shall be the sole agent of all **Insureds** hereunder for the purpose of effecting or accepting any amendments to or cancellation of this Policy, for the purpose of receiving such notices as may be required by law and/or any provision(s) of this Policy, for the completing of any Application and the making of any representations, for the payment of any premium and the receipt of any return premium that may become due under this Policy, for the payment of any Deductible obligations that may become due under this Policy, and the exercising or declining to exercise any right under this Policy, including declining or exercising any **Extended Reporting Period**.