

INSURANCE PROFESSIONALS ERRORS AND OMISSIONS LIABILITY INSURANCE POLICY

THIS IS A CLAIMS-MADE POLICY.

THIS POLICY PROVIDES COVERAGE ON A CLAIMS-MADE BASIS AND APPLIES ONLY TO **CLAIMS** FIRST MADE AGAINST THE INSURED DURING THE **POLICY PERIOD** OR ANY OPTIONAL EXTENDED REPORTING PERIOD PROVIDED.

VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE.

THIS POLICY CONTAINS IMPORTANT EXCLUSIONS AND CONDITIONS TO YOUR COVERAGE. PLEASE REVIEW THE ENTIRE POLICY CAREFULLY AND DISCUSS ANY QUESTIONS YOU MAY HAVE WITH YOUR AGENT.

This policy does not become effective unless we issue a Declarations page to form a part hereof.

WHAT TO DO IN CASE OF A CLAIM OR CIRCUMSTANCE WHICH COULD REASONABLY BE EXPECTED TO RESULT IN A CLAIM

In the event you directly or indirectly become involved in any situation which you believe may result in an Insurance Professionals Errors and Omissions **claim**, you should immediately report the details to us as described in Condition **A** and **B** of this policy.

Note: Failure to make reports of **wrongful acts, claims, suits, or circumstances** which could reasonably be expected to result in a **claim**, may jeopardize your insurance.

TABLE OF CONTENTS

	Page
SECTION I. COVERAGE	3
Insuring Agreement	3
Defense Provision	4
Settlement Provision	4
Supplemental Payments	4
SECTION II. EXCLUSIONS	5
SECTION III. WHO IS AN INSURED	6
SECTION IV. DEFINITIONS	7
SECTION V. LIMITS OF LIABILITY AND DEDUCTIBLE	9
Limit of Liability — Each Claim	9
Limit of Liability — Policy Aggregate	9
Deductible	9
SECTION VI. EXTENDED REPORTING PERIODS	10
Automatic 60 day Extended Reporting Period	10
Optional Extended Reporting Period Endorsement	10
SECTION VII. CONDITIONS	11
Insured's Duties in the Event of a Claim	11
Reporting Possible Claims	11
Legal Action Against Us	12
Subrogation	12
Policy Changes	12
Assignment of the Insured's Interest	12
Premium	12
Formation of New Organizations, Acquisitions, Mergers, or Other Material Changes	12
Other Insurance	12
Multiple Policies	13
Bankruptcy	13
Cancellation	13
Liberalization Clause	13
State Compliance	13
Application	13
Waiver	13

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Various provisions in this policy restrict coverage. Please read the entire policy carefully to determine rights, duties and what is and is not covered.

Throughout this policy the words "you" and "your" refer to the **Named Insured** shown in the Declarations. The words "we", "us" and "our" refer to the company providing this insurance. The word "insured" means any person or organization qualifying as such under Section **III. Who Is An Insured**.

All words or phrases (other than captions) printed in **bold face** have special meaning. Refer to Section **IV. Definitions**.

In consideration of payment of the premium and subject to the terms and conditions of this policy, we agree to provide insurance as stated in this policy.

SECTION I. COVERAGE

A. Insuring Agreement

1. We will pay on behalf of the insured those sums that the insured becomes legally obligated to pay as **damages** because of a **claim** arising from a **wrongful act** to which this insurance applies.
2. This insurance applies to **claims** arising from **wrongful acts** only if:
 - a. The **wrongful act** is committed in the **coverage territory**;
 - b. The **wrongful act** was not committed prior to the **retroactive date**, or after the end of the **policy period**; and
 - c. A **claim** by a person or organization seeking **damages** because of the **wrongful act** is first made against any insured during the **policy period** or the Optional Extended Reporting Period we provide under Section **VI. Extended Reporting Periods**, if applicable, and reported to us as soon as practicable.
3. This insurance does not apply to any **claim**, if at any time prior to the inception date of this **policy period**, you, or any owner, officer or partner of the **named insured**, had knowledge of such **claim** or a **circumstance**. For purposes of this provision, prior knowledge includes, but is not limited to, any prior **claim** or **circumstance** referenced in the **application**.
4. A **claim** by any person or organization will be deemed to have been made when notice of such **claim** is received by any insured or by us, whichever comes first.

All **claims** by any person or organization caused by the same **wrongful act** or series of causally connected **wrongful acts** shall be deemed to have been made at the time the first of those **claims** was made against any insured.

Damages claimed by any person or organization as the result of the same **wrongful act** or series of causally connected **wrongful acts** shall be deemed to arise from the initial **wrongful act**.

B. Defense Provision

We have the right and the duty to defend the Insured against any covered **claim**, even if such **claim** is groundless, false or fraudulent. We have the exclusive right to appoint counsel to defend the Insured.

Claim expenses will be paid by us, and will be in addition to the available limit of liability. Our right and duty to defend any **claim** ends when the applicable limit of liability has been used up in the payment of **damages**. When the limit of liability is used up, we will tender control of the defense of any **claim** to the Insured. The Insured agrees to accept such tender as a condition of this policy.

We will have no duty to defend the insured against any **claim** seeking **damages** because of a **wrongful act** to which this insurance does not apply.

We may, at our discretion, investigate any **wrongful act**, **claim** or **circumstance**.

C. Settlement Provision

We may investigate and solicit settlement offers for any **claim**. No offer to settle a **claim** will be accepted without your written consent.

If we recommend that you accept any settlement offer that is acceptable to the claimant, and you are not willing to accept such settlement, or if you wish to appeal a judgment of a trial court and we recommend no appeal be filed, our liability for such **claim** shall not exceed the amount we would have paid for **damages** and **claim expense** incurred up to the time we made the recommendation, plus 40% of the amount of **damages** and **claim expenses** which are in excess of that settlement or judgment, providing such amount does not exceed the remainder of the applicable limit of liability.

We will not pay for the remaining 60% of any **damages** or **claim expenses** in excess of that settlement or judgment amount.

If you are unwilling to appeal a judgment of a trial court, we have the right to appeal such judgment and we will be responsible for all **claim expenses** subsequently incurred which result directly from the appeal. An increase in the judgment amount in such instance will be paid by us and shall not be applied against the LIMIT OF LIABILITY – Policy Aggregate.

D. Supplemental Payments

These supplemental payments will be paid in addition to the applicable limit of liability. The deductible amount applicable to each **claim**, including **claim expenses**, shall not apply to expenses described below. We will pay for:

1. Loss of earnings for the insured's attendance, at our written request, at a trial, hearing, arbitration or mediation proceeding involving a covered **claim**. The maximum amount we will pay for any one or series of trials, hearings, mediation or arbitration proceedings arising out of the same **claim** shall not exceed \$1,000 per individual insured for each day, or prorata earnings thereof for part of a day, subject to a total of \$50,000 for all insureds per **policy period**.
2. Each insured, the reasonable attorney fees, costs, and expenses incurred in responding to an investigation of an insured by a state licensing board, professional regulatory body, or a governmental agency with authority to regulate **Professional Services**, resulting from the insured's performance of **Professional Services**. The maximum we will pay for all insureds regardless of the number of investigations is \$75,000 per **policy period**. However,
 - a. We have the right to appoint legal counsel;
 - b. The **Professional Services** leading to the investigation must take place on or after the **retroactive date**;

- c. The insured must be first notified of the investigation during the **policy period** and must provide us with written notice not later than 30 days after the insured has been notified of the investigation. If the insured fails to give us such written notice, we are not required to pay under this provision; and
 - d. We are not required to pay under this provision for any subsequent appeals.
- 3. All interest on the entire amount of any judgment which accrues after the entry of judgment and before we have paid, tendered, or deposited in the Court that part of the judgment that does not exceed the policy limit.
 - 4. **Prejudgment interest** awarded against the insured on that part of the judgment, award, verdict or settlement we pay. If we make a settlement offer to pay the available limit of liability, we will not pay the interest that accumulates after the date of the offer.
 - 5. All expenses incurred by us or by the insured with our consent resulting from any investigation of a **wrongful act** involved in a **circumstance** reported to us as stipulated in Condition **B. Reporting Possible Claims**. We will pay such expenses under this Supplemental Payments provision only until a **claim** is made against the insured arising out of that **wrongful act**.
 - 6. All expenses incurred by us or by the insured with our consent in advising and representing the insured in responding to a subpoena for documents or testimony related to **professional services**. We will pay such expenses under this Supplemental Payments provision only until a **claim** is made against the insured arising out of a **wrongful act** giving rise to the subpoena. Any subpoena reported to us under this provision will be deemed as the reporting of a **circumstance** under the terms of Condition **B. Reporting Possible Claims**.

SECTION II. EXCLUSIONS

This policy does not apply to any **claim**:

- A. Arising out of any dishonest, fraudulent, criminal, or malicious act, error, or omission or acts of a knowingly wrongful nature committed by or at the direction of any insured. We will defend the insured against such **claim** unless or until the dishonest, fraudulent, criminal, malicious or knowingly **wrongful act** has been determined by any trial verdict, court ruling, regulatory ruling or legal admission, whether appealed or not. We do not have the duty to defend the insured in a criminal proceeding. This exclusion does not apply to any insured who did not commit, participate in, acquiesce to or remain passive after having learned of the dishonest, fraudulent, criminal, malicious act, error, or omission or knowingly **wrongful act**;
- B. Made or brought by an insured against any other insured and arising out of any pension, profit sharing, health or welfare or other employee benefit plan or trust sponsored by an insured as an employer;
- C. Arising out of any actual or alleged **employment practice**;
- D. Made by any organization (or subsidiary or affiliate thereof) not named as an insured, which any insureds, separately or in combination, control, manage, operate or hold more than a 50% ownership interest in. However, this exclusion does not apply if at the time of the **wrongful act** giving rise to the **claim** the insured rendering **professional services** did not have an ownership interest in or did not operate, control or manage the risk to be insured;
- E. Made by any organization (or subsidiary or affiliate thereof) which controls, manages, operates or holds more than a 50% ownership interest in any Insured. However, this exclusion does not apply if at the time of the **wrongful act** giving rise to the **claim** the insured rendering **professional services** did not have an ownership interest in or did not operate, control or manage the risk to be insured;
- F. Arising out of services an insured performs as a named fiduciary or trustee or otherwise related to having discretionary authority or control over funds, assets, or plan administration subject to the Employee Retirement Income Security Act of 1974 and its amendments, any regulation or order pursuant to that Act, or any similar law;

- G.** For **bodily injury** or **property damage**;
- H.** Arising out of **securities** transactions. This exclusion does not apply to a **claim** arising out of an insured's **wrongful act** in the performance of **professional services**.
- I.** Arising directly or indirectly out of any **wrongful act** that violates or is alleged to violate:
1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law or any other similar federal, state or local statute or regulation; or
 2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law or any other similar federal, state or local statute or regulation.
- J.** Arising out of the purchase, sale, transaction, recommendation of or in connection with:
1. Any products that offer benefits that are similar to insurance, but are marketed as being products other than insurance, and which are offered by entities or organizations that are not regulated or not rated as insurance providers; or
 2. Any products exempted from the Individual Mandate of the Patient Protection and Affordable Care Act (ACA) 42 U.S.C. § 18001 et seq. (2010) or such replacement legislation on a federal or state level. Individual Mandate has the meaning given at the Patient Protection and Affordable Care Act (ACA) 42 U.S.C. § 18001 et seq. (2010).

SECTION III. WHO IS AN INSURED

A. The **Named Insured**.

B. Each of the following is also an insured:

1. Any of your past or present officers, directors, partners, stockholders, members or managers (of a Limited Liability Company), or employees, but only with respect to the **professional services** performed within the scope of his or her duties on your behalf.
2. Any past or present **independent contractors**, including their employees, who are not otherwise insured by Errors and Omissions Liability coverage similar to this policy. This provision, **III.B.2.**, applies only to **claims** arising out of **professional services** performed on your behalf, through your facilities, and with your express consent.
3. Any organization you create, acquire, or merge with after the effective date of this policy, if you have a majority financial interest in such organization. The coverage provided by this provision applies only:
 - a. If there is no other valid and collectible insurance;
 - b. To **claims** arising out of **wrongful acts** first taking place on or after the effective date of formation of the new organization, acquisition, or merger; and
 - c. If you notify us either by the end of the **policy period** or 90 days after the effective date of formation of the new organization, acquisition, or merger, whichever comes first.
4. The legal spouse (whether such status is derived by reason of statutory or common law or any other law of any state or country) of an insured defined in **A.** and **B.1.**, **B.2.**, or **B.3.** above, but only for liability arising out of their spousal relationship.
5. The heirs, executors, administrators and legal representatives of an insured as defined in **A.**, **B.1.**, **B.2.**, or **B.3.** above, in the event of an insured's death, incapacity or bankruptcy, but only for liability arising out of **professional services** performed by or on your behalf prior to such insured's death, incapacity or bankruptcy.

SECTION IV. DEFINITIONS

- A. "Advertisement"** means a notice that is broadcast or published to the general public or specific market segments about your goods, products or services for the purpose of attracting customers or supporters. For the purposes of this definition:
1. Notices that are published include material placed on the Internet or on similar electronic means of communication; and
 2. Regarding websites, only that part of a website that is about your goods, products or services for the purposes of attracting customers or supporters is considered an **advertisement**.
- B. "Application"** means any **application**, renewal **application**, supplemental **application** or any other written information furnished to us by you in applying for this policy or any previous policy or policies.
- C. "Bodily injury"** means **bodily injury**, sickness or disease sustained by a person, including death resulting from any of these at any time. It also includes mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person, except when any of these results from **personal injury**.
- D. "Circumstance"** means a proceeding, event or development involving a specific **wrongful act** by any insured which could reasonably be expected to result in a **claim**.
- E. "Claim"** means a notice or summons of **suit** or a written demand seeking **damages**, **professional services** or other remedy as a result of a **wrongful act**.
- F. "Claim Expenses"** means:
1. Fees, costs and expenses charged by any attorney consented to or designated by us to defend the insured against a **claim**;
 2. All other fees, costs and expenses resulting from the investigation, discovery, adjustment, defense, settlement or appeal of a **claim** as authorized by us;
 3. Premiums for bonds required as a result of a covered **claim**, including bonds to release attachments, but only for bond amounts not exceeding the applicable limit of liability. However, we have no obligation to apply for or furnish any such bonds; and
 4. All costs taxed against the insured in any **suit** defended by us.
- G. "Coverage Territory"** means anywhere in the world provided that a **claim** is brought against the insured within the United State of America (its territories and possessions), Puerto Rico or Canada.
- H. "Damages"** means any amount which an insured is legally obligated to pay as a result of any covered **claim**, including judgments, awards, punitive or multiplied **damages** (where permitted as insurable by the law under which this policy will be construed), or settlements entered into with our prior knowledge and consent. But **damages** does not include:
1. Sanctions, fines or penalties levied by a regulatory entity against an insured;
 2. Injunctive or non-monetary judgments or settlements;
 3. Money payable by an insured for premiums, commissions, fees, salaries, or taxes; and
 4. **Damages** for which insurance is prohibited under the applicable state law.
- I. "Employment Practices"** means any of the following actual or alleged practices which are directed against any of your employees, former employees, leased workers, temporary workers or any applicant for employment by you, and for which remedy is sought under any federal, state or local statutory or common civil employment law:

1. Wrongful refusal to employ a qualified applicant for employment;
 2. Wrongful failure to promote, or wrongful deprivation of career opportunity;
 3. Wrongful demotion, negligent evaluation, negligent reassignment or wrongful discipline;
 4. Wrongful termination of employment, including retaliatory or constructive discharge;
 5. Employment-related misrepresentation;
 6. Harassment, coercion, discrimination or humiliation as a consequence of race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, physical and/or mental impairments, pregnancy, sexual orientation or sexual preference or any other protected class or characteristic established by any applicable federal, state or local statute; or
 7. Oral or written publication of material that slanders, defames or libels or violates or invades a right of privacy.
- J. **"Independent Contractor"** means an individual, or a legal entity controlled by that individual, licensed to conduct **professional services**.
- K. **"Named Insured"** means the entity or individual named in the Declarations.
- L. **"Personal injury"** means injury, other than **bodily injury**, arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
 2. Malicious prosecution;
 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies;
 4. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's products or services;
 5. Oral or written publication, in any manner, of material that violates a person's right of privacy;
 6. The use of another's advertising idea in your **advertisement**; or
 7. Infringing upon another's copyright, trade dress or slogan in your **advertisement**.
- M. **"Policy Period"** means the period of time specified in the Declarations, or if cancelled, the period of time shall end on the cancellation date stated in the Policy Cancellation Endorsement.
- N. **"Prejudgment Interest"** means interest added to a settlement, verdict, award or judgment based on the amount of time prior to the settlement, verdict, award or judgment, whether or not made part of the settlement, verdict, award or judgment.
- O. **"Professional Services"** means services performed for others in the insured's capacity as an insurance agent, insurance broker, insurance general agent, insurance managing general agent, surplus lines insurance broker, insurance consultant, insurance based risk management consultant or advisor, employee insurance benefits counselor, estate insurance planner, insurance claims administrator, insurance appraiser, insurance expert witness, insurance premium financier, notary public, instructor of insurance subjects, or board member of a nonprofit insurance professional association.
- P. **"Property Damage"** means physical injury to tangible property, including all resulting loss of use of that property, or loss of use of tangible property that is not physically injured.

- Q. **"Retroactive Date"** is the date, if any, specified as such in the Declarations and other dates that are specified as such by endorsements to this policy.
- R. **"Securities"** has the same definition as set forth in Section 2. (a)(1) of the Securities Act of 1933, as amended.
- S. **"Suit"** means a civil proceeding in which **damages** because of a **wrongful act** to which this insurance applies are alleged, including:
1. An arbitration proceeding in which such **damages** are claimed and to which the insured must submit or does submit with our consent; or
 2. Any other alternative dispute resolution proceeding in which such **damages** are claimed and to which the insured submits with our consent.
- T. **"Wrongful Act"** means any actual or alleged negligent act, negligent error, negligent omission or **personal injury** arising out of the performance of **professional services**.

SECTION V. LIMITS OF LIABILITY AND DEDUCTIBLE

A. Limits of Liability

1. The applicable limit of liability shown in the Declarations is the maximum we will pay regardless of the number of:
 - a. Insureds;
 - b. Individuals or organizations that make a **claim**; or
 - c. **Claims** made.

2. Limit of Liability — Each Claim

Subject to the Limit of Liability — Policy Aggregate, the "Limit of Liability — Each Claim" shall apply in excess of the deductible shown in the Declarations. Our liability for each covered **claim** first made during the **policy period** or, if applicable, during an Extended Reporting Period will not exceed the amount stated in the Declarations for "Limit of Liability — Each Claim." This limit is the maximum amount of **damages** we will pay for each covered **claim**.

Two or more covered **claims** arising out of a single **wrongful act** or arising out of any series of causally connected **wrongful acts** will be considered a single **claim**. The single **claim** will be subject to the "Limit of Liability — Each Claim" in effect at the time such **claim** was first made against the Insured. Only one deductible will apply to such single **claim**. If the first of such **claims** is made prior to the effective date of this policy, no coverage shall apply to any subsequent **claims** made during this **policy period** which are based upon the same or related **wrongful acts**.

3. Limit of Liability — Policy Aggregate

Our liability for all **claims** shall not exceed the amount stated in the Declarations as "Limit of Liability — Policy Aggregate." This limit is the maximum amount of **damages** that we will pay for all **claims** made or deemed made during the **policy period** and, if applicable, during an Extended Reporting Period.

B. Deductible

1. The "Each Claim" deductible stated in the Declarations applies to each **claim** and will be paid by you at our direction. The deductible will be applied to the payment of **claim expenses** and **damages**.

The "Each Claim" deductible due to us by you will be reduced by 10% of the amount stated in the Declarations for each consecutive **policy period** in which we pay less than \$5,000 for **damages** and/or **claim expenses** in excess of the deductible owed by you for a **claim**. For the purpose of this provision, consecutive **policy periods** apply only to policies issued by us to you. The "Each Claim" deductible will not be reduced more than 50% of the amount stated in the Declarations or \$10,000, whichever is less.

2. The total of the insured's liability for all deductible payments during the **policy period** will not exceed the "Deductible — Policy Aggregate" stated in the Declarations.
3. If you have been covered for Insurance Professionals Errors and Omissions Liability coverage with us for three or more consecutive years immediately preceding activating an Optional Extended Reporting Period Endorsement, the "Each Claim" deductible stated in the Declarations will not apply to any **claim** first made against you at least one year after the effective date of the Optional Extended Reporting Period Endorsement. Nothing in this paragraph alters any provision of this policy relating to requirements of reporting **claims** to us.
4. If any insured maintains in the agency file written documentation produced at the time of a customers' refusal to accept any type of coverage or limit option offered by the insured that would have applied to the **wrongful act**, and if the insured subsequently has a **claim** alleging the failure to secure such coverage or limit, 100% of the insured's deductible will be waived up to a maximum of \$25,000 for that **claim**, or until dismissal of such allegations, whichever occurs first.

SECTION VI. EXTENDED REPORTING PERIODS

A. Extended Reporting Period Terms. The following provisions are applicable to all Extended Reporting Periods.

1. The Extended Reporting Periods cover **claims** arising out of **wrongful acts** which first take place on or after the **retroactive date** and prior to the end of the **policy period**;
2. A **claim** must be first made against the insured during the **policy period** or, if applicable, during the optional extended reporting period, and reported to us in writing during the period of time specified in the applicable extended reporting period option outlined below;
3. Extended reporting periods apply as excess over any other valid and collectible insurance available to the insured, whether primary, excess, contingent or on any other basis, whose **policy period** begins or continues after the extended reporting period takes effect; and
4. A **claim** first made during the applicable extended reporting period shall be deemed to have been made on the last day of the **policy period**.

B. The Extended Reporting Periods do not:

1. Extend the **policy period**;
2. Increase the limit of liability of this policy;
3. Reinstate any exhausted limits of liability of this policy; or
4. Otherwise change policy provisions.

C. **Automatic 60 day Extended Reporting Period.** If this policy is canceled or not renewed by you or us, this policy will apply to a **claim** first made against you during the **policy period** and reported to us in writing during the 60 days immediately following the end of the **policy period**. This Automatic Extended Reporting Period is provided at no additional charge.

D. **Optional Extended Reporting Period Endorsement.** If this policy is cancelled or non-renewed, you may purchase an Optional Extended Reporting Period Endorsement. This endorsement to the policy, when issued, extends the period of time during which the insured may report **claims** to us.

The following conditions must be met before this option may be exercised:

1. This policy was cancelled or non-renewed for reasons other than failure to comply with policy provisions, failure to cooperate with us or making material misrepresentation of facts in the **application**; and
2. Your license or right to practice is not revoked, suspended, nor surrendered at the request of any regulatory authority or other governmental agency; and
3. We receive written notice of your intent to purchase the option and the total additional premium due for the Optional Extended Reporting Period Endorsement no later than 60 days after the end of the **policy period**; and
4. All premiums and deductible amounts previously due and payable to us have been paid in full.

If any of the four conditions given above have not been met, you will not be able to purchase the Optional Extended Reporting Period Endorsement at a later date.

The term of this Extended Reporting Period will be indicated in the Optional Extended Reporting Period Endorsement and will not be less than two years or more than six years. The first 60 days of the term of the Optional Extended Reporting Period, if it is purchased, shall run concurrently with the Automatic Extended Reporting Period.

The premium charged for this endorsement will be in accordance with the rules, rates and rating plans we have in effect at the inception of the current **policy period**. The entire premium for the Optional Extended Reporting Period Endorsement will be deemed fully earned when paid.

SECTION VII. CONDITIONS

A. Insured's Duties in the Event of a Claim

In the event of a **claim**, the insured must do the following:

1. When a **claim** is received by an insured, the insured must give written notice to us as soon as practicable. Such written notice shall include every demand, notice, summons, or any other applicable information received by the Insured or the insured's representative.
2. The insured must not make any payment, admit any liability, settle any **claim** or assume any obligation without prior consent from us.
3. If the insured has the right to either accept or reject the arbitration of any **claim**, the insured will exercise such right only with our written consent.
4. The insured must cooperate with, and provide all relevant information to, us with respect to any **claim**. We may require that the insured submit to examination or questioning, or attend hearings, depositions and trials. In the course of investigation or defense, we may require written statements or the insured's attendance at meetings with us. The insured must assist us in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses, all without charge to us except as agreed in Section I. Coverage, D. Supplemental Payments.
5. The insured must do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the insured may have.

B. Reporting Possible Claims

If during the **policy period** or any applicable Extended Reporting Period, the insured first becomes aware of a **circumstance**, such **circumstance** must be reported to us as soon as practicable. The notice of the **circumstance** or possible **claim** must include the following:

1. The potential claimant's name and address;

2. A detailed description of the **wrongful act** or alleged **wrongful act**;
3. An explanation as to why the insured believes the **claim** may be made and the date that the insured first became aware of the **circumstance**; and
4. An explanation of the type of **claim** that is anticipated.

Any **claim** that may subsequently be made against the insured arising out of a **circumstance** will be deemed for the purpose of this insurance to have been made on the date we first received notice of such **circumstance**.

C. Legal Action Against Us

No insured or anyone else may bring any legal action against us concerning this policy until there has been full compliance with all terms and conditions of this policy and the amount of **damages** has been determined by:

1. Final judgment against the insured after trial, if the time to appeal such judgment has expired without an appeal being taken, or if an appeal is taken, after the appeal has been determined; or
2. The settlement of the **claim** according to the terms and conditions of this policy.

D. Subrogation

If the insured has rights to recover all or part of any payment for **damages** or **claim expenses** which we made under this policy, those rights are transferred to us to the extent that we have made payment on the insured's behalf. The insured must do whatever is necessary to secure such rights and do nothing to impair them. Any amount recovered shall first be applied to reduce our loss or, if applicable, as directed by law.

E. Policy Changes

The terms and conditions of this policy cannot be waived or amended except by specific written endorsement issued by us and made a part of this policy.

F. Assignment of the Insured's Interest

The insured's interests under this policy may not be assigned to any other person or organization without our written consent.

G. Premium

You are responsible for the payment of all premiums and will be the payee for any return premium. The premium may be adjusted at any time during the **policy period** if there are changes in your operations, or changes in the provisions of the policy.

H. Formation of New Organizations, Acquisitions, Mergers, or Other Material Changes

If you form a new organization, make an acquisition of or merge with another insurance organization, or make any other material change in your operations, you shall notify us by either the end of the **policy period** or 90 days after the effective date of such changes, whichever comes first.

Premium for additional exposures will be calculated in accordance with our rules, rates, rating plans, premiums and minimum premiums applicable to the insurance afforded herein.

I. Other Insurance

This insurance will be excess over any other insurance which also provides coverage for any **claim**, including any deductible provisions. However, any insurance specifically arranged by you to apply in excess of this insurance will not be deemed other insurance.

J. Multiple Policies

If we, or any of our affiliated companies, provide two or more Insurance Professionals Errors and Omissions Liability Insurance Policies, including any Extended Reporting Period provided by such policies, that apply to a **claim** for which the insured is legally liable, the maximum amount that will be paid under all policies will not exceed the highest applicable limit of liability available to the insured under any one policy.

K. Bankruptcy

Bankruptcy or insolvency of any insured or any insured's estate shall not relieve us of our obligation under this policy.

L. Cancellation

1. You may cancel this policy by returning the policy to us or by mailing written notice to us stating when thereafter such cancellation shall be effective. Earned premium will be computed on a pro rata basis.
2. We may cancel this Policy by mailing or delivering to the first **named insured** written notice of cancellation at least:
 - a. 10 days before the effective date of cancellation if we cancel for nonpayment of premium; or
 - b. 60 days before the effective date of cancellation if we cancel for any other reason.
3. The mailing of any notice of cancellation will be sufficient proof of notice. Upon cancellation of this policy, the end of this **policy period** will be changed to the effective date of cancellation. Unearned premium will be returned by us as soon as practicable, but return of unearned premium is not a condition of cancellation.

M. Liberalization Clause

If during this **policy period**, we implement revised non-optional terms for our Insurance Professionals Errors and Omissions Liability Policy form which broadens coverage for no additional premium, the revised terms will apply to this policy effective at the time the appropriate regulatory authority grants approval of the revised terms. This liberalization of coverage will apply only to **claims** first made or potential **claims** the insured became aware of after the date regulatory approval is granted.

N. State Compliance

The intent of this policy is to comply with state insurance requirement. If any part of this policy does not meet the minimum statutory or regulatory requirements set by the state shown in the Declarations as the principal address of the **named insured**, this policy is amended to meet that state's requirements.

O. Application

The statements in the **application** are representations of the insured and are material to the underwriting and acceptance of coverage by us. This policy is issued in reliance on the accuracy of such representations.

P. Waiver

In the event we do not insist on strict compliance with any of the terms, provisions or conditions of coverage under this policy, or if we do not exercise our rights or privileges thereto, our actions shall neither operate or be construed as a waiver of our right to enforce any term, provision or condition of coverage.