



BRIT EPL DEFENDER 2007

DECLARATIONS

EMPLOYMENT PRACTICES LIABILITY INSURANCE

NOTICE: This is a Claims First Made Policy which includes Defense Costs within the Coverage Limits. Therefore, some or all of the Coverage Limits can be exhausted by the payment of Defense Costs. Please read this Policy carefully and discuss the coverage with your insurance agent. The Application is deemed attached to and incorporated into this Policy.

Insurance is provided by: Insurers per the attached Schedule

Policy Number:

1. NAMED INSURED:
2. ADDRESS:
3. POLICY PERIOD: at 12:01 a.m.
(Standard Time at YOUR address shown above).
4. COVERAGE LIMITS (INCLUDES DEFENSE COSTS):
 - a) Each Claim for Employment Event(s):
 - b) Each Claim for Third Party Event(s):
 - c) Punitive Damages Limit:
 - d) Total Aggregate Limit:
5. SELF-INSURED RETENTION: (INCLUDES DEFENSE COSTS):
Each Claim:
6. CONTINUITY DATE:
7. PREMIUM:
8. ENDORSEMENTS EFFECTIVE AT INCEPTION:



9. AUTHORIZED REPRESENTATIVE:

WALKER WILCOX MATOUSEK LLP
225 W. Washington St.
Suite 2400
Chicago, Illinois 60606
Attn: William P. Bila

All Notices required to be given to the Insurers under this Policy shall be addressed to the Insurers' Authorized Representative. Service of suit may also be made upon the Authorized Representative.



BRIT EPL DEFENDER 2007

EMPLOYMENT PRACTICES LIABILITY INSURANCE

IMPORTANT: THIS IS A CLAIMS FIRST MADE POLICY WHICH INCLUDES DEFENSE COSTS WITHIN THE COVERAGE LIMITS. READ THIS POLICY CAREFULLY TO DETERMINE THE EXTENT OF COVERAGE.

This policy covers **Claims** first made against the Insureds during the **Policy Period** or any applicable Reporting Period per Section VI arising from Employment Events or, if that coverage is purchased, Third Party Events, subject to the terms, conditions, limitations and exclusions set forth in this Policy. The Policy has been issued in reliance upon the **Application**, which is deemed attached to and incorporated into this policy and therefore forms part of this Policy.

Throughout this Policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured.

Throughout this Policy the words "we", "us" and "our" refer to the Insurers providing this insurance.

The word "Insured" means any entity or individual qualifying as such under Section II.

I. COVERAGE: WHAT IS COVERED

- A. Claims for Employment Events. We will pay **Loss** amounts that the Insured is legally obligated to pay on account of a **Claim** for an Employment Event first made by a **Claimant** during the **Policy Period** or any applicable Reporting Period per Section VI.

Employment Event means actual or alleged acts of **Discrimination, Harassment**, and/or **Inappropriate Employment Conduct** by an Insured against an **Employee**, former **Employee** or applicant for employment. **Discrimination, Harassment** and **Inappropriate Employment Conduct** are defined in Section IV.

- B. Claims for Third Party Events. If coverage for Third Party Events is purchased, as evidenced by the inclusion of a Coverage Limit under 4.b) on the Declarations Page of this Policy, we will pay **Loss** amounts that the Insured is legally obligated to pay on account of a **Claim** for a Third Party Event first made by a **Third Party Claimant** during the **Policy Period** or any applicable Reporting Period per Section VI.

Third Party Event means actual or alleged acts of discrimination against or harassment of a **Third Party Claimant** by an Insured. For purposes of this Section I.B.: "discrimination" means actual or alleged differential treatment of a **Third Party Claimant** based upon the **Third Party Claimant's** race, color, national origin, religion, age, sex, disability (including AIDS), pregnancy, sexual orientation, sexual preference, marital status, or any class of persons protected by



applicable foreign, federal, state or local law; "harassment" means conduct towards a **Third Party Claimant** that creates a hostile or offensive environment, including, but not limited to, sexual harassment, unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature towards a **Third Party Claimant**. **Third Party Claimant** is defined in Section IV.

II. WHO IS INSURED

The following entities and individuals are Insureds under this Policy:

- A. the Named Insured
- B. any Subsidiary of the Named Insured

Subsidiary means any entity more than 50% owned directly or indirectly by the Named Insured:

1. on or before the inception date of this Policy; or
2. subsequent to the inception date of this Policy by reason of being created or acquired by you or any of your Subsidiaries, provided, however, if the total number of **Employees** of such entity is greater than twenty percent (20%) of the number of **Employees** listed on the **Application** for this Policy, then coverage under this Policy for such newly created or acquired entity as an Insured is only from the date of formation or acquisition until the lesser of forty-five (45) days or the remainder of the **Policy Period** unless we have received payment of any additional premium determined by us.

None of the provisions of Section II.B.2 shall apply to a partnership or joint venture. Such entities remain uninsured unless they were listed in the **Application** for the Policy and otherwise satisfy the definition of Subsidiary in Section II.B.1.

Notwithstanding the foregoing, a Subsidiary is not an Insured for any **Claim**: based upon, arising out of, directly or indirectly connected or related to, or in any way involving an Employment Event or Third Party Event that happened or first commenced before the Named Insured acquired or formed such entity; or that is insured in whole or in part under any other insurance.

- C. any Individual Insureds

Individual Insureds means any directors, officers, natural person partners or trustees, or **Employees** of the Named Insured or any Subsidiary.

- D. the estate, heirs, legal representatives or assigns of an Individual Insured if the Individual Insured is deceased or is adjudicated or declared incompetent, insolvent or bankrupt; or



- E. the lawful spouse of an Individual Insured, but only for a **Claim** brought against such spouse solely by reason of his/her status as a spouse, or his/her ownership interest in marital community property, property jointly held by the Individual Insured and the spouse, or property transferred from the Individual Insured to the spouse. The Policy does not provide any coverage for a **Claim** made against the spouse of an Individual Insured for any act or omission of the spouse.

III. DEFENSE OF CLAIMS

- A. **Duty to Defend.** We have the right and duty to defend any **Claim** to which this Policy applies. We will give consideration to your preference for defense counsel; however, the final decision rests with us. Our duty to defend any **Claim** ends when the Coverage Limits that apply have been exhausted by payment of **Loss**, which includes **Defense Costs**.
- B. **Consent to Settle.** We have the right to investigate and settle any **Claim** in the manner and to the extent that we believe is proper. We will not settle any **Claim** without your consent. If you refuse to consent to any settlement recommended by us or our Authorized Representative and you elect to continue to defend the **Claim**, then our liability shall not exceed the amount for which the **Claim** could have been settled plus **Defense Costs** incurred with our consent up to the date of such settlement proposal, plus 70% of covered **Loss** incurred after the date of the proposed settlement, providing that 30% of such **Loss** is borne by the Named Insured.
- C. **Transfer of Control.** The Insured(s) may take over control of any outstanding **Claim** previously reported to us only if we agree or if a court orders the Insured(s) to take over control. If we transfer control of the defense to the Insured(s) for any reason other than the exhaustion of the Coverage Limits or pursuant to Section III.B. above, we will pay **Defense Costs** incurred following the transfer.

Payment of **Defense Costs** are included in the Coverage Limits. They are not in addition to the Coverage Limits. If your Coverage Limits are exhausted, we will notify the Insured(s) of all outstanding **Claims** so that the Insured(s) can take over control of their defense.

During the transfer of control, we agree to take reasonable steps necessary to avoid any prejudice to the Insured(s). If we do so, you agree to pay reasonable expenses we incur for taking such steps after the Coverage Limits are exhausted.



IV. DEFINITIONS

- A. **Application** means all applications, attachments, information and materials submitted to the Insurers for this Policy or any policy for which this Policy is a renewal or replacement. All such applications, attachments, information and materials are deemed attached to and incorporated into the Policy regardless of whether this material is provided directly or indirectly to the Insurers.
- B. **Claim** means:
1. a written demand for money damages;
 2. a charge, administrative complaint or other commencement of a federal, state or local administrative proceeding;
 3. a civil complaint, action or lawsuit; or
 4. an arbitration proceeding to which any Insured must submit or to which any Insured submits with our consent.

A **Claim** is first made when it is first received by any Insured or when it is deemed first made pursuant to Section X.B., whichever is earlier.

Claim shall not include

1. any labor or grievance arbitration pursuant to a collective bargaining agreement; or
 2. any complaint, writ, indictment, information or other proceeding in which any Insured is alleged to have committed or engaged in a criminal offense or violation of a foreign, federal, state or local penal law.
- C. **Claimant** means a current or former **Employee**, applicant for employment with an Insured, or the Equal Employment Opportunity Commission or a similar state or local agency acting on behalf of such current or former **Employee** or applicant for employment.
- D. **Defense Costs** mean those reasonable and necessary expenses incurred with our consent for the investigation, settlement or defense of a specific **Claim** because of an Employment Event or, if purchased, a Third Party Event, including attorney fees and expenses, court costs, the cost of appeal bonds, the cost of bonds to release property being used to secure a legal obligation (but only for bond amounts within the Coverage Limits of this Policy that apply; we have no obligation to furnish any bonds).



Defense Costs do not include: 1) salaries and expenses of our employees, including our in-house and/or coverage attorneys and/or our independent adjusters; 2) salaries and/or expenses of any Insured; or 3) any amount incurred by you or any Insured(s) before notice of the **Claim** was given to our Authorized Representative, as shown in the Declarations, or otherwise incurred without our consent.

- E. **Discrimination** means termination of the employment relationship, a demotion, a failure or refusal to hire or promote, denial of an employment benefit or the taking of any adverse or differential employment actions because of race, color, national origin, religion, age, sex, disability (including AIDS), pregnancy, sexual orientation, sexual preference, marital status, or any other basis prohibited by applicable foreign, federal, state or local law.
- F. **Employee** means an individual whose labor or service is engaged by and directed by the Named Insured or any Subsidiary. This includes full-time, part-time, volunteer, seasonal, temporary and leased employees. An independent contractor will only be considered an **Employee** and therefore an Insured pursuant to Section II when acting solely on behalf of the Named Insured or Subsidiary as a dedicated agent or representative. With regard to **Claims** for Employment Events only, **Employee** shall also include: 1) employees leased to others; or 2) employees temporarily provided to another employer. Notwithstanding any of the foregoing, this Policy does not cover any **Claim** arising from a Third Party Event based upon, arising out of, directly or indirectly connected or related to, or in any way involving any actions, inactions or statements by any employee leased or temporarily provided to others.

This Policy does not cover any **Claim** made by independent contractors seeking employee status, pay or benefits, including but not limited to over-time pay, vacation pay, severance, bonuses, commissions, profit-sharing or any employee benefits.

- G. **Harassment** means:
1. sexual harassment, including any unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that is made a condition of employment with, used as a basis for employment decisions by, interferes with performance or creates an intimidating, hostile or offensive working environment; or
 2. workplace harassment, including work related harassment of a non-sexual nature that interferes with performance or creates an intimidating, hostile or offensive working environment.



H. **Inappropriate Employment Conduct** means:

1. any actual or alleged wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied employment contract or an implied covenant of good faith and fair dealing in an employment contract;
2. any actual or alleged wrongful demotion, discipline, evaluation and investigation of an **Employee**, or retaliation against an **Employee** (including, but not limited to, retaliation for whistle-blowing), or intentional interference with an employment contract;
3. any actual or alleged wrongful failure to employ or promote;
4. any actual or alleged employment related misrepresentation to an **Employee** or applicant for employment;
5. any actual or alleged employment related false imprisonment, detention or malicious prosecution;
6. any actual or alleged employment related libel, slander, defamation, disparagement or invasion of right of privacy; or
7. any actual or alleged violation of the Family Medical Leave Act or Uniformed Services Employment and Re-employment Rights Act or any similar foreign, federal, state or local law.

Inappropriate Employment Conduct shall not include any allegations other than those set forth above.

- I. **Interrelated Claim** means: 1) Employment Events or Third Party Events which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions; or 2) class actions or multiple plaintiff lawsuits.
- J. **Loss** means damages, judgments (including prejudgment and post-judgment interest), settlements, statutory attorney fees, and **Defense Costs**. **Loss** shall also include **Punitive Damages** subject to the Coverage Limit as stated on the Declarations page of this Policy.

With respect to **Punitive Damages** only, the applicable law for purposes of insurability will be the law most favorable to the Insured, provided that law has a reasonable relationship to the **Claim** as: 1) the law of the jurisdiction where the Insured is incorporated or has its principal place of business; 2) the law of the jurisdiction where the **Claim** is pending; or 3) the law of the jurisdiction where any Employment Event or Third Party Event underlying such **Claim** happened.



Loss shall not include:

1. non-monetary relief;
 2. any actual or alleged insurance, employee or retirement plan benefits;
 3. costs incurred by an Insured to modify or adapt any building or property in order to make such building or property more accessible or accommodating to any person; costs associated with eliminating non-essential duties from the job description of a **Claimant**; costs associated with providing any person with reasonable workplace accommodations; or costs associated with lost productivity by an employer as the result of making a reasonable workplace accommodation for any person;
 4. matters which may be deemed uninsurable according to the law under which this Policy is construed (The applicable law for purposes of insurability will be the law most favorable to the Insured, provided that law has a reasonable relationship to the **Claim** as: 1) the law of the jurisdiction where the Insured is incorporated or has its principal place of business; 2) the law of the jurisdiction where the **Claim** is pending; or 3) the law of the jurisdiction where any Employment Event or Third Party Event underlying such **Claim** happened);
 5. any actual or alleged amounts owed under foreign, federal, state, or local wage, hour or overtime laws;
 6. any actual or alleged compensation earned in the course of employment, including pay, salaries, commissions, bonuses, stock, stock options, deferred compensation, profit sharing or any type of perquisite or benefits including but not limited to vacation, holiday, and/or sick pay, or insurance plan enrollment or payments;
 7. severance payments;
 8. amounts owed under a written or express contract of employment;
 9. taxes; or
 10. civil or criminal fines or penalties.
- K. **Management Personnel** means owner, director, officer, partner, president, chief executive officer, chief financial officer, chief operating officer, executive director, general or office manager, in-house attorney, head of risk management, head of human resources or any person performing the human resources function.



- L. **Policy Period** means the period from the effective date and hour of this Policy to the Policy expiration date and hour as set forth in Item 3. of the Declarations, or its earlier cancellation date and hour, if any.
- M. **Punitive Damages** means punitive damages, exemplary damages and additional damages resulting from the multiplication of compensatory damages.
- N. **Third Party Claimant** means any natural person who is a customer, vendor, service provider or other business invitee of the Insured who makes a **Claim** for a Third Party Event.

V. EXCLUSIONS: WHAT IS NOT COVERED

- A. Worker's Compensation and Certain Other Employer Obligations. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving any law or regulation or duty pertaining to worker's compensation, disability benefits, social security benefits, or unemployment compensation, or any similar law or regulation or duty. However, this exclusion does not apply to any **Claim** made against an Insured by a **Claimant** for retaliation on account of the filing of a workers' compensation claim, a claim for disability benefits, a claim for social security benefits, a claim for unemployment compensation, or a claim under any similar law.
- B. Liability Assumed by a Contract. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving any Insured's assumption of another's liability for an Employment Event or Third Party Event in a contract or agreement, except to the extent that any Insured would have been liable to a claimant absent such contract or agreement.
- C. ERISA, FLSA, NLRA, WARN, COBRA and OSHA. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving the Employee Retirement Income Security Act of 1974, the Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, or any amendments to or regulations pursuant to such Acts, or any similar foreign, federal, state or local laws or regulations. However, this exclusion does not apply to any **Claim** for any actual or alleged retaliatory treatment on account of the exercise of rights pursuant to any such law.



- D. Strikes and Lockouts. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving any lockout, strike, picket line, replacement or other similar actions resulting from labor disputes or labor negotiations or any protections contained within the National Labor Relations Act. However, this exclusion does not apply to any **Claim** made against the Insured by a **Claimant** for retaliation against protected labor activities, including but not limited to strikes, picket lines, organizing, labor negotiations or any other activities protected by the National Labor Relations Act.
- E. Prior Knowledge and Prior Notice. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving: 1) any Employment Event or Third Party Event which any **Management Personnel** had knowledge of before the Continuity Date of the Policy, as shown in the Declarations; or 2) any Employment Event or Third Party Event which was the subject of notice under any prior policy.
- F. Downsizing. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving any reorganization, restructuring, reduction in force, change in number of **Employees**, downsizing operations or closure of one or more plants or places of business operations which results in the termination, or other change in employment terms, within any 60 day period, of more than 10% of the total number of **Employees** measured at the inception of the Policy, or five (5) **Employees**, whichever is the greater. However, this exclusion shall not apply if prior to such downsizing, reorganization, restructuring, reduction in force, change in number of **Employees** or closure, the Insured consulted with and followed the recommendation of legal counsel previously approved by us and experienced in employment law.
- G. Stock Options. This Policy does not cover any **Loss** resulting from or attributable to any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving stock options, including, without limitation: 1) the failure to grant stock options; and/or 2) amounts attributable to vested or unvested stock options; or 3) actual or alleged improper dating or pricing or structure of stock options.
- H. Fraudulent, Dishonest, Criminal and Deliberate Acts. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving in fact the fraudulent, dishonest or criminal acts of an Insured or the deliberate violation of any foreign, federal, state, or local statute, ordinance, rule or regulation committed by or with the knowledge or consent of the Insured. The actual or alleged conduct or intent of any Individual Insured will not be imputed to any other Individual Insured for the applicability of this exclusion.



- I. Bodily Injury. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving bodily injury, sickness, disease or death or any person. However, this exclusion shall not apply to mental anguish or emotional distress arising out of an Employment Event or, if purchased, Third Party Event.
- J. Assault and Battery. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving actual or alleged assault or battery, including sexual assault and sexual battery.
- K. Pollutants. This Policy does not cover any **Loss** resulting from any **Claim** based upon, arising out of, directly or indirectly connected or related to, or in any way involving:
 - 1. any actual, alleged or threatened exposure to, or generation, storage, transportation, discharge, emission, release, dispersal, escape, treatment, removal or disposal of any Pollutants; or
 - 2. any regulation, order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any Pollutants, or any action taken in contemplation or anticipation of any such regulation, order, direction or request,

For purposes of this exclusion, Pollutants means:

- a). any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by the United States Environmental Protection Agency or any state or local counterpart, including, but not limited to, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials; or
- b). any other emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.

VI. WHEN COVERAGE IS PROVIDED

- A. All **Interrelated Claims** will be deemed to have been first made on the date that the initial charge or complaint or arbitration demand or written demand for money damages is first received by any Insured or when deemed first made pursuant to Section X.B., whichever is earlier.



- B. Automatic 60-Day Reporting Period. An Automatic 60-Day Reporting Period will apply only if this Policy is non-renewed by us. Coverage under the Automatic 60-Day Reporting Period may not be cancelled. However, the Automatic 60-Day Reporting Period will not apply to any **Claims** if the Insureds have other insurance that would provide coverage for the **Claim**, even if the limits of such other insurance have been exhausted. A change in the premium, terms or conditions we require shall not be deemed non-renewal by us.

Coverage under the Automatic 60-Day Reporting Period is limited to **Claims** first made during that 60 day period for Employment Events or, if purchased, Third Party Events which occurred before the **Policy Period** ended and which are otherwise covered by this Policy.

The Automatic 60-Day Reporting Period does not extend the **Policy Period**, or change the scope of coverage provided. We will consider any **Claim** because of an Employment Event or, if purchased, Third Party Event, which was first made during the Automatic 60-Day Reporting Period to have been made on the last date on which this Policy is in effect.

The Automatic 60-Day Reporting Period does not apply if the Policy is cancelled by us.

- C. Optional Extended Reporting Period. If this Policy is non-renewed by us or cancelled by you, you can purchase an Optional Extended Reporting Period of either twelve (12) months, twenty-four (24) months or thirty-six (36) months from the end of the **Policy Period**. The Optional Extended Reporting Period is not available if the Policy is cancelled by us.

Coverage under the Optional Extended Reporting Period is limited to **Claims** first made during the Optional Extended Period for Employment Events or, if purchased, Third Party Events, which occurred before the **Policy Period** ends and which are otherwise covered by this Policy.

There shall be no Optional Extended Reporting Period unless we receive a written request for it within fifteen (15) days after the **Policy Period** ends, nor will it take effect unless the additional premium is paid within thirty (30) days after the **Policy Period** ends. Once the additional premium is paid, the Optional Extended Reporting Period may not be cancelled and the premium will be fully earned.

The additional premium for a twelve (12) month Optional Extended Reporting Period will be one hundred percent (100%) of the premium charged for the last **Policy Period**. The additional premium for a twenty four (24) month Optional Extended Reporting Period will be one hundred and fifty percent (150%) of the premium charged for the last **Policy Period**. The additional premium for a thirty-six (36) month Optional Extended Reporting Period will be one hundred and seventy-five percent (175%) of the premium charged for the last **Policy Period**.

However, the Optional Extended Reporting Period will not apply to any **Claim** if



any Insureds subsequently obtain other insurance that provides coverage for the **Claim**, but only to the extent that the limits of such other insurance have not been exhausted.

- D. Coverage Limits For Automatic and Optional Extended Reporting Periods. The Coverage Limits that apply to the Policy at the end of the Policy Period shall not be renewed or increased in any way by the Automatic 60-Day Reporting Period or an Optional Extended Reporting Period.
- E. Changes of Control of Named Insured

If, during the **Policy Period**, any of the following changes occur:

1. the acquisition of the Named Insured, or of all or substantially all of its assets, by another entity, or the merger or consolidation of the Named Insured into or with another entity such that the Named Insured is not the surviving entity; or
2. the obtaining by any one person, entity or affiliated group of persons or entities of the right to elect, appoint or designate over fifty percent (50%) of the directors of the Named Insured

coverage under this Policy with respect to such Named Insured will continue in full force and effect with respect to Employment Events or, if purchased, Third Party Events committed before such change of control. There shall be no coverage for **Claims** for Employment Events or Third Party Events which take place after such change of control. After any such change of control, this Policy may not be cancelled by you, regardless of Section X.H, and the entire Premium for the Policy will be deemed fully earned.

You shall give our Authorized Representative written notification of the change of control as soon as practicable, but in no event later than thirty (30) days after the effective date of the change.

VII. WHERE COVERAGE IS PROVIDED

This Policy covers **Claims** made or brought anywhere in the world for Employment Events or, if purchased, Third Party Events, that happen anywhere in the world.



VIII. COVERAGE LIMITS

- A. The amount shown in Item 4.a) of the Declarations page is the most we will pay for any single **Claim** or **Interrelated Claims** for any Employment Event(s).
- B. The amount shown in Item 4.b) of the Declarations page is the most we will pay for any single **Claim** or **Interrelated Claims** for any Third Party Event(s)
- C. The amount shown in Item 4.c) of the Declarations page is the most we will pay for **Punitive Damages**, regardless of the number of **Claims**.
- D. The amount shown in Item 4.d) of the Declarations page is the most we will pay for all **Loss** under this policy, regardless of number of **Claims** or **Interrelated Claims**.

If the **Policy Period** is extended, the Coverage Limits, as shown on the Declarations page, shall not in any way increase.

IX. SELF INSURED RETENTION

Our obligation to pay under the Policy applies only to the amount of covered **Loss** in excess of any Self Insured Retention amount, as shown in the Declarations, and the Coverage Limits will not be reduced by the amount of such Self Insured Retention.

The Self Insured Retention amount will apply separately to each **Claim** made; however, it will only apply once to all **Interrelated Claims**.

X. CONDITIONS

We have no duty to provide coverage under this Policy unless as a condition precedent there has been full compliance with all of the conditions contained in this Policy.

A. Notification of a Claim

As a condition precedent to coverage, you must provide written notification of any **Claim** to our Authorized Representative, as shown in the Declarations of this Policy, as soon as practicable, but in no event more than sixty (60) days from the time that any **Management Personnel** first becomes aware of the **Claim**.

B. Notification of a Potential Claim

If during the **Policy Period** any Insured first becomes aware of:

1. an oral complaint by a **Claimant** or, if applicable, a **Third Party Claimant**, alleging an Employment Event or, if purchased, Third Party Event; or
2. circumstances which could give rise to a **Claim**



and the Insured provides written notice of such oral complaint or circumstances to our Authorized Representative during the **Policy Period**, then any **Claim** arising from such oral complaint or circumstances will be deemed to have been first made on the date such written notice was received by our Authorized Representative. To be effective, such written notice must include: 1) a detailed description of the oral complaint or circumstances; 2) the nature of the Employment Event or Third Party Event; 3) the nature of the alleged or potential damage; 4) the names of the actual or potential **Claimants** or **Third Party Claimants**; and 5) the manner in which the Insureds first became aware of the oral complaint or circumstances.

C. Cooperation

You and/or any other Insured must:

1. authorize us or our Authorized Representative, as shown in the Declarations, to obtain records and other information relevant to evaluating all **Claims** in terms of liability, damages, defenses, and coverage;
2. co-operate with us, defense counsel and our Authorized Representative, as shown in the Declarations, in the investigation and defense of any **Claim**;
3. provide us or our Authorized Representative with all assistance and information we or they reasonably request, including, but not limited to:
 - a). the identity of the **Claimant(s)**;
 - b). the identity of the Insured(s) who allegedly committed the **Discrimination, Harassment** or **Inappropriate Employment Conduct** or, if applicable, discrimination against or harassment of a **Third Party Claimant**;
 - c). the identity of any witnesses to the alleged Employment Event(s) or, if applicable, Third Party Event;
 - d). the date(s) the alleged Employment Event(s) or, if applicable, Third Party Event(s) took place;
 - e). copies of any demands, notices, summons or legal papers received by any Insured in connection with the **Claim**; and
 - f). all other information and documentation we or our Authorized Representative deem necessary to our evaluation of all **Claims** in terms of liability, damages, defenses and coverage.
4. take no action, or fail to take any action, that prejudices your rights, the rights of any Insured, or our rights with respect to any **Claim**.



D. Prior Written Consent

No Insured will, except at their own cost, settle, offer to settle, admit any liability, voluntarily make any payment, assume any obligation, or incur any expenses or **Defense Costs** without our prior written consent. Any **Loss** (including, but not limited to, increased settlement amounts or additional **Defense Costs**) incurred as a result of conduct by any Insured without our consent will also be the sole responsibility of the Insureds.

E. Legal Action Against Us

1. No action shall lie against us unless, as a condition precedent: a) the Insureds shall have fully complied with all of the terms of this Policy; and b) the amount of the Insureds' obligation to pay shall have been fully and finally determined either by judgment against them or by written agreement between them, the **Claimant** (or the **Third Party Claimant**) and us. Nothing contained in this Policy shall give any person or entity any right to join us as a party to any **Claim** against any of the Insureds to determine their liability. No Insured shall attempt to implead us in any judicial or administrative proceeding.
2. Assignment of interest under this Policy shall not bind us unless we consent in writing to such an assignment.

F. Other Insurance

If other valid and collectable insurance is available to any Insured(s) covering a **Loss** also covered by this Policy, other than insurance that is specifically stated to be in excess of this Policy, the insurance afforded by this Policy shall be in excess of and shall not contribute with such other insurance. In no event shall this Policy be subject to the terms, conditions or limitations of any other insurance policy.


G. Premium

1. The Premium shown in the Declarations, is for the **Policy Period** shown in the Declarations.
2. The Policy is subject to a minimum earned premium of twenty five percent (25%) of the total Premium shown in the Declarations.



H. Cancellation

You may cancel this Policy by mailing to us written notice stating when thereafter such cancellation shall be effective. We may cancel this Policy for non-payment of premium only by mailing to the Named Insured, at the address shown in the Declarations, written notice stating when not less than ten (10) days thereafter such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The effective date and hour of cancellation as stated in the notice shall become the end of the **Policy Period**. Delivery of such written notice shall be equivalent to mailing.

If you cancel, earned premium shall be computed in accordance with the short rate table set forth in Section X.M.  we cancel for non-payment of premium, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

I. Representations in Application and Severability

In granting coverage under this Policy, we have relied upon the **Application**, which shall be deemed incorporated into and constituting part of this Policy. The **Application** is the basis for coverage under this Policy and was material to our acceptance of the risk of issuing this Policy.

In the event any information or representation in the **Application** is not true or accurate, this Policy shall be void as to the Named Insured, all Subsidiaries, and any Individual Insured who had knowledge of such falsity or inaccuracy.

J. Transfer of Rights of Recovery Against Others to Us/Subrogation

If the Insured has rights to recover all or part of any payments we have made under this Policy, those rights are transferred to us; the Insured must do nothing after a **Loss** to impair them. At our request, the Insured will bring suit or transfer those rights to us and help us to enforce them.

K. Bankruptcy

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



L. False or Fraudulent Claims

If any Insured proffers any **Claim** knowing the same to be false or fraudulent coverage for the **Claim** shall be forfeited and such Insured shall have no rights whatsoever under this Policy. To the extent we have paid any **Loss** for the **Claim** prior to discovering that the **Claim** is false or fraudulent, you shall repay the entire amount paid by us for the **Claim** within ninety (90) days of a demand by us for repayment.

M. Short Rate Cancellation Table

In the event of cancellation of this Policy by the Named Insured the earned premium shall be computed as follows:

SHORT RATE CANCELLATION TABLE

1. For insurances written for one year:

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 - 54	25	192 - 196	63
55 - 58	26	197 - 200	64
59 - 62 (2 months)	27	201 - 205	65
63 - 65	28	206 - 209	66
66 - 69	29	210 - 214 (7 months)	67
70 - 73	30	215 - 218	68
74 - 76	31	219 - 223	69
77 - 80	32	224 - 228	70
81 - 83	33	229 - 232	71
84 - 87	34	233 - 237	72
88 - 91 (3 months)	35	238 - 241	73
92 - 94	36	242 - 246 (8 months)	74
95 - 98	37	247 - 250	75
99 - 102	38	251 - 255	76
103 - 105	39	256 - 260	77
106 - 109	40	261 - 264	78
110 - 113	41	265 - 269	79
114 - 116	42	270 - 273 (9 months)	80
117 - 120	43	238 - 241	73
121 - 124 (4 months)	44	274 - 278	81
125 - 127	45	279 - 282	82
128 - 131	46	283 - 287	83
132 - 135	47	288 - 291	84
136 - 138	48	292 - 296	85
139 - 142	49	297 - 301	86
143 - 146	50	302 - 305 (10 months)	87
147 - 149	51	306 - 310	88
150 - 153 (5 months)	52	311 - 314	89
154 - 156	53	315 - 319	90
157 - 160	54	320 - 323	91

161 - 164	55	324 - 328	92
165 - 167	56	329 - 332	93
168 - 171	57	333 - 337 (11 months)	94
172 - 175	58	338 - 342	95
176 - 178	59	343 - 346	96
179 - 182 (6 months)	60	347 - 351	97
183 - 187	61	352 - 355	98
188 - 191	62	356 - 360	99

2. For Insurances written for more or less than one year:-

- a) If insurance has been in force for 12 months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.
- b) If insurance has been in force for more than 12 months:
 - (i) Determine full annual premium as for an insurance written for a term of one year.
 - (ii) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata earned premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.
 - (iii) Add premium produced in accordance with items (i) and (ii) to obtain earned premium during full period insurance has been in force.