



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? Claim(s) means any civil action, suit, proceeding, or written demand for money or Professional Services received by any Insured seeking to hold the Insured responsible for Loss as a result of an alleged Wrongful Act committed by any Insured. Claim shall also include any Administrative Proceeding.

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

TOLL FREE RISK MANAGEMENT HOTLINE

Who is the Hotline?

Business Risk Partners (BRP) has partnered with the nationally recognized law firm of *Karbal Cohen Economou Silk & Dunne, LLC* (KCESD) to offer, without charge to BRP clients, a Risk Management Hotline (Hotline). The Hotline is available to all of BRP's current professional liability policyholders insured via Underwriters at Lloyds.

What is the Hotline?

The Hotline provides BRP policyholders with up to two free hours per policy year of discussion and document review with knowledgeable attorneys on risk management matters related to policyholders professional services, including review of contract provisions (especially indemnity clauses) to help avoid claims and limit exposures.

What the Hotline is not.

The Claims Assistance Hotline is not for claims reporting. The purpose of the Hotline is to help you identify and establish risk management best practices so that you can avoid claims and limit your exposure. No communication to the Hotline constitutes a notice of claim or potential claim circumstances.

How to access the Hotline?

Make sure to include your BRP Policy Number.

Preferred access is via email to BRPHotline@karballaw.com

Phone access: 1-888-9-BRPCALL (1-888-927-7225)

KCESD are NOT your attorneys

KCESD are attorneys who represent insurance carriers regarding coverage for professional liability claims and defense of professional liability claims. By using this Hotline, each BRP policyholder recognizes and acknowledges that KCESD are not their attorneys and that there is no attorney-client relationship created between KCESD and the BRP policyholder by use of the Hotline.

**REAL ESTATE SERVICES
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. INSURING AGREEMENT

The Insurers will pay on behalf of the **Insured** all sums in excess of the Deductible amount stated in the Declarations which the **Insured** shall become legally obligated to pay as **Loss** and **Claims Expenses** resulting from **Claims** first made against the **Insured** during the **Policy Period** as a result of a **Wrongful Act** by the **Insured** or any person or entity for whom the **Insured** is legally liable, provided that such **Wrongful Act** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**.

As a condition precedent to coverage under this Policy, the **Insured** shall report such **Claim** in writing to the Insurers, such notice to be received as soon as practicable but in no event later than 60 days after the expiration or termination of this Policy, and that, prior to the inception date of this **Policy Period**, no **Insured** knew or could have reasonably foreseen that any **Wrongful Act** might give rise to a **Claim**.

II. EXTENSIONS

1. Administrative Proceeding Coverage

Subject to all other terms and conditions of this Policy, if an **Administrative Proceeding** is commenced against the **Insured**, the Insurers may agree to defend the **Insured** with respect to such **Administrative Proceeding**. As a condition precedent to coverage under this extension, the **Insured** shall report such **Administrative Proceeding** in writing to the Insurers, such notice to be received by the Insurers within 60 days after the **Insured's** first receipt of such **Administrative Proceeding**. The maximum the Insurers will pay for such defense pursuant to this Extension shall be \$35,000 for each **Policy Period**, regardless of the number of **Administrative Proceedings**.

No Deductible shall 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 an **Administrative Proceeding** will constitute notice of a circumstance under the Policy in accordance with Section V.1.

This Extension does not apply if there is coverage under **Extension 9. Discrimination Defense Coverage**.

2. Subpoena Compliance Coverage

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 defense 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 defense fees and other reasonable costs incurred after the **Insured's** provision of written notice to the Insurers of such subpoena. The maximum payment made by the Insurers pursuant to this extension shall be \$5,000 per subpoena and \$10,000 in the aggregate each **Policy Period**, regardless of the number of subpoenas or the number of **Insureds** subject to subpoenas.

No Deductible shall 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.

3. Witness and Attendance Expense Coverage

Subject to all other terms and conditions, **Witness and Attendance Expense Coverage** shall reimburse the **Named Insured** 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.

4. Mediation/Deductible Credit Coverage

If a **Claim** is fully and finally resolved to the satisfaction of all parties including the Insurers as a direct result of the operation of the mediation process, as opposed to settlement or compromise, or by any other means, the **Insured's** Deductible obligation for such **Claim** shall be reduced by fifty percent (50%) up to a maximum reduction of \$25,000.

5. Spousal Extension Coverage

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.

6. Personal Injury Coverage

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**.

7. Confidentiality Coverage

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 **Claims** arising out of the **Insured's** unintentional disclosure of confidential or proprietary information.

8. E-Professional Services Coverage

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 **Claims** arising out of the **Insured's** conduct of **E-Professional Services**.

9. Discrimination Defense Coverage

Subject to all other terms and conditions, this Policy covers **Claims Expenses** applicable to Exclusion 7 of this Policy. There remains no coverage for **Loss** pursuant to Exclusion 7.

Notwithstanding anything to the contrary in the Policy, the Insurers agree to provide coverage only for **Claims Expenses** arising out of this Extension.

The Deductible shall apply to this Extension. The aggregate Limit of Liability for payment of **Claims Expenses** under this Extension is set forth in Item 3 (C) of the Declarations which amount will be included within, and not be in addition to, the Limits of Liability in Item 3 (A) & (B).

If this Extension applies, no coverage will be afforded under **Extension 1. Administrative Proceeding Coverage**.

10. Open House Coverage

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 an **Open House Claim**.

It is understood and agreed that **Open House** coverage shall be subject to a Limit of Liability as identified under ITEM 3 (D) of the Declarations page. The Deductible shall apply to this Extension. This Limit of Liability shall be part of and not in addition to the Limit of Liability stated in Item 3 (A) & (B) of the Declarations.

10. Lock Box Claim Coverage

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 **Claims** arising out of a **Lock Box Claim**.

It is understood and agreed that **Lock Box Claim** coverage shall be subject to a Limit of Liability as identified under ITEM 3 (E) of the Declarations page. The Deductible shall apply to this Extension. This Limit of Liability shall be part of and not in addition to the Limit of Liability stated in Item 3 (A) & (B) of the Declarations.

11. Pollution Coverage

Subject to all other terms and conditions of this Policy, the Insurers agree to provide coverage for **Loss** and **Claims Expenses** based upon, arising out of, directly or indirectly, or in any way involving 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.

The Deductible shall apply to this Extension. The per **Claim** and aggregate Limit of Liability for payment of **Loss** and **Claims Expenses** under this Extension is set forth in Item 3 (F) of the Declarations which amount will be included within, and not be in addition to, the Limits of Liability in Item 3 (A) & (B).

12. Mold Coverage

Subject to all other terms and conditions of this Policy, the Insurers agree to provide coverage for **Loss** and **Claims Expenses** based upon, arising out of, directly or indirectly, or in any way involving the the formation, growth, presence, release, dispersal, containment, removal, testing for, or detection or monitoring of, or failure to detect or monitor or warn about any molds, fungi, spores, or other similar growth or organic matter, including but not limited to Aspergillus, Penicillium, or any strain or type of Stachybotris, commonly collectively referred to as the "Black Molds"

The Deductible shall apply to this Extension. The per **Claim** and aggregate Limit of Liability for payment of **Loss** and **Claims Expenses** under this Extension is set forth in Item 3 (G) of the Declarations which amount will be included within, and not be in addition to, the Limits of Liability in Item 3 (A) & (B).

III. DEFINITIONS

1. **“Administrative Proceeding”** means any proceeding or investigation brought by any federal, state, or municipal agency, insurance department or quasi-governmental authority to investigate charges of professional misconduct in the performance of **Professional Services**.
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. **“Claim(s)”** means any civil action, suit, proceeding, or written demand for money or Professional Services received by any **Insured** seeking to hold the **Insured** responsible for **Loss** as a result of an alleged **Wrongful Act** committed by any **Insured**.
4. **“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, and also including the cost of appeal bonds; however, the Insurers shall not be obligated to apply for or furnish appeal bonds.

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**.
5. **“E-Professional Services”** means **Professional Services** performed electronically utilizing the Internet or a network of two or more computers.
6. **“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**.
7. **“Insured”** means:
 - a) the **Named Insured** 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;

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- 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 or leased personnel 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.
 - e) any independent contractor, when the Insured has agreed in writing to provide insurance for the independent contractor's **Professional Services**, but only for **Professional Services** as a Real Estate Agent/Broker which were rendered, or which should have been rendered, by or for the **Insured** named in Item 1 of the Declarations, and which are otherwise covered by this Policy.
8. **Lock Box Claim** means any **Claim** arising out of the **Insured's** distribution, maintenance, operation or use of a lockbox or keyless entry system used to gain access when showing properties.
9. **"Loss"** means a compensatory monetary amount for which the **Insured** may be held legally liable, including judgments (inclusive of any pre-judgment or post-judgment interest), awards, or settlements negotiated with the prior approval of the Insurers, but 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.
10. **Named Insured** means the entity identified in Item 1. of the Declarations Page.
11. **"Open House"** means an advertised time period (up to 4 hours) during which a specified property is listed for sale by the **Insured** that is open to multiple potential buyers for viewing and inspection while such real property is in the care, custody, or control of the **Insured**.
12. **"Open House Claim"** means arising out of bodily injury, sickness, disease, emotional distress, mental anguish or death of any person or any injury to, or destruction of, any tangible property, or loss of use thereof to the extent any claim is:
- a) directly caused by the **Insured** in the performance of the **Professional Services**; and
 - b) occurs during or as the direct result of an **Open House**.
13. **"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.

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14. "**Policy Period**" means the period set forth in Item 2 of the Declarations 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**.
 15. "**Professional Services**" means those services set forth in Item 7 of the Declarations.
 16. "**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.
 17. "**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%.

18. "**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**.
19. "**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

This Policy does not apply to any **Claim** based upon, arising out of, directly or indirectly, or in any way involving:

1. intentional wrongdoing, fraud, dishonesty, criminal or malicious acts by the **Insured**, if a judgment or other final 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;
2. claims brought by the **Insured** or **Affiliated Entity**;
3. bodily injury, sickness, disease, emotional distress, mental anguish, outrage, humiliation or death;
4. injury to or destruction of any tangible property including loss of use thereof;
5. the commingling of monies or accounts, or loss of monies received by the **Insured** or credited to the **Insured's** account;

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6. 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;
 7. discrimination, humiliation, harassment, or misconduct by the **Insured** because of race, creed, color, age, gender, sex, sexual preference or orientation, national origin, religion, disability, handicap, marital status, or any other class protected under federal, state, local or other law;
 8. by an employee, former employee, or job applicant, of the **Insured**;
 9. 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;
 10. the liability of others assumed by the **Insured** under any contract or agreement, written or oral, unless such liability would have attached to the **Insured** even in the absence of such an agreement;
 11. violations of the Employee Retirement Income Security Act of 1974, as amended, or any rules or regulations promulgated hereunder, or similar provisions of any federal, state or local statutory law or common law;
 12. any product developed by you for multiple sale or mass distribution, including but not limited to, computer programs or software;
 13. the manufacture, mining, processing, distribution, testing, remediation, removal, storage, disposal, sale, use of, or exposure to asbestos or materials or products containing asbestos, whether or not there is another cause of **Loss** which may have contributed concurrently or in any sequence to a **Loss**.
 14. 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 local authority.
 15. any actual or alleged guarantee, promise, warranty, projection, estimate or representation, either express or implied, made by any Insured in relation to the future value of any real or personal property, availability of funds, investment or rate of return or investment;
 16. the formulation, promotion, syndication, offer, sale or management of any limited or general partnership, or any interest therein;
 17. any transaction in which any **Insured** has a direct or indirect beneficial ownership interest as a buyer or seller of real property; however, this exclusion does not apply to real property to which any **Insured** has taken legal title solely for immediate resale and has entered into a written contract to sell not later than one hundred and eighty (180) days after taking legal title;
 18. services which may only be performed by a property developer, builder, architect, engineer, surveyor, construction manager, insurance agent or broker, mortgage banker or broker, escrow agent, title abstractor, title agent, or any other professional services for which a state or federal license is required other than **Professional Services**;
 19. the rendering of any financial advice, including, but not limited to, Tax Deferred 1031 exchange transactions/services;

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20. any actual or alleged construction defects including, but not limited to, failure to disclose or discover construction defects;
 21. an appraisal of real property prepared on behalf of or in connection with any real estate syndication, or any securities related activity including, but not limited to, the sale, exchange, trade or development of such real property on behalf of others and which is required to be registered with the Securities and Exchange Commission (SEC) or any state regulatory agency which regulates investments made as a public offering;
 22. the actual or alleged guarantee or promise of the availability of funds, or a specified rate of return or specified amount of interest;
 23. failure to maintain insurance;
 24. any actual or alleged guarantees or warranties of any kind or nature whatsoever.

V. CLAIMS

1. Notice Requirements

a. Actual Claims

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

- i. 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.
- ii. Immediately forward to the Insurers every demand, notice, summons and/or pleading received by the **Insured**.

b. Potential Claims

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 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 an **Insured** against any **Claim** that is covered by this Policy. Insurers have no duty to defend an **Insured** against any **Claim** to which this Policy does not apply. Insurers right and duty to defend an **Insured** against any **Claim** ceases when the

Insurers have exhausted the applicable limit of insurance in payment of **Loss** or **Claim Expenses**.

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 **Insured** refuses to consent to a settlement or compromise recommended by the Insurers and elects to contest or continue to contest the **Claim**, the Insurers' liability shall not exceed the amount for which the Insurers would have been liable for **Loss** and **Claims Expenses** if the **Claim** had been so settled when and as so recommended, and the Insurers shall have the right to withdraw from the further defense of the **Claim** by tendering control of the defense thereof to the **Insured**.

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; provided, however, that any **Claim** made as a result of such **Wrongful Acts** must be brought and held against the **Insured** in the United States of America, its territories or possessions.

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 3(A) of the Declarations. The limits set forth in Items 3(C), 3(D), 3(E), 3(F), and 3(G) of the Declarations are sublimits of and operate to erode the Limit of Liability set for in Item 3(A). 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 3(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 3(A) 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 4 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

- a. If the **Insurers** 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**. The additional premium charged shall be calculated as follows:

- 1 year @ 125% of the annual premium
- 2 years @ 150% of the annual premium
- 3 years @ 175% of the 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.

- b. If the **Named Insured** cancels or fails 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**. The additional premium charged shall be calculated as follows:

- 1 year @ 125% of the annual premium
- 2 years @ 150% of the annual premium
- 3 years @ 200% of the 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 of and any endorsements to this Policy.

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 **Policy Period**.

3. Acquisitions/Creations

If during the **Policy Period** the **Named Insured** acquires or creates an entity pursuant to Section III.13(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. 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.

5. 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, 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.

6. 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.

7. 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.

8. 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.

9. 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**.

10. Audit

This Policy is not subject to audit during the **Policy Period**.