



In consideration of payment of the premium and subject to the Declarations and the limitations, conditions, provisions and other terms of this Policy, the Company and the Insureds agree as follows:

I. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Section of this Policy, the terms and conditions of each Coverage Section apply only to that Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms and conditions of any Coverage Section, the terms and conditions of such Coverage Section shall control for purposes of that Coverage Section. Any defined term referenced in these General Terms and Conditions but defined in a Coverage Section shall, for purposes of coverage under that Coverage Section, have the meaning set forth in that Coverage Section.

II. GENERAL DEFINITIONS

- (A) **Anniversary Date** means that date and time exactly one (1) year after the date and time set forth in Item 2(A) of the Declarations, and each succeeding date and time exactly one (1) year after the previous **Anniversary Date**.
- (B) **Claim** shall have the meaning ascribed to that term in each **Liability Coverage Section**.
- (C) **Coverage Event** means the event or loss which must occur, be sustained or discovered in order to invoke coverage under each **Non-Liability Coverage Section**.
- (D) **Debtor in Possession** means a debtor in possession as such term is used in Chapter 11 of the United States of America Bankruptcy Code.
- (E) **Defense Costs** means that part of **Loss** consisting of reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses (other than regular or overtime wages, salaries or fees of the directors, officers or employees of the **Insured Organization**) incurred in defending any **Claim** and the premium for appeal, attachment or similar bonds.
- (F) **Financial Impairment** means the status of an **Insured Organization** resulting from:
- (1) the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Insured Organization**; or
 - (2) such **Insured Organization** becoming a **Debtor in Possession**.
- (G) **Insured** means all organizations, plans and natural persons defined as **Insureds** in each Coverage Section.
- (H) **Insured Organization** means the **Parent Corporation** and any **Subsidiary** created at any time or any **Subsidiary** acquired on or before the inception date as set forth in Item 2(A) of the Declarations, or subject to Section XI Changes in Exposure of these General Terms and Conditions, during the **Policy Period**. **Insured Organization** shall also mean any such entity as a **Debtor in Possession** or an equivalent status under the law of any other country.



- (I) **Insured Person** shall have the meaning ascribed to that term in each Coverage Section. Solely with respect to any **Liability Coverage Section**, coverage for an **Insured Person** shall also include coverage for:
- (1) the lawful spouse of such **Insured Person**, if named as a co-defendant with such **Insured Person** solely by reason of such spouse's status as a spouse, or such spouse's ownership interest in property, which is sought by the claimant as recovery for an alleged **Wrongful Act** of such **Insured Person**; and
 - (2) in the event of the death, incapacity or bankruptcy of an **Insured Person**, the estate, heirs, legal representatives or assigns of such **Insured Person**;
- but any such coverage shall apply only with respect to a **Wrongful Act** of such **Insured Person**. All terms and conditions of this Policy, including without limitation, the Deductible Amount applicable to **Loss** incurred by the **Insured Person**, shall also apply to loss incurred by such spouses, estates, heirs, legal representatives and assigns of such **Insured Person**.
- (J) **Liability Coverage Section** means the Directors & Officers Liability, Employment Practices Liability, Fiduciary Liability, Miscellaneous Professional Liability and the Internet Liability Coverage Sections of this Policy, if purchased as set forth in Item 4 of the Declarations.
- (K) **Loss**:
- (1) with respect to any **Liability Coverage Section**, shall have the meaning ascribed to that term in such Coverage Section; or
 - (2) with respect to any **Non-Liability Coverage Section**, means the total amount covered under such Coverage Section as a result of any **Coverage Event**.
- (L) **Non-Liability Coverage Section** means the Crime, Kidnap/Ransom and Extortion and Workplace Violence Expense Coverage Sections of this Policy, if purchased as set forth in Item 6 of the Declarations.
- (M) **Parent Corporation** means the entity named in Item 1 of the Declarations.
- (N) **Policy Period** means the period of time set forth in Item 2 of the Declarations, subject to any prior termination in accordance with Section XIX Termination of Policy of these General Terms and Conditions.
- (O) **Policy Year** means the period, within the **Policy Period**, from the date and time set forth in Item 2(A) of the Declarations to the first **Anniversary Date**, or the period from an **Anniversary Date** to its next succeeding **Anniversary Date**, subject to any prior termination as set forth in Section XIX Termination of Policy of these General Terms and Conditions.
- (P) **Potential Employment Claim** means a complaint or allegation of a **Wrongful Act** in connection with **Discrimination, Harassment, Retaliation, Workplace Tort** or **Wrongful Employment Decision** that does not constitute an **Employment Claim** but which may subsequently give rise to an **Employment Claim** brought by or on behalf of an **Insured Person** that is lodged with the **Insured Organization's** human resource department or other department that provides a function similar to a human resource department. Solely with respect to this Definition (P), the terms **Wrongful Act, Discrimination, Harassment, Retaliation, Workplace Tort, Wrongful Employment Decision, Employment Claim** and **Insured Person** shall have the meaning ascribed to them in the Employment Practices Liability Coverage Section.



- (Q) **Potential Third Party Claim** means a complaint or allegation of a **Wrongful Act** in connection with **Third Party Discrimination or Sexual Harassment** that does not constitute a **Third Party Claim** but which may subsequently give rise to a **Third Party Claim** brought by or on behalf of a **Third Party** that is lodged with the **Insured Organization's** legal department or an individual responsible to receive such complaints or allegations. Solely with respect to this Definition (Q), the terms **Wrongful Act, Third Party Discrimination or Sexual Harassment, Third Party Claim** or **Third Party** shall have the meaning ascribed to them in the Employment Practices Liability Coverage Section.
- (R) **Related Claims** means all **Claims** for **Wrongful Acts** based upon, arising from, or in consequence of the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.
- (S) **Subsidiary** means:
- (1) any entity during any time in which the **Parent Corporation** owns or controls, directly or through one or more **Subsidiaries**, the right to elect or appoint more than fifty percent (50%) of such entity's directors or trustees;
 - (2) any limited liability company during any time in which the **Parent Corporation** owns or controls, directly or through one or more **Subsidiaries**, the right to elect, appoint or designate more than fifty percent (50%) of such entity's managers;
 - (3) any corporation during any time in which the **Parent Corporation** owns, directly or through one or more **Subsidiaries**, exactly fifty percent (50%) of the issued and outstanding voting stock and which, pursuant to a written agreement with the owner(s) of the remaining issued and outstanding voting stock of such corporation, the **Parent Corporation** solely controls the management and operation of such corporation ("Controlled Joint Venture"); and
 - (4) any foundation, charitable trust or political action committee during any time in which such entity or organization is controlled by the **Parent Corporation**.
- (T) **Wrongful Act** shall have the meaning ascribed to that term in each **Liability Coverage Section**.
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III. TERRITORY

Coverage shall extend anywhere in the world.

IV. EXTENDED REPORTING PERIOD

- (A) If any **Liability Coverage Section** is either terminated or not renewed for any reason other than nonpayment of premium, any **Insured Organization** or any **Insured Person** shall have the right to purchase an Extended Reporting Period for one of the periods set forth in Item 9(A) of the Declarations. This right to purchase an Extended Reporting Period shall lapse unless written notice of the desired Extended Reporting Period, together with payment of the additional applicable premium due as set forth in Item 9(B) of the Declarations is received by the **Company** within sixty (60) days after the end of the Policy Period.



- (B) If the Extended Reporting Period is purchased, then coverage otherwise afforded by such **Liability Coverage Section** will be extended to apply to **Loss** from **Claims** first made during such Extended Reporting Period but only for **Wrongful Acts** committed or allegedly committed before the end of the **Policy Period** or the date of any conversion of coverage described in Section XI Changes in Exposure of these General Terms and Conditions, whichever is earlier. The entire additional premium for the Extended Reporting Period shall be deemed fully earned at the inception of such Extended Reporting Period. The Limit of Liability for the Extended Reporting Period shall be part of and not in addition to the applicable Limits of Liability for the **Policy Year** immediately preceding the expiration of the **Policy Period**.
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V. LIMIT OF LIABILITY

- (A) Solely with respect to all **Liability Coverage Sections**:
- (1) If the combined maximum aggregate Limit of Liability for all **Liability Coverage Sections** is purchased, as set forth in Item 3 of the Declarations, such amount shall be the combined maximum aggregate liability of the **Company** for all **Loss** from all **Claims** first made during each **Policy Year** under all **Liability Coverage Sections** combined, regardless of the number of **Claims**; provided that, the maximum aggregate liability of the **Company** for all **Loss** from all **Claims** first made during each **Policy Year** under each **Liability Coverage Section** shall not exceed the respective maximum aggregate Limit of Liability as set forth in Item 4 of the Declarations, regardless of the number of **Claims**. If the maximum aggregate Limit of Liability of any **Liability Coverage Section** as set forth in Item 4 of the Declarations, is less than the combined maximum aggregate Limit of Liability for all **Liability Coverage Sections** as set forth in Item 3 of the Declarations, such lesser limit shall be a sublimit and such amount shall be part of, and not in addition to, the combined maximum aggregate Limit of Liability for all **Liability Coverage Sections** as set forth in Item 3 of the Declarations.
 - (2) If the combined maximum aggregate Limit of Liability for all **Liability Coverage Sections** is not purchased, as set forth in Item 3 of the Declarations, the maximum aggregate liability of the **Company** for all **Loss** from all **Claims** first made during each **Policy Year** under each **Liability Coverage Section** shall be the respective maximum aggregate Limit of Liability as set forth in Item 4 of the Declarations, regardless of the number of **Claims**.
 - (3) Except as otherwise expressly provided in any **Liability Coverage Section**, **Defense Costs** are part of and not in addition to the applicable maximum aggregate Limit of Liability as set forth in Item 4 of the Declarations and payment by the **Company** of **Defense Costs** shall reduce and may exhaust such Limit(s) of Liability.
- (B) Solely with respect to each **Non-Liability Coverage Section**, the **Company's** maximum liability shall be the respective Limit(s) of Liability described in the applicable **Non-Liability Coverage Section**.
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VI. DEDUCTIBLE AMOUNT

(A) Solely with respect to any **Liability Coverage Section**:

(1) The **Company's** liability with respect to **Loss** arising from each **Claim** covered under one or more **Liability Coverage Sections** shall apply only to that part of **Loss** which is in excess of the applicable Deductible Amount set forth in Item 8 of the Declarations. If different parts of a single **Claim** are subject to different Deductible Amounts, the applicable Deductible Amounts will be applied separately to each part of such **Claim**, but the sum of such Deductible Amounts shall not exceed the largest applicable Deductible Amount. Such Deductible Amount shall be borne by the **Insureds** uninsured and at their own risk.

(2) No Deductible Amount shall apply to **Loss** incurred by any **Insured Person** for which the **Insured Organization** is not permitted by common or statutory law to indemnify, or is permitted or required to indemnify, but is not able to do so by reason of **Financial Impairment**.

(3) If the **Insured Organization** is permitted or required by common or statutory law to indemnify the **Insured Persons** for any **Loss**, or to advance **Defense Costs** on their behalf, under any **Liability Coverage Section** and fails or refuses to do so other than for reasons of **Financial Impairment**, then the **Insured Organization** shall reimburse and hold harmless the **Company** for the **Company's** payment or advancement of such **Loss** up to the amount of the applicable Deductible Amount.

(4) In the event that:

(a) a final adjudication with prejudice pursuant to a trial, motion to dismiss or a motion for summary judgment of any **Claim**; or

(b) a complete and final settlement with prejudice of any **Claim**;

establishes that none of the **Insureds** in such **Claim** are liable for any **Loss**, no Deductible Amount shall apply to **Defense Costs** incurred in connection with any such **Claim**, and the **Company** will reimburse the **Insureds** for any covered **Defense Costs** paid by the **Insureds** within the Deductible Amount otherwise applicable to such **Claim**; provided that this paragraph (4) shall not apply to any (i) **Employment Claim** or **Third Party Claim** which is not a class action, or (ii) **Professional Services Claim** (as such terms are defined in the applicable **Liability Coverage Sections**).

(B) Solely with respect to any **Non-Liability Coverage Section**:

(1) The **Company** shall pay loss that exceeds the amount of recoveries made prior to such payment, less the Deductible Amount set forth in Item 8 of the Declarations.

(2) If the **Insured** receives payment under another policy or bond, after applying a deductible, for loss also covered hereunder, then the Deductible Amount set forth in Item 8 of the Declarations shall be reduced by the deductible previously applied to such loss.



VII. REPORTING

- (A) Solely with respect to any **Liability Coverage Section**:
- (1) Any **Insured** shall, as a condition precedent to exercising their rights under any **Liability Coverage Section**, give to the **Company** written notice as soon as practicable of any **Claim**.
 - (2) If during the **Policy Period**, or any applicable Extended Reporting Period, an **Insured** becomes aware of a **Potential Employment Claim** or **Potential Third Party Claim** which could give rise to any **Employment Claim** or **Third Party Claim** (as such terms are defined in the Employment Practices Liability Coverage Section) or becomes aware of circumstances which could give rise to any **Claim**, other than an **Employment Claim** or a **Third Party Claim** (as such terms are defined in the Employment Practices Liability Coverage Section), and gives written notice of such **Potential Employment Claim**, **Potential Third Party Claim** or circumstances to the **Company** as soon as practicable thereafter but before the expiration or cancelation of this Policy, then any **Claim** subsequently arising from such **Potential Employment Claim**, **Potential Third Party Claim** or circumstances shall be considered to have been made against the **Insured** during the **Policy Year** in which the **Potential Employment Claim**, **Potential Third Party Claim** or circumstances were first reported to the **Company**.
 - (3) All **Insureds** shall, as a condition precedent to exercising their rights under this Policy, give to the **Company** such information and cooperation as it may reasonably require, including but not limited to a description of the **Claim**, **Potential Employment Claim**, **Potential Third Party Claim** or circumstances, the nature of the alleged **Wrongful Act**, the nature of the alleged or potential damage, the names of the actual or potential claimants, and the manner in which such **Insured** first became aware of the **Claim**, **Potential Employment Claim**, **Potential Third Party Claim** or circumstances.
 - (4) All **Related Claims** will be treated as a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with paragraphs (2) and (3) above.
- (B) Solely with respect to any **Non-Liability Coverage Section**, reporting of a **Coverage Event** shall be in accordance with the applicable Proof of Loss and Legal Proceedings Section of each Coverage Section.
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VIII. NOTICE

- (A) Any notice to the **Company** with respect to any Coverage Section shall designate the Coverage Section under which the notice is being given and shall be treated as notice under only the Coverage Section(s) so designated.
- (B) All notices to the **Company** under this Policy of **Claims**, **Potential Employment Claims**, **Potential Third Party Claims** or circumstances under any **Liability Coverage Section** or of **Coverage Events** under any **Non-Liability Coverage Section** shall be given in writing addressed to:

Attn: Claims Department
Chubb Group of Insurance Companies
82 Hopmeadow St.



Simsbury, CT 06070-7683

(C) All other notices to the **Company** under this Policy shall be given in writing addressed to:

Attn: Underwriting
Chubb Group of Insurance Companies
82 Hopmeadow St.
Simsbury, CT 06070-7683

(D) Any such notice shall be effective on the date of receipt by the **Company** at such address.

IX. DEFENSE AND SETTLEMENT

(A) Solely with respect to any **Liability Coverage Section**:

- (1) The **Company** shall have the right and duty to defend any **Claim** covered by this Policy. Coverage shall apply even if any of the allegations are groundless, false or fraudulent. The **Company's** duty to defend any **Claim** shall cease upon exhaustion of the applicable Limit of Liability.
- (2) The **Company** may make any investigation it deems necessary and may, with the consent of the **Insured**, make any settlement of any **Claim** it deems expedient. If any **Insured** withholds consent to any settlement acceptable to the claimant in accordance with the **Company's** recommendation (a "Proposed Settlement"), Section VI Deductible Amount (A)(4) shall not apply and the **Company's** liability for all **Loss**, including **Defense Costs**, from such **Claim** shall not exceed:
 - (a) the amount of the Proposed Settlement plus **Defense Costs** incurred up to the date of the **Insured's** refusal to consent to Proposed Settlement of such **Claim**; plus;
 - (b) seventy percent (70%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph (a) above, incurred in connection with such **Claim**; subject in all events to the applicable Deductible Amount and the available Limit of Liability set forth in the Declarations. The remaining thirty percent (30%) of any **Loss**, including **Defense Costs**, in excess of the amount referenced in paragraph (a) above will be borne by the **Insured** uninsured and at its own risk, notwithstanding anything to the contrary contained in Section X Allocation.
- (3) No **Insured** shall settle any **Claim**, incur any **Defense Costs**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without the **Company's** written consent, which shall not be unreasonably withheld. The **Company** shall not be liable for any settlement, **Defense Costs**, assumed obligation or admission to which it has not consented.
- (4) The **Company** will have no obligation to pay **Loss**, including **Defense Costs**, or to defend or continue to defend any **Claim** after the **Company's** applicable Limit of Liability with respect to such **Claim** has been exhausted by the payment of **Loss**. If the **Company's** Limit of Liability is exhausted by the payment of **Loss** prior to the expiration of this Policy, the Policy premium will be deemed fully earned.



- (5) If the combined maximum aggregate Limit of Liability is purchased as set forth in Item 3 of the Declarations, then the **Company** will have no obligation to pay **Loss**, including **Defense Costs**, or to defend or continue to defend any **Claim** after the **Company's** combined maximum aggregate Limit of Liability has been exhausted by the payment of **Loss**. If the **Company's** combined maximum aggregate Limit of Liability is exhausted by the payment of **Loss** prior to the expiration of this Policy, the Policy premium will be deemed fully earned.

- (B) With respect to all Coverage Sections:

The **Insureds** agree to provide the **Company** with all information, assistance and cooperation which the **Company** reasonably requests and agree they will do nothing that may prejudice the **Company's** position or its potential or actual rights of recovery.

X. ALLOCATION

If, in any **Claim** under a **Liability Coverage Section**, the **Insureds** who are afforded coverage for such **Claim** incur an amount consisting of both **Loss** that is covered by this Policy and also loss that is not covered by this Policy because such **Claim** includes both covered and uncovered matters or covered and uncovered parties, then coverage shall apply as follows:

- (1) **Defense Costs:** one hundred percent (100%) of reasonable and necessary **Defense Costs** incurred by such **Insured** from such **Claim** will be considered covered **Loss**; and
- (2) loss other than **Defense Costs:** all remaining loss incurred by such **Insured** from such **Claim** will be allocated between covered **Loss** and uncovered loss based upon the relative legal exposures of the parties to such matters.

XI. CHANGES IN EXPOSURE

- (A) **Acquisition of Another Organization**

- (1) If any **Insured Organization** acquires another entity or merges with another entity (each an "Acquired Organization") such that the **Insured Organization** is the surviving entity, and if as a result of such acquisition or merger the Acquired Organization would otherwise become a **Subsidiary**, then coverage shall be provided for such Acquired Organization and its **Insureds**, with respect to any:
- (a) **Liability Coverage Section:** solely for **Wrongful Acts** committed or allegedly committed after the effective date of such event; or
- (b) **Non-Liability Coverage Section:** after the effective date of such event, pursuant to the Liability for Prior Losses Section of any such **Non-Liability Coverage Section**.



- (2) If, at the time of an event described in paragraph (1) above:
- (a) the assets under management by, or the assets of, the Acquired Organization exceed twenty-five percent (25%) of the total assets under management by or the total assets of, the **Insured Organization** as reflected in the **Parent Corporation's** then most recent audited consolidated financial statements; or
 - (b) solely with respect to the Employment Practices Liability Coverage Section, if purchased as set forth in Item 4 of the Declarations, the total number of employees of the Acquired Organization exceeds twenty-five percent (25%) of the total number of employees of the **Insured Organization** immediately prior to such event;

then the **Parent Corporation** shall provide to the **Company** written notice of the event containing full details thereof, as soon as practicable, and the **Company**, in its sole discretion, may require additional terms, conditions and limitations of coverage and additional premium shall be paid.

(B) Cessation of Subsidiaries

If any **Subsidiary** ceases to be a **Subsidiary** before or during the **Policy Period**, then with respect to any:

- (1) **Liability Coverage Section:** coverage under this Policy shall continue for such **Subsidiary** and its **Insureds** until the expiration of this Policy, but solely for **Claims for Wrongful Acts** committed or allegedly committed prior to the effective date of such cessation; or
- (2) **Non-Liability Coverage Sections:** such **Subsidiary** and its **Insureds** cease to be **Insureds** as of the effective date of such cessation, and coverage under this Policy shall apply as provided in such **Non-Liability Coverage Section**.

(C) Conversion of Coverage under Certain Circumstances

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

- (1) the acquisition of all or substantially all of the **Parent Corporation's** assets, by another organization, person or group of organizations or persons acting in concert, or the merger or consolidation of the **Parent Corporation** into or with another entity such that the **Parent Corporation** is not the surviving entity; or
- (2) another organization, person or group of organizations or persons acting in concert acquires securities or voting rights which results in ownership or voting control by the other organization(s) or person(s) of more than fifty percent (50%) of the outstanding securities representing the present right to vote for the election of directors, trustees, members of the Board of Managers or management committee members of the **Parent Corporation**;



coverage under this Policy shall, with respect to:

- (a) any **Liability Coverage Section**: continue until the expiration of this Policy, solely for **Claims for Wrongful Acts** committed or allegedly committed prior to such event;
- (b) the Crime Coverage Section: terminate subject to Exclusions (H) and (I) of such Coverage Section;
- (c) the Kidnap/Ransom and Extortion Coverage Section: terminate subject to Exclusion (10) of such Coverage Section; or
- (d) and the Workplace Violence Coverage Section: terminate subject to Exclusion (E) of such Coverage Section.

The **Parent Corporation** shall give written notice of such event to the **Company** as soon as practicable together with such information as the **Company** may require, and the entire premium for this Policy will be deemed fully earned as of such event.

XII. REPRESENTATIONS AND SEVERABILITY

- (A) In granting coverage to the **Insureds** under this Policy, the **Company** has relied upon the declarations and statements in the written application(s) for this Policy. Such declarations and statements are the basis of the coverage under this Policy and shall be considered as incorporated in and constituting part of this Policy.
 - (B) Solely with respect to any **Liability Coverage Section(s)**, any written application(s) for coverage shall be construed as a separate application(s) for coverage by each **Insured Person**. With respect to the declarations and statements in such application(s):
 - (1) no fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** for the purpose of determining if coverage is available; and
 - (2) only facts pertaining to and knowledge possessed by the Chief Financial Officer, President, Chief Executive Officer or Chairperson of any **Insured Organization** or any other individual signing such application(s) shall be imputed to any **Insured Organization** for the purpose of determining if coverage is available.
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XIII. VALUATION AND FOREIGN CURRENCY

All premiums, limits, deductibles, loss and other amounts under this Policy are expressed and payable in the currency of the United States of America. Except as otherwise provided in any Coverage Section, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States of America dollars at the rate of exchange published in *The Wall Street Journal* on the date the final judgment is reached, the amount of the settlement is agreed upon or any element of loss is due, respectively.



XIV. SUBROGATION

In the event of any payment under this Policy, the **Company** shall be subrogated to the extent of such payment to all the **Insured's** rights of recovery, and such **Insured** shall execute all papers required and shall do everything necessary to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** effectively to bring suit or otherwise pursue subrogation rights in the name of such **Insured**.

XV. RECOVERIES

- (A) Recoveries of loss with respect to any **Claim** or **Coverage Event**, whether effected by the **Company** or by an **Insured**, less the cost of recovery, shall be distributed as follows:
- (1) first, to an **Insured** for the amount of such loss, otherwise covered, in excess of the applicable Limits of Liability;
 - (2) second, to the **Company** for the amount of such loss paid to an **Insured** as covered **Loss**;
 - (3) third, to an **Insured** for the Deductible Amount applicable to such loss;
 - (4) fourth, to an **Insured** for the amount of such loss excluded under this Policy.
- (B) Recovery from reinsurance or indemnity of the **Company** shall not be deemed a recovery hereunder.
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XVI. ACTION AGAINST THE COMPANY

No action may be taken against the **Company** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy. No person or entity shall have any right under this Policy to join the **Company** as a party to any action against any **Insured** to determine such **Insured's** liability nor shall the **Company** be impleaded by such **Insured** or legal representatives of such **Insured**.

XVII. PARENT CORPORATION RIGHTS AND OBLIGATIONS

By acceptance of this Policy, the **Parent Corporation** is considered the sole agent of and will act on behalf of each **Insured** with respect to: the payment of premiums and the receiving of any return premiums that may become due under this Policy; the negotiation, agreement to and acceptance of endorsements; the giving or receiving of any notice, including Notice of Claim or Proof of Loss (except the giving of notice to apply for the Extended Reporting Period); the adjustment of the amount of **Loss** submitted; the giving of written notice of termination and the receipt or enforcement of payment of a **Loss**; and the **Parent Corporation** shall be responsible for application of any such payment, as provided for in this Policy, and each **Insured** agrees that the **Parent Corporation** shall act on their behalf.



XVIII. ALTERATION AND ASSIGNMENT

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy which is signed by an authorized employee of Chubb & Son, a division of Federal Insurance Company.

XIX. TERMINATION OF POLICY

(A) This Policy shall terminate at the earliest of the following times:

- (1) upon receipt by the **Company** of written notice of termination from the **Parent Corporation**; provided that this Policy may not be terminated by the **Parent Corporation** after the effective date of any event described in Section XI Changes in Exposure (C) of these General Terms and Conditions;
- (2) upon expiration of the **Policy Period** as set forth in Item 2(B) of the Declarations;
- (3) twenty (20) days after receipt by the **Parent Corporation** of a written notice of termination from the **Company** based upon non-payment of premium, unless the premium is paid within such twenty (20) day period; or
- (4) at such other time as may be agreed upon by the **Company** and the **Parent Corporation**.

(B) The **Company** shall refund the unearned premium computed at customary short rates if this Policy is terminated by the **Parent Corporation**. Under any other circumstances the refund shall be computed pro rata. Payment or tender of any unearned premium by the **Company** shall not be a condition precedent to the effectiveness of such termination, but such payment shall be made as soon as practicable.

XX. TERMINATION OF PRIOR BONDS OR POLICIES

Any prior bonds or policies issued by the **Company** or its affiliates and specified in Item 15 of the Declarations shall terminate, if not already terminated, as of the inception of this Policy.

XXI. BANKRUPTCY

Bankruptcy or insolvency of any **Insured** shall not relieve the **Company** of its obligations nor deprive the **Company** of its rights or defenses under this Policy.

XXII. HEADINGS

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.
