

DIRECTORS, OFFICERS, INSURED ENTITY AND EMPLOYMENT PRACTICES INSURANCE COVERAGE FORM

NOTICE: This is a Claims Made and Reported Coverage Form.

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Common Policy Declarations. The words "we", "us" and "our" refer to the company providing this insurance.

The word "insured" means any "individual insured" or "organization".

Other words and phrases that appear in quotation marks have special meaning. Refer to Section II - Definitions.

In consideration of the payment of the premium and reliance upon the statements made and information furnished to us as part of the "application", and subject to all the provisions of this policy, we agree to provide the insurance described in this Coverage Form and its applicable endorsements.

SECTION I - INSURING AGREEMENTS

1. Coverage A. Directors and Officers Liability

We will pay on behalf of the insured all "loss" that the insured becomes legally obligated to pay because of a "claim" first made against the insured during the policy period for "wrongful acts":

- a. Arising solely out of the "individual insured's" performance of his or her duties on behalf of the "organization"; or
- b. Attributed to the "organization".

2. Coverage B. Employment Practices Liability

We will pay on behalf of the insured all "loss" that the insured becomes legally obligated to pay because of a "claim" first made against the insured during the policy period for "wrongful employment acts" or "third party wrongful acts":

- a. Arising solely out of the "individual insured's" performance of his or her duties on behalf of the "organization"; or
- b. Attributed to the "organization".

3. Claims Made and Reported

The insured must, as a condition precedent to coverage, report any "claim" to us as soon as practicable, but in no event later than 60 days after the expiration of the Coverage Part.

4. Defense

- a. We have the right and duty to defend the insured against any "claim" to which this insurance applies, even if the allegations of the "claim" are groundless, false or fraudulent. However, we will have no duty to defend the insured against any "claim" to which this insurance does not apply.
- b. "Defense costs" are payable in addition to the applicable Aggregate Limit of Insurance.

- c. Our right and duty to defend any "claim" ends when we have used up the applicable Aggregate Limit of Insurance in payment of "loss".

- d. We are not obligated to pay "defense costs":

- 1) Incurred prior to "claim" notification; or
- 2) To which we have not consented.

5. Coverage Extensions

a. Spousal Provision

This insurance also applies to the lawful spouse or "domestic partner" of an "individual insured", but only for "claims" arising out of any "wrongful acts", "wrongful employment acts" or "third party wrongful acts" of the "individual insured".

b. Worldwide Provision

This insurance applies to "wrongful acts", "wrongful employment acts" or "third party wrongful acts" occurring anywhere in the world provided the "claim" is first made against an insured in the United States of America (including its territories and possessions), Puerto Rico or Canada.

c. Outside Directorship

This insurance applies to "individual insureds" who hold an official position as a director in another nonprofit entity but only if it is with your specific, written permission. The nonprofit entity must qualify as such under Section 501 (c) of the Internal Revenue Code of 1986 (as amended). Exclusion 19. Other Capacity does not apply for the above situation. This coverage will be excess of any other insurance available to the "individual insured".

SECTION II - DEFINITIONS

1. "Application" means:

- a. An application, whether it is ours or another's, and any material submitted for this coverage; and
- b. Any application and materials submitted for all the previous policies issued by us providing you continuous coverage until the effective date of this policy.

2. "Claim" means:

- a. A written demand for monetary relief received by an insured seeking to hold the insured responsible for a "wrongful act", "wrongful employment act", or "third party wrongful act" including, but not limited to, the service of suit or the institution of arbitration or mediation proceedings against the insured;
- b. A judicial or administrative proceeding initiated against an insured seeking to hold the insured responsible for a "wrongful employment act" or a "third party wrongful act", including any proceeding conducted by the Equal Employment Opportunity Commission or similar federal, state or local agency and any appeal therefrom;
- c. A written demand for non-monetary or injunctive relief received by an insured seeking to hold the insured responsible for a "wrongful act", "wrongful employment act", or "third party wrongful act" including, but not limited to, the service of suit or the institution of arbitration or mediation proceedings against the insured;
- d. A civil proceeding against any insured seeking monetary damages or non-monetary or injunctive relief, commenced by the service of a complaint or similar pleading;
- e. A criminal proceeding against any insured, commenced by a return of an indictment or similar document, or receipt or filing of a notice of charges;
- f. A civil, administrative or regulatory proceeding against any insured commenced by the filing of a notice of charges or similar document;
- g. A civil, criminal, administrative or regulatory investigation commenced by the service upon or other receipt by any "individual insured" of a written notice, investigative order, or subpoena from the investigating authority identifying such "individual insured" as an individual, against whom a proceeding described in paragraphs c., d., or e. immediately above may be commenced; or
- h. A written request of the insured to toll a statute of limitations relating to a "claim" described in paragraphs a. through g. immediately above.

A "claim" will be considered first made when an insured or its legal representative or agent first receives written notice of a "claim". If more than one "claim" arises out of the same "wrongful act", "wrongful employment act" or "third party wrongful act", or if an "interrelated claim", we will consider all the "claims" to be first made on the date the earliest of the "claims" was made.

3. "Construction defect(s)" means any actual or alleged defective, faulty, or delayed construction or any other matter constituting a construction defect under applicable law, regardless of whether it results from:

- a. Defective or incorrect architectural plans or other designs;
- b. Defective or improper soil testing;
- c. Defective, inadequate or insufficient protection from subsoil or earth movement or subsidence;
- d. Construction, manufacture or assembly of any tangible property;
- e. The failure to provide or pay for any construction-related goods or services; or
- f. The supervision or management of any construction-related activities.

4. "Defense costs" means reasonable and necessary fees, costs and expenses resulting from the defense and appeal of any "claim" against the insured, excluding salaries and bonuses of the "organization's" officers or "employees." "Defense costs" includes premiums for any appeal bond, attachment bond or similar bond.

5. "Discrimination" means:

- a. The termination of an employment relationship; or
- b. A demotion or failure to hire or promote an individual; or
- c. Any other limitation or classification of an "employee" or applicant for employment which would deprive any individual of employment opportunities or adversely affect any individual's status as an "employee",

because of race, color, religion, age, sex, disability, pregnancy, national origin, marital status, sexual orientation or other protected class or characteristic established under applicable federal, state or local statute, ordinance, regulation or order.

6. "Domestic partner" means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law.

7. "Employee" means any natural person whose labor or service is engaged by and directed by the "organization" while performing duties related to the conduct of the "organization's" business. "Employee" includes leased, part-time, seasonal and temporary workers, volunteers and interns.

8. "Harassment" means:

- a. Sexual harassment, including unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature, that is made a condition of employment, is used as a basis for employment decisions, or creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance; or
- b. Other harassment which creates a work environment that is hostile, intimidating or offensive or that otherwise interferes with performance.

9. "Individual insureds" means any person(s) who were, now are, or will be directors, trustees, officers, "employees", or committee members of the "organization", including their estates, heirs, legal representatives or assigns in the event of their death, incapacity or bankruptcy.

10. "Interrelated claims" means all "claims" based upon or arising from "wrongful acts", "wrongful employment acts," or "third party wrongful acts" that have in common any fact, circumstance, situation, event, transaction, cause or series of causally or logically connected facts, circumstances, situations, events, transactions or causes.

11. "Loss" means damages and settlements which an insured is legally obligated to pay as a result of a "claim" for a "wrongful act" or "wrongful employment act", or "third party wrongful act", pre-judgment and post-judgment interest awarded by a court and punitive or exemplary damages to the extent such damages are insurable under applicable law.

For the purpose of determining the insurability of punitive damages and exemplary damages, the laws of the jurisdiction most favorable to the insurability of the damages will control, provided that the jurisdiction has a substantial relationship to the relevant insured or to the "claim" giving rise to the damages.

"Loss" does not include fines, penalties, taxes, the multiplied portion of any multiple damage award or damages owed based on an express obligation by written or oral agreement or amounts owed under any contract or agreement. In addition, "loss" does not include the cost to modify or provide any accommodation to any disabled person or the cost to conduct any program, procedure or training.

"Loss" also means, with respect to any "claim" arising out of a "wrongful employment act" or "third party wrongful act", front-pay and back-pay, and liquidated damages awarded pursuant to the Age Discrimination in Employment Act, the Equal Pay Act or the Family Medical Leave Act.

In addition, "loss" does not include:

- a. Employment-related benefits, retirement benefits, improper payroll deductions, severance pay, unpaid wages and commissions, compensation

for vacation and sick days, medical and insurance benefits, and overtime pay for hours actually worked or labor actually performed by any "employee" of the "organization";

- b. Deferred cash incentive compensation or any other type of compensation other than salary, wages, bonuses, commissions, non-deferred cash incentive compensation; and

- c. Liquidated damages, except to the extent specifically included above.

In addition, "loss" does not include the cost of any remedial, preventative or other non-monetary relief, including but not limited to any costs associated with compliance with any such relief of any kind or nature imposed by any judgment, settlement or governmental authority.

12. "Organic pathogen" means any organic irritant or contaminant, including but not limited to mold, fungus, bacteria or virus, or any of their by-products such as mycotoxin, mildew, or biogenic aerosol.

13. "Organization" means you and your "subsidiaries" and includes a debtor-in-possession or the bankruptcy estate of the "organization" under United States bankruptcy law or an equivalent status under the law of any other jurisdiction.

14. "Personal injury offense" means:

- a. False arrest, detention or imprisonment;
- b. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor; or
- c. Oral or written publication, in any manner, of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services.

15. "Retaliation" means any actual or alleged retaliatory treatment against an "employee" because of:

- a. The exercise of, or attempt to exercise, an "employee's" rights under law; or
- b. An "employee's" disclosure of, or threat to disclose to a governmental agency or superior, acts of actual or alleged wrongdoing by an insured; or
- c. The filing of a claim under federal, state or local whistle-blower laws including the federal False Claims Act.

16. "Subsidiary" means any entity, as of the effective date of the policy, in which you own or control, directly or indirectly, the right to elect or appoint more than fifty percent of the entity's directors, trustees, or managers, and that entity is named in the "application".

17. **"Third party wrongful act"** means "discrimination", including "harassment", by any insured against any natural person who is not an "employee".
18. **"Whistleblower conduct"** means any of the activity set forth in 18 U.S.C. Sec. 1514A(a), engaged in by a whistleblower with a federal regulatory or law enforcement agency, Member of Congress or any committee of Congress, or person with supervisory authority over the whistleblower, or an enforcement action by the whistleblower set forth in 18 U.S.C. Sec. 1514A(b).
19. **"Wrongful act"** means any actual or alleged act, error, omission, misstatement, misleading statement, neglect, breach of duties, "personal injury offense" or violations of the Sherman Antitrust Act or similar federal, state or local statutes or rules.
- By the "organization"; or
 - By an "individual insured", arising solely from duties conducted on behalf of the "organization"; or
 - Asserted against an "individual insured" because of an actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duties by the "organization".
- A "wrongful act" does not include any "wrongful employment act" or "third party wrongful act".
20. **"Wrongful employment act"** means any actual or alleged act of the following:
- "Discrimination"; or
 - "Harassment"; or
 - "Retaliation"; or
 - "Wrongful termination"; or
 - Violation of the Uniformed Services Employment & Reemployment Rights Act; or
 - Violation of the Family and Medical Leave Act of 1993; or
 - Violation of state law having the same or substantially similar purpose as the Acts in e. and f. above; or
 - Acts described in clauses a. through g. above, arising from the use of the "organization's" Internet, e-mail, telecommunication or similar systems, including the failure to provide and enforce adequate policies and procedures relating to use of the "organization's" Internet, e-mail, telecommunication or similar systems.
21. **"Wrongful termination"** means termination of an employment relationship in a manner which is illegal and wrongful or in breach of an implied agreement to continue employment. However, "wrongful termination" does not include any breach of a written employment contract.

SECTION III - EXCLUSIONS

This insurance does not apply to any "loss" or "defense costs" in connection with any "claim" made against an insured, arising out of, directly or indirectly resulting from, or in consequence of, or in any way involving:

1. Bodily Injury or Property Damage

Any actual or alleged bodily injury, sickness, humiliation, mental anguish, emotional distress, assault, battery, disease or death of a person, or theft, conversion, misappropriation, damage to or destruction of any tangible property including any loss of use or slander of title. This exclusion does not apply to "claims" for mental anguish, emotional distress, invasion of privacy, or humiliation, that result from a "wrongful employment act" or "third party wrongful act".

2. Professional Liability

Medical malpractice or counseling or any error or omission by a professional while rendering services, including the failure to render services.

3. Contractual Liability

Liability under any contract or agreement except liability that would exist even in the absence of the contract or agreement.

4. Pending and Prior Litigation

Any litigation pending as of or prior to the effective date of this policy; provided that, if this policy is a renewal of a policy or policies previously issued by us and if the coverage provided by us was continuous from the effective date of the first policy to the effective date of this policy, the reference in this exclusion to effective date will mean the effective date of the first policy under which we first provided continuous coverage to you.

5. Prior Knowledge

Any actual or alleged act, error or omission, breach of duty or circumstance that an insured:

- Had knowledge of prior to the effective date of the policy; and
- Had a reasonable belief the actual or alleged act, error or omission, breach of duty or circumstance could result in a "claim".

6. Pollution

The actual, alleged or threatened discharge, dispersal, release or escape of pollutants, or any direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

Pollutants include, but are not limited to, any solid, liquid, gaseous or thermal irritant or contaminant, including "organic pathogens", smoke, vapor, soot, fumes, acids, alkalis, chemicals and waste.

7. Nuclear, Biological and Chemical Materials

- a. The use, release or escape of nuclear materials, or any resulting nuclear reaction or radiation or radioactive contamination; or
- b. The dispersal or application of pathogenic or poisonous biological or chemical materials.

8. Construction Defect

Any "construction defect".

9. Fraud

Any fraudulent, dishonest, or criminal act. However, this exclusion does not apply to "defense costs" incurred until such conduct is established to be fraudulent, dishonest or criminal.

The "wrongful act" of any "individual insured" will not be imputed to any other "individual insured".

10. Illegal Profits

The gain of any profits, remuneration or advantage to which an insured was not legally entitled. However, this exclusion does not apply to "defense costs" incurred until a final and non-appealable judgment or adjudication is rendered against the insured as to this conduct.

The "wrongful act" of any "individual insured" will not be imputed to any other "individual insured".

11. Builders and Developers

Operations performed, completed, or being conducted, by or on behalf of the builder, developer or sponsor, including damages arising out of designs, surveys or engineering services performed by or on behalf of the builder, developer or sponsor.

12. Labor Disputes and Negotiations

Any lockout, strike, picket line, replacement of worker(s) or other similar actions resulting from labor disputes or labor negotiations. However, this exclusion does not apply to a "claim" for actual or alleged "retaliation" from the foregoing.

13. Labor Relations Acts

- a. The Fair Labor Standards Act (except the Equal Pay Act);
- b. The National Labor Relations Act;
- c. The Worker Adjustment and Retraining Notification Act;
- d. The Consolidated Omnibus Budget Reconciliation Act of 1985;
- e. The Occupational Safety and Health Act;

- f. Any workers' compensation, unemployment insurance, social security, or disability benefits law;
- g. The Racketeering Influence and Corrupt Organizations Act;
- h. The Federal False Claims Act; or
- i. Other similar provisions of any federal, state or local or common law or any rules or regulations promulgated under any of the foregoing.

However, this exclusion does not apply to a "claim" for actual or alleged "retaliation" arising from your violation of such law.

14. ERISA

Any pension, profit sharing, welfare benefit or other employee benefit program established in whole or part for the benefit of any "individual insured", or based upon, arising out of or in any way involving the Employee Retirement Income Security Act of 1974 (except Section 510 thereof) or any amendments to the Act or regulations promulgated thereunder or similar provisions of any federal, state or local law or common law. However, this exclusion does not apply to any "claim" for actual or alleged "retaliation" with regards to benefits paid or payable.

15. Copyright, Patent or Trademark Infringement

Infringement of a copyright, patent or trademark.

16. Accommodations for Disabled Persons

Any alleged or actual failure of any building or property to comply with any federal, state or other statute or code which requires any building or property to be more accessible or accommodating to any disabled person.

17. Insured vs. Insured

Any "claim" by, at the behest of, or on behalf of the "organization" or any "individual insured". However, this exclusion does not apply to:

- a. A "claim" brought by an "individual insured" for a "wrongful employment act";
- b. Any derivative "claim" made on behalf of the "organization" by a member, an attorney general or any other such representative party if such action is brought and maintained totally independently of and totally without the solicitation, assistance, active participation or intervention of any "individual insured" or the "organization". However, that "whistleblower conduct" by an "individual insured", other than a director or equivalent position, will not be considered solicitation, assistance, active participation, or intervention of an "individual insured";

- c. Any "claim" that is brought or maintained by any bankruptcy or insolvency trustee or bankruptcy appointed representative of the "organization", or receiver, examiner, liquidator or similar official for the "organization";
- d. Any "claim" that is brought or maintained by any insured in the form of a cross claim, third party claim or other proceeding for contribution or indemnity which is part of, and directly results from a "claim" that is covered by this coverage form; or
- e. Any "claim" that is brought or maintained by any former director or officer of the "organization" and where the "claim" is solely based upon and arising out of "wrongful acts" committed subsequent to the date such director or officer ceased to be a director or officer of the "organization" and where the "claim" is first made 4 years subsequent to the date such director or officer ceased to be a director or officer of the "organization".

18. Written Employment Contracts

Any actual or alleged breach of an express obligation set forth in a written employment contract.

19. Other Capacity

Any act or omission by an insured in his or her capacity with an entity other than the "organization".

20. Lobbying Activities

Any attempts to influence legislators or officials, or decisions made by a governmental entity including payments, political contributions, commissions, gratuities, benefits or any other favors to or for the benefit of any officials, agents, representatives or employees, including family members, of any governmental entity or any entity with which they are affiliated.

21. Securities Liability Exclusion

A violation or alleged violation of (1) the Federal Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or any other federal law with respect to the regulation of securities; (2) any state securities or blue sky law; or (3) any provision of the common law imposing liability in connection with the offer, sale, or purchase of securities.

22. Unpaid Compensation

Improper payroll deductions, unpaid wages, misclassification of exempt or non-exempt employee status, compensation earned by or due to the claimant but not paid by the insured (including, but not limited to, commission, vacation and sick days, retirement benefits, and severance pay), overtime pay for hours actually worked or labor actually performed by any "employee" of the "organization". However, this exclusion does not apply to any back pay or front pay

allegedly due as the result of "discrimination", or that part of any "claim" alleging "retaliation".

SECTION IV - LIMITS OF INSURANCE

1. The Limits of Insurance shown in the Declarations and the rules below determine the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made; or
 - c. Persons or organizations making "claims".
2. The Directors and Officers Aggregate Limit is the most we will pay under Coverage A for all "loss", due to "wrongful act" "claims".
3. The Employment Practices Aggregate Limit is the most we will pay under Coverage B for all "loss", due to "wrongful employment act" or "third party wrongful act" "claims".
4. If both Coverage A and Coverage B apply to the same "claim" or "interrelated claim", the largest aggregate limit from one of the Coverages will be the maximum Limit of Insurance available for the "claim" or "interrelated claim".

The Limits of Insurance for this Coverage Part apply separately to each consecutive annual period starting with the beginning of the policy period shown in the Common Policy Declarations. However, if:

- a. This Coverage Part is issued for a period of more than twelve months but less than twenty-four months; or
- b. The policy period is extended after issuance for an additional period of less than twelve months,

then the time periods exceeding the standard twelve-month policy period described in a. and b. will be deemed part of the last preceding period for the purpose of determining the Limits of Insurance.

Any Extended Reporting Period, if applicable, will be deemed part of the last policy period for the purpose of determining the Limits of Insurance.

SECTION V - RETENTION

1. For each "claim":
 - a. The insured is responsible for the total of "loss" and "defense costs" up to the applicable Retention shown in the Coverage Part Declarations;
 - b. We will only pay for "loss" and/or "defense costs" if the total of "loss" and "defense costs" that is otherwise payable under this insurance exceeds the applicable Retention shown in the Coverage Part Declarations.
2. If we, at our sole discretion, elect to pay any part or all of the Retention, the insured must repay this amount to us upon demand.

3. Any Retention shown in the Coverage Part Declarations is not applicable to a "claim" for which an "individual insured" is not indemnified by you.
4. Solely with respect to the above, we agree that we will not seek to rescind the policy with respect to any "individual insured" who did not know the facts misrepresented or omitted.
5. You must indemnify an "individual insured" to the fullest extent permitted by law and must take all necessary steps to do so. Paragraph 3. does apply if you cannot legally indemnify an "individual insured" because of the appointment by a 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 you, or because you become a debtor-in-possession.

SECTION VI - CONDITIONS

A. CLAIMS CONDITIONS

1. Insured's Duties When There is a "Claim"

As a condition precedent to the right of coverage provided by this Coverage Part, the insured must do the following:

- a. If a "claim" to which this Coverage Part applies is made against an insured, the insured must give written notice, as soon as practicable, but in no event later than 60 days after the expiration of the Coverage Part to:

Western World Insurance Group
 400 Parson's Pond Drive
 Franklin Lakes, NJ 07417
 Attn: Claims Department

Written notice must include every demand, notice, summons or other process received directly by the insured or the insured's representatives.

- b. Cooperate with us. We may require that the insured submit to examination under oath, produce and make available all records, documents and other materials, and attend hearings, depositions and trials. The insured must assist us in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses.
- c. Not admit liability, settle any claims, or assume any obligations without our prior written consent.

2. Reporting of a Possible "Claim"

If during the policy period, any insured first becomes aware of a specific "wrongful act", "wrongful employment act" or "third party wrongful

act" that could result in a "claim" and gives written notice to us during the policy period of:

- a. The potential claimant's name and address; and
- b. A chronological description of the events that are involved; and
- c. An explanation of the type of "claim" that is anticipated,

then any "claim" arising out of the "wrongful act" or "wrongful employment act" or "third party wrongful act" which is subsequently made against the insured will be deemed to have been made at the time we received the written notice from the insured.

B. GENERAL CONDITIONS

1. When We Do Not Renew

If we decide not to renew this Coverage Part, we will mail or deliver to you written notice of the nonrenewal not less than 30 days before the expiration date.

If notice is mailed, proof of mailing will be sufficient proof of notice.

2. Extended Reporting Period

- a. If this Coverage Part is cancelled or not renewed, you have the right to purchase an Extended Reporting Period. The Extended Reporting Period applies only to "claims" for a "wrongful act", "wrongful employment act" or "third party wrongful act" committed prior to the termination of this coverage and otherwise insured by this Coverage Part. However, you must notify us in writing of your decision to purchase the Extended Reporting Period and the premium must be paid within 30 days of the termination date of this coverage. The right to purchase an Extended Reporting Period does not apply if the cancellation was for non-payment of premium or non-compliance with the terms of this Coverage Part.

- b. The premium for the Extended Reporting Period endorsement will be computed according to the following percentages based on the annual premium amount of this Coverage Part:

A one-year Extended Reporting Period for 30% of the expiring premium;

A two-year Extended Reporting Period for 75% of the expiring premium;

A three-year Extended Reporting Period for 120% of the expiring premium.

- c. The Extended Reporting Period cannot be cancelled or renewed.

- d. The additional premium for the Extended Reporting Period is fully earned at the inception of the Extended Reporting Period.
- e. Coverage for a "claim" or circumstances which ultimately lead to a "claim" first received and reported during the Extended Reporting Period will be in excess over any other valid and collectible insurance providing coverage for that "claim".
- f. The Extended Reporting Period does not reinstate or increase the Limits of Insurance available under this Coverage Part.
- g. The Extended Reporting Period begins on the effective date of cancellation or non-renewal of the policy.

3. Order of Payments

In the event payment of "loss" is due under this Coverage Part but the amount of the "loss" exceeds the remaining available Limit of Insurance specified in the Declarations, we will, to the extent of any remaining amount of the Limit of Insurance available:

- a. First pay for "loss" on behalf of the "individual insured" for which coverage is provided, then
- b. Pay for "loss" on behalf of the "organization" for which coverage is provided.

4. Transfer of Rights of Recovery Against Others to Us

If the insured has rights to recover all or part of any payment we have made under this Coverage Part, those rights are transferred to us. The insured must do everything necessary to secure our rights and must do nothing to impair them.

5. Other Insurance

This insurance will be excess over any other valid and collectible insurance, unless the other insurance is specifically written to be in excess of this Coverage Part.

6. Terms of Coverage Part Conformed to Statute

Terms of this Coverage Part which are in conflict with the statutes of the state in which this policy is issued, are hereby amended to conform to those statutes.

7. Transactions

- a. If after the effective date of this Coverage Part:

- (1) You merge into, or consolidate with, another entity and you are not the surviving entity; or
- (2) Another entity, person or group of entities and/or persons acting in concert acquires more than fifty percent of your assets; or
- (3) Another entity, person or group of entities and/or persons acting in concert acquires the right to elect or select a majority of your directors, trustees, or managers; or
- (4) You sell all or substantially all of your assets,

this Coverage Part will continue in effect until the expiration date of the policy, or the effective date of non-renewal, if applicable, with respect to "wrongful acts", "wrongful employment acts" or "third party wrongful acts" occurring before the transaction, but there is no coverage under this policy for actual or alleged "wrongful acts", "wrongful employment acts" or "third party wrongful acts" occurring on or after the transaction.

- b. You must give us written notice of the transaction as soon as practicable, but not later than 30 days after the effective date of the transaction.

The entire premium for this coverage is fully earned on the transaction date. In the event of a transaction, you will have the right to an offer of coverage from us for an Extended Reporting Period to report "wrongful acts", "wrongful employment acts" or "third party wrongful acts" occurring prior to the effective date of the transaction.