

PROFESSIONAL LIABILITY COVERAGE FORM

**THIS COVERAGE FORM PROVIDES CLAIMS-MADE COVERAGE.
CLAIMS EXPENSES ARE INCLUDED WITHIN THE DEDUCTIBLE AMOUNT AND
THE LIMITS OF INSURANCE WILL BE REDUCED BY CLAIMS EXPENSES.
PLEASE READ THE ENTIRE FORM CAREFULLY.**

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

Throughout this policy the words "you" and "your" refer to the Named Insured shown in the Declarations, and any other person or organization qualifying as a Named Insured under this policy. The words "we", "us" and "our" refer to the Company providing this insurance.

The word "insured" means any person or organization qualifying as such under Section II – Who Is An Insured.

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

SECTION I - COVERAGE

PROFESSIONAL LIABILITY

1. Insuring Agreement

a. We will pay those sums that the insured becomes legally obligated to pay as compensatory damages because of any "claim" that results from a "professional services incident" to which this insurance applies. We will have the right and duty to defend the insured against any "suit" seeking those damages. However, we will have no duty to defend the insured against any "suit" seeking damages because of any "claim" that results from a "professional services incident" to which this insurance does not apply. We may, at our discretion, investigate any "professional services incident" and settle any "claim" or "suit" that may result. But:

- (1) The amount we will pay for damages and "claims expenses" is limited as described in Section III -Limits of Insurance and Deductible; and
- (2) Our right and duty to defend end when we have used up the applicable limit of insurance in the payment of judgments, settlements or "claims expenses".

No other obligation or liability to pay sums or perform acts or services is covered.

b. This insurance applies to a "claim" that results from a "professional services incident" only if:

- (1) The "professional services incident" takes place in the "coverage territory";
- (2) The "professional services incident" did not occur before the Retroactive Date identified in the Declarations, or after the end of the policy period; and
- (3) A "claim" for damages because of the "professional services incident" is first made against any insured, in accordance with Paragraph c. below, during the policy period or any Extended Reporting Period we provide under Section V – Extended Reporting Periods.

c. A "claim" by a person or organization seeking damages will be deemed to have been made at the earlier of the following times:

- (1) When the notice of such "claim" is received and recorded by any insured or by us; or
- (2) When we make a settlement in accordance with Paragraph 1.a. above.

All "claims" for damages that result from a "professional services incident" and in injury to the same person or organization, including damages claimed for care, loss of services or death resulting at any time from the injury, will be deemed to have been made at the time the first of those "claims" is made against any insured.

All "claims" for damages that result from a "professional services incident" and in damage causing loss to the same person or organization will be deemed to have been made at the time the first of those "claims" is made against any insured.

2. Exclusions

This insurance does not apply to any "claim":

a. Expected Or Intended Incident

That results from:

- (1) Any act, error, omission, injury or damage expected or intended from the standpoint of the insured, or
- (2) Any dishonest, fraudulent, malicious or knowingly wrongful act, error or omission.

b. Officer Or Employee

That results from any act, error or omission by any insured as:

- (1) An officer, director, partner, trustee or employee, or as temporary or leased staff, of a:
 - (a) Business enterprise or other organization not names in the Declarations; or
 - (b) Pension, welfare, profit sharing, mutual or investment fund or trust;
- (2) A public official or an employee of a governmental body, subdivision or agency; or
- (3) A fiduciary under:
 - (a) The Employment Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto; or
 - (b) Any other employee benefit plan.

c. Other Enterprises

That results from any act, error or omission by any business enterprise or organization that is:

- (1) Not named in the Declarations; and
- (2) Owned, operated or managed by:
 - (a) An insured or its parent company; or
 - (b) An affiliate, successor or assignee of an insured or its parent company.

d. Intentional Acts

Arising out of any insured's intentional, willful or deliberate non-compliance with any statute, regulation, ordinance, administrative complaint, notice of violation, notice letter, executive order or instruction of any governmental or public agency or body either before or after coverage inception.

e. Damage To Property

Arising out of, or in any way related to, injury or damage to:

- (1) Property you own, rent, or occupy;
- (2) Premises you sell, give away or abandon;
- (3) Property loaned to you; or
- (4) Property in the care, custody or control of the insured.

f. Fines And Penalties

For punitive damages, exemplary damages, multiplied damages, fines or penalties.

g. Health And Cosmetic Services

That results from any act, error or omission in:

- (1) Rendering, or failing to render, medical, surgical, dental, x-ray, or nursing service or treatment, including:
 - (a) Related furnishing of food or beverages;
 - (b) Any health service or treatment;
 - (c) Any cosmetic or tonsorial service or treatment;
 - (d) Any medical laboratory service or treatment.
- (2) The furnishing or dispensing of drugs or medical, dental or surgical supplies or appliances; or
- (3) The handling or treatment of dead bodies, including autopsies, organ donation or other related procedures.

h. Contractual Liability

Based upon or arising out of the liability of others assumed by the insured in a contract or agreement. This exclusion does not apply to liability for damages that the insured would have in the absence of the contract or agreement and that results from a "professional services incident".

i. Aircraft, Auto, Rolling Stock Or Watercraft

Based upon, as a consequence of or arising out of the ownership, maintenance, use or entrustment to others of any aircraft, "auto", rolling stock or watercraft owned or operated by or rented or loaned to any insured. Use includes operation and "loading and unloading".

j. Workers Compensation And Similar Laws

Based upon or arising out of any obligation of the insured under any workers' compensation, disability benefits or unemployment compensation law or any similar law.

k. Employer's Liability

Based upon, as a consequence of or arising out of injury or damage to an "employee", "executive officer", partner, director or officer of the insured. This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of the injury or damage.

I. Faulty Workmanship

Based upon, arising out of or for any loss, cost or expense incurred to withdraw, recall, inspect, repair, replace, adjust, remove or dispose of "your work". This includes, but is not limited to, the cost to investigate "your work", or the cost of any materials, parts, labor or equipment furnished in connection with such withdrawal, recall, inspection, repair replacement, adjustment, removal or disposal.

m. Products

Based upon, as a consequence of or arising out of "your product"; or injury or damage to "your product".

n. Other Insured

Against an insured by any other insured under this insurance.

o. Reported and Received Claim

Not reported to and received by us prior to the end of the policy period, or any applicable Extended Reporting Period we provide under Section V – Extended Reporting Periods.

p. Insurance and Bonds

That results from any act, error or omission in:

- (1) Advising with respect to, or interpreting;
- (2) Requiring or failing to require; or
- (3) Failing to obtain or maintain, any form of insurance, suretyship or bond, either with respect to you or any other entity or company.

q. Expressed or Implied Warranties

Based upon, as a consequence of or arising out of:

- (1) Any expressed or implied warranties or guarantees, or
- (2) Any cost or other estimates for construction, renovation, removal or demolition being exceeded or inaccurate.

However, this exclusion does not apply to a warranty or guaranty by you that your "professional services" are in conformity with generally accepted architectural or engineering standards.

r. Prior or Pending Claims

That results from any act, error or omission:

(1) That any insured, prior to the beginning of the policy period for this insurance, should have reasonably foreseen may give rise to a "claim"; or

(2) For which notice of a "claim", an incident or a "professional services incident" has been provided to any insurer prior to beginning of the policy period for this insurance.

s. Prior Professional Services

Based upon, as a consequence of or arising out of any "professional services" performed by or on behalf of an insured prior to the Retroactive Date identified in the Declarations.

t. Employment Related Practices

That results from any act, error or omission in:

- (1) Refusing to employ any person;
- (2) The termination of any person's employment; or
- (3) Any employment-related practices or policies, such as coercion, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation or discrimination directed at any person.

This exclusion applies:

- (1) Whether the insured may be liable as an employer or in any other capacity; and
- (2) To any obligation to share damages with or repay someone else who must pay damages because of any act, error or omission.

u. Discrimination

Based upon, as a consequence of or arising out of discrimination by any insured on the basis of age, color, race, sex, creed, national origin, marital status, physical disability, handicap, or sexual preference.

v. Securities Violation

Based upon, as a consequence of or arising out of a violation of the Securities Act of 1933 as amended by the Securities Exchange Act of 1934 as amended or any state Blue Sky or securities law or similar state or federal statute and any regulation or order issued pursuant to any of the foregoing statutes.

w. Separately Insured Project

Based upon, as a consequence of or arising out of any project to which other professional liability insurance specifically applies and for which any insured is afforded coverage by that other insurance.

x. Failure To Complete Specifications

Based upon, as a consequence of or arising out of any failure to complete any drawings, specifications or schedules of specifications in a timely manner or within a prescribed period of time or the failure to act upon shop drawings on time, but this exclusion does not apply if such failure is the result of a negligent act, error omission in the drawings, specifications, schedules or shop drawings.

SECTION II - WHO IS AN INSURED

1. If you are designated in the Declarations as:
 - a. An individual, you and your spouse are insureds, but only with respect to the conduct of a business of which you are the sole owner.
 - b. A partnership or joint venture, you are an insured. Your members, your partners, and their spouses are also insureds, but only with respect to the conduct of your business.
 - c. A limited liability company, you are an insured. Your members are also insureds, but only with respect to the conduct of your business. Your managers are insureds, but only with respect to their duties as your managers.
 - d. An organization other than a partnership, joint venture or limited liability company, you are an insured. Your "executive officers" and directors are insureds, but only with respect to their duties as your officers or directors. Your stockholders are also insureds, but only with respect to their liability as stockholders.
2. Each of the following is also an insured:
 - a. Your "employees", other than either your "executive officers" (if you are an organization other than a partnership, joint venture or limited liability company) or your managers (if you are a limited liability company), but only for acts within the scope of their employment by you.
 - b. Your legal representative if you die, but only with respect to duties as such. That representative will have all your rights and duties under this Coverage Part.

No person or organization is an insured with respect to the conduct of any current or past partnership, joint venture or limited liability company that is not shown as a Named Insured in the Declarations.

SECTION III - LIMITS OF INSURANCE AND DEDUCTIBLE

1. The Limits of Insurance shown in the Declarations and the rules below fix the most we will pay regardless of the number of:
 - a. Insureds;
 - b. "Claims" made or "suits" brought; or
 - c. Persons of organizations making "claims" or bringing "suits".
2. The Aggregate Limit is the most we will pay for the sum of all damages and "claims expenses".
3. Subject to 2. above, the Each Incident Limit is the most we will pay for the sum of all damages and "claims expenses" because of all "claims" arising out of any one "professional services incident".
4. Subject to 3. above, our obligation under this insurance to pay damages and "claims expenses" on behalf of the insured only applies in excess of the Deductible Amount shown in the Declarations for the sum of all damages and "claims expenses" because of all "claims" arising out any one "professional services incident".
5. All "claims expenses" shall first be subtracted from the available Limits of Insurance under this Coverage Part, with the remainder, if any, being the amount available to pay damages. If an available Limit of Insurance is exhausted prior to settlement or judgment of any pending "claim" or "suit", we shall have the right to withdraw from the further investigation or defense thereof by tendering control of such investigation or defense to the insured.
6. If we have paid any amount as a result of this Coverage Part for damages or "claims expenses" in excess of the Limits of Insurance or within the Deductible Amount, you shall be liable to us for such amounts and, upon demand, shall pay such amounts to us. We shall not make any payment in excess of the Limits of Insurance without your consent.
7. We, at our sole election and option, may either:
 - a. Pay any part or all of the Deductible Amount to effect settlement of any "claim"; or
 - b. Simultaneously upon receipt of notice of any "claim" or at any time thereafter, call upon you to pay or deposit with us all or any part of the Deductible Amount, to be held and applied by us as herein provided.
8. The Limits of Insurance of this Coverage Part apply to the policy period as shown in the Declarations and to any extension or contraction of that policy period.

SECTION IV - CONDITIONS

1. Bankruptcy

Bankruptcy or insolvency of you or of your estate will not relieve us of our obligations under this Coverage Part.

2. Duties In The Event Of An Act, Error, Omission, Claim Or Suit

a. You must see to it that we are notified as soon as practicable of an act, error or omission that may result in a "claim" or "suit". To the extent possible, notice shall contain:

- (1) How, when and where the act, error or omission took place;
- (2) The names and addresses of any injured persons and witnesses; and
- (3) The nature and location of any injury or damage that results from the act, error or omission.

b. If a "claim" is made or "suit" is brought against any insured, you must:

- (1) Immediately record the specifics of the "claim" or "suit" and the date received; and
- (2) You must see to it that we receive written notice of the "claim" or "suit" as soon as practicable.

c. You and any other involved insured must:

- (1) Immediately send us copies of any demands, notices, summons or legal papers received in connection with the "claim" or "suit";
- (2) Authorize us to obtain records and other information;
- (3) Cooperate with us in the investigation or settlement of the "claim" or defense against the "suit"; and
- (4) Assist us, upon our request, in the enforcement of any right against any person or organization, which may be liable to you because of injury or damage to which this insurance may also apply.

d. No insured will, except at your own cost, voluntarily make a payment, assume any obligation, or incur any expense, other than for first aid, without our consent.

3. Legal Action Against Us

No person or organization has a right under this Coverage Part:

a. To join us as a party or otherwise bring us into a "suit" asking for damages from an insured; or

b. To sue us on this Coverage Part unless all of its terms have been fully complied with.

A person or organization may sue us to recover on an agreed settlement or on a final judgment against an insured obtained after an actual trial; but we will not be liable for damages that are not payable under the terms of this Coverage Part or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by us, you and the claimant or the claimant's legal representative.

4. Other Insurance

If other valid and collectible insurance is available to the insured for a loss we cover under this Coverage Part, our obligations are limited as follows:

a. Excess Insurance

This insurance is excess over any other applicable insurance, whether or not such insurance is stated to be primary, excess, catastrophe, umbrella, contingent or on any other basis.

When this insurance is excess over other insurance, we will have no duty to defend the insured against any "suit" that any other insurer has a duty to defend. If no other insurer defends, we will undertake to do so, but we will be entitled to the insured's rights against all those other insurers.

When this insurance is excess over other insurance, we will pay only our share of the amount of the loss, if any, that exceeds the sum of:

- (1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
- (2) The total of all deductible and self-insured amounts under all that other insurance.

We will share the remaining loss, if any, with any other insurance that is not described in this Excess Insurance provision and was not bought specifically to apply in excess of the Limits of Insurance shown in the Declarations of this Coverage Part.

b. Method of Sharing

If all of the other insurance permits contribution by equal shares, we will follow this method also. Under this approach each insurer contributes equal amounts until it has paid its applicable limit of insurance or none of the loss remains, whichever comes first.

If any of the other insurance does not permit contribution by equal shares, we will contribute by limits. Under this method, each insurer's share is based on the ratio of its applicable limit of insurance to the total applicable limits of insurance of all insurers.

5. Premium Audit

- a. We will compute all premiums for this Coverage Part in accordance with our rules, rates, rating plans, premiums, and minimum premium requirements.
- b. Premium shown as Advance Premium on the Declarations Page is a deposit premium only. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable on notice to the first Named Insured.
- c. The first Named Insured must keep records of the information we need for premium computation, and send us copies at such times as we may request.
- d. We may examine and audit your books and records as they relate to this Coverage Part at any time during the policy period and up to three years afterward.
- e. Premium adjustments affected as a result of premium audits may be done by us while the Coverage Part is in effect.
- f. Premium Audit adjustment calculations will be made to determine additional premium only. You have agreed with us that there will be no downward adjustments of the Advanced Premium.

6. Representations

By accepting this policy, you agree that:

- a. The statements in the Declarations, and in the application for insurance and information submitted therewith, are accurate and complete;
- b. Those statements are based upon representations you made to us; and
- c. We have issued this policy in reliance upon your representations.

7. Separation Of Insureds

Except with respect to the Limits of Insurance, and any rights or duties specifically assigned in this Coverage Part to the first Named Insured, this insurance applies:

- a. As if each Named Insured were the only Named Insured; and
- b. Separately to each insured against whom "claim" is made or "suit" is brought.

8. 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 policy, those rights are transferred to us. The insured must do nothing after loss to impair them. At our request, the insured will bring "suit" or transfer those rights to us and help us enforce them.

9. If We Do Not Renew

If we decide to cancel or not to renew this Coverage Part, we will mail or deliver to the first Named Insured, as shown in the Declarations, written notice of non-renewal not less than 30 days before the expiration date.

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

10. Endorsements To This Coverage Part

Reference to Pollution Liability Coverage Part in any endorsement that is attached to or made a part of this Coverage Part, shall be understood to mean this Coverage Part.

SECTION V – EXTENDED REPORTING PERIODS

1. This section applies only if:

- a. This Coverage Part is canceled or not renewed for any reason except non-payment of the premium, or any Deductible Amount, payable to us; or
- b. We renew or replace this Coverage Part with insurance that:
 - (1) Has a Retroactive Date later than the date identified in the Declarations of this Coverage Part; or
 - (2) Does not apply on a claims made basis to "claims" that result from a "professional services incident".

2. Extended Reporting Periods do not extend the policy period or change the scope of coverage provided. They apply to a "claim" that results from a "professional services incident", only if the "professional services incident" did not occur before the Retroactive Date identified in the Declarations, or after the end of the policy period.

Once in effect, Extended Reporting Periods may not be canceled.

3. A Basic Extended Reporting Period is automatically provided without additional charge. This period starts with the end of the policy period and lasts for:

- a. One year with respect to "claims":
 - (1) That results from a "professional services incident"; and

(2) If that professional services incident” is reported to and received by us, not later than 60 days after the end of the policy period, in accordance with Paragraph 2.a. of the Section IV – Duties In The Event Of Act. Error, Omission, Claim Or Suit Condition;

- b. Sixty days with respect to “claims” that results from a “professional services incident” not previously reported to and received by us.

The Basic Extended Reporting Period does not apply to “claims” that are covered under any subsequent insurance you purchase, or that would be covered but for exhaustion of the amount of insurance applicable to such “claims”.

- 4. A Supplemental Extended Reporting Period of twelve (12), twenty-four (24), thirty-six (36), forty-eight (48) or sixty (60) months duration is available, but only by an endorsement and for an extra charge. This supplemental period starts when the Basic Extended Reporting Period, set forth in Paragraph 3. above, ends.

We must receive from you a written request for the endorsement within 60 days after the end of the policy period. The Supplemental Extended Reporting Period will not go into effect unless you pay the additional premium promptly when due.

We will determine the additional premium in accordance with our rules and rates. In doing so, we may take into account the following:

- a. The exposures insured;
- b. Previous types and amounts of insurance;
- c. Limits of Insurance available under this Coverage Part for future payment of damages; and
- d. Other related factors..

The additional premium for any Supplemental Extended Reporting Period shown below will not exceed the percentage shown next to it of the annual premium for this Coverage Part.

Supplemental Extended Reporting Period	Percentage of Annual Premium
12 months	50%
24 months	100%
36 months	125%
48 months	150%
60 months	200%

This endorsement shall set forth the terms, not inconsistent with this Section, applicable to the Supplemental Extended Reporting Period, including a provision to the effect that the insurance afforded for claims first received by us during such period is excess over any other valid and collectible insurance available under policies in force after the Supplemental Extended Reporting Period starts.

- 5. Neither the Basic Extended Reporting Period nor the Supplemental Extended Reporting Period reinstates or increases the Limits of Insurance.

SECTION VI - DEFINITIONS

- 1. “Auto” means a land motor vehicle, trailer or semi trailer designed for travel on public roads, including any attached machinery or equipment.
- 2. “Claim” or “claims” means a request or a demand, including the institution of “suit” or arbitration proceedings against any insured, received by us and seeking the payment of damages by an insured.
- 3. “Claim expenses” means fees and expenses that are incurred by us, or by an attorney retained by us, in the investigation, settlement, defense or appeal of a “claim” or “suit”. Such expenses include:
 - a. Reasonable expenses an insured incurs at our written request while helping us to investigate or defend a claim, but we will not pay more than \$250 a day for earnings actually lost because of time taken off from work.
 - b. If incurred by us, or by the insured with our written consent, costs taxed against the insured in the “suit”, pre-judgment interest and post-judgment interest.

“Claim expenses” do not include salaries of our employees or our officials.

- 4. “Coverage territory” means:
 - a. The United States of America (including its territories and possessions), Puerto Rico and Canada;
 - b. International waters or airspace, provided the act, error or omission does not occur in the course of travel or transportation to or from any place not included in a. above; or
 - c. All parts of the world if:
 - (1) The “professional services incident” arises out of the activities of a person whose home is in the territory described in a. above, but is away for a short time on your business; and
 - (2) The insured’s responsibility to pay damages is determined in a “suit” on the merits, in the territory described in a. above or in a settlement we agree to.

5. "Employee" includes temporary and leased staff working on behalf of and under direct supervision of you, but only for "professional services" performed for you.
6. "Executive officer" means a person holding any of the officer positions created by your charter, constitution, by-laws or any other similar governing document.
7. "Loading or unloading" means the handling of property:
- After it is moved from the place where it is accepted for movement into or onto an aircraft, watercraft, rolling stock or "auto";
 - While it is in or on an aircraft, watercraft, rolling stock or "auto"; or
 - While it is being moved from an aircraft, watercraft, rolling stock or "auto" to the place where it is finally delivered.
8. "Professional services" means those services stated in the Declarations as Professional Services;
- That are performed by or for you in your practice as a consultant, engineer, architect, surveyor or testing laboratory;
 - For which you, or any person performing such services for you, are licensed where required by law; and
 - That are part of your usual and customary services.
9. "Professional services incident" means any negligent act, error or omission:
- In your rendering, or your failing to render, "professional services"; and
 - That results in injury or damage.
10. "Suit" means a civil proceeding in which damages because of any act, error or omission to which this insurance applies are alleged. "Suit" includes:
- An arbitration proceeding in which such damages are claimed and to which the "insured" must submit or does submit with our consent; or
 - Any other alternative dispute resolution proceeding in which such damages are claimed and to which the "insured" submits with our consent.
11. "Your product" means:
- Any goods or products, other than real property, manufactured, sold, handled, distributed or disposed of by:
 - You;
 - Others trading under your name; or
 - A person or organization whose business or assets you have acquired; and
 - Containers, materials, parts or equipment furnished in connection with such goods or products.
- "Your product" includes:
- Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your product"; and
 - The providing of or failure to provide warnings or instructions with respect to "your product".
12. "Your work" means:
- Work, services or operations performed by you or on your behalf; and
 - Materials, parts or equipment furnished in connection with such work, services or operations.
- "Your work" includes:
- Warranties or representations made at any time with respect to the fitness, quality, durability, performance or use of "your work"; and
 - The providing of or failure to provide warnings or instructions.