

EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY
This Is A Claims Made and Reported Policy
Please Read It Carefully

Except to such extent as may otherwise be provided herein, coverage of this Policy is limited to liability for only those **CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD AND REPORTED TO THE UNDERWRITERS DURING THE POLICY PERIOD** or within sixty (60) days thereafter (in accordance with Section VI herein). Please review this Policy carefully and discuss the coverage thereunder with your insurance agent or broker.

Words and phrases with special meaning written in **ALL CAPITAL LETTERS** and bold are defined in Section III. Definitions of this Policy.

In consideration of the payment of the premium in reliance upon the statements in the written application made a part hereof, and subject to all of the terms, definitions, general conditions, exclusions and limitations of this Policy, (hereinafter referred to as "terms"), including the limit of liability, the Underwriters agree as follows:

I. COVERAGE

The Underwriters will pay on behalf of the **INSURED** any **LOSS** in excess of the deductible that the **INSURED** becomes legally obligated to pay as a result of a **CLAIM** for a **WRONGFUL ACT(S)** first made against the **INSURED** during the **POLICY PERIOD** and reported to the Underwriters during the **POLICY PERIOD** or within sixty (60) days thereafter (in accordance with Section VI herein) which first took place on or after the effective date of this Policy or the **RETROACTIVE DATE** of this Policy, whichever is earlier.

The Underwriters have the right and the duty to defend any **CLAIM** to which this coverage applies. Underwriters will pay all **CLAIM EXPENSES** incurred in connection with the defense of any **CLAIM** brought against the **INSURED** alleging a **WRONGFUL ACT** covered by this Policy. The **CLAIMS EXPENSES** are part of and not in addition to the applicable Limit of Liability set forth in Item C. of the Declarations of this Policy and shall be part of and subject to the Deductible set forth in Item D. of the Declarations of this Policy. The Underwriters' duty to defend and obligation to pay **CLAIMS EXPENSES** and **LOSS** ends once the Limit of Liability is exhausted in accordance with **Section V. LIMIT OF LIABILITY** of this Policy.

In the event that a defense is provided under a reservation of rights and coverage is later determined not to be provided under this Policy, then the **INSURED** agrees to reimburse the Underwriters upon demand for all **LOSS** and/or **CLAIM EXPENSE** payments made on the **INSURED'S** behalf.

II. OPTIONS TO EXTEND CLAIMS REPORTING PERIOD

If the Underwriters or the **INSURED** shall cancel or refuse to renew this Policy for reasons other than the **INSURED'S** non-payment of premiums and/or deductible(s) or non-compliance with the terms of this Policy, then the **INSURED**, upon payment of an additional premium as set forth herein, shall have the option to extend the insurance afforded by this Policy, subject, however, to its terms, to apply to **CLAIMS** first made against the **INSURED** during twelve (12) months following immediately upon the effective date of such termination or expiration, but only with respect to **WRONGFUL ACT(S)** committed or alleged to have been committed before such applicable termination or expiration date and which are otherwise covered under this Policy, and for which a **CLAIM** has not been made prior to or on the date the extended reporting period is purchased.

The limits of liability for **CLAIMS** first made during the Optional Extension Period shall be the balance of the limits of liability available under the expiring or terminating Policy, after deduction of all amounts paid thereunder for **LOSS** and **CLAIMS EXPENSES** for all **CLAIMS** first made against the **INSURED** during said **POLICY PERIOD**. The extension of coverage for **CLAIMS** made subsequent to termination of this Policy shall be endorsed hereto, if purchased, and shall hereinafter be referred to as the Optional Extension Period. It is mutually agreed that a request by the Underwriters for an increase in premium or deductible, or both, shall not be deemed a refusal to renew the Policy. The premium for the Optional Extension Period elected by

the **INSURED** shall be one hundred and twenty-five (125) percent of the premium stated in the Declarations for twelve (12) months.

As a condition precedent to the **INSURED'S** right to purchase the Optional Extension Period coverage, the **INSURED** must tender and pay all premiums and deductible(s) due for the preceding period of coverage. The **INSURED'S** right to purchase the Optional Extension Period coverage must be exercised by notice in writing no later than sixty (60) days after the cancellation or termination date of this Policy. Any exercise of the Optional Extension Period shall be deemed void at inception if the premium is not paid within ten (10) days of receipt of an invoice. If such notice is not given and premium and retention(s) are not so tendered and paid, the **INSURED** shall not at a later date be able to exercise such rights. At the commencement of any Optional Extension Period, the entire premium therefore shall be deemed earned, and in the event the **INSURED** terminates the Optional Extension Period before the expiration of its term for any reason, the Underwriters shall not be liable to return to the **INSURED** any portion of the premium for the Optional Extension Period.

Nothing contained in this clause shall, in the event the **INSURED** purchases the Optional Extension Period coverage, operate to increase the Underwriters' total liability for **LOSS** and/or **CLAIM EXPENSES** under this Policy.

III. DEFINITIONS

- A. The term **CLAIM** shall mean, an oral or written complaint or demand received by the **INSURED** in which damages likely to be covered by this Policy are alleged for money or services including the service of a notice of **CLAIM**, service of suit or institution of arbitration proceedings against the **INSURED** or the service of a **CLAIM** filed with the Equal Employment Opportunity Commission or with a comparable state or local governmental agency.
- B. The term **CLAIMS EXPENSES** shall mean:
1. Reasonable and necessary fees charged by any attorney designated by the Underwriters to defend the **INSURED**; or, if pre-approved by Underwriters, the reasonable and necessary fees charged by any attorney designated by the **INSURED**;
 2. Other reasonable and necessary fees, costs and expenses resulting from investigation, adjustment, defense and appeal of a **CLAIM** if incurred by the **INSURED**;
 3. Premiums charged for judicial bonds for appeals or otherwise, provided, however, the Underwriters shall have no obligation to furnish such judicial bonds themselves; and
 4. Reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **CLAIM** seeking provisional remedies, relief or redress in a form other than money damages, provided, however, that such **CLAIM**, suit or demand also seeks money damages and the **CLAIM**, suit or demand is not otherwise excluded.

However, **CLAIMS EXPENSES** shall not include salary or other charges of the **INSURED**.

CLAIMS EXPENSES also shall not include any amounts in excess of the applicable and available limits of liability of this Policy, as set forth in Section **V. LIMIT OF LIABILITY** and in Item C. of the Declarations. All **CLAIMS EXPENSES** must be approved by the Underwriters prior to any eligibility for coverage under this Policy.

- C. The term **INSURED** shall mean:
1. The corporation, partnership or other entity named in Item A of the Declarations of this Policy;
 2. Any past, present, additional or replacement director or officer or employee of the corporation, partnership or other entity named in Item A of the Declarations of this Policy (or their estate, heirs, or legal representatives in the event of their death or incompetency); but only for the conduct of

business within the scope of employment for the entity named in Item A of the Declarations of this Policy.

3. Any person or organization specifically named in Item G of the Declarations of this Policy as an additional **INSURED**.
4. Any organization newly acquired, formed or merged with while this Policy is in effect; but any such **INSURED** is only covered:
 - a. for thirty (30) days, or the remainder of the **POLICY PERIOD**, whichever is less, from the date of acquisition, formation or merger, and
 - b. if the **INSURED** named in Item A of the Declarations owns at least fifty-one percent (51%) of the organization acquired, formed or merged with, and
 - c. if the **INSURED** provides the Underwriters notice of the acquisition, formation or merger within thirty (30) days after any such acquisition, formation or merger, and
 - d. if the **INSURED** provides, within thirty (30) days after the acquisition, formation or merger, or the remainder of the **POLICY PERIOD**, whichever is less, the Underwriters with such information in connection with the acquisition, formation and merger as the Underwriters deem necessary, and
 - e. if the **INSURED** accepts any special terms, and additional premium charge required by the Underwriters.

However, in the event fifty-one percent (51%) or more of the controlling interest of the **INSURED** named in Item A of the Declarations is changed during the **POLICY PERIOD**, then:

- i. Only **CLAIMS** which had been made against any **INSURED** prior to the change in control shall continue to be covered if all other terms of the Policy have been met, and
 - ii. Only **WRONGFUL ACT(S)** that happened or commenced prior to change in control shall be covered if all other terms of this Policy have been met.
- D. The term **LOSS** shall mean money damages (including an award of attorney's fees) and shall include judgments and settlements. **LOSS** shall not include:
1. **CLAIM EXPENSES**;
 2. The cost of investigation and adjustment of a **CLAIM** by salaried employees of the company or the cost of the company's overhead;
 3. Fines, penalties, sanctions, or taxes;
 4. Punitive or exemplary damages where such damages are not insurable by law;
 5. Other damages, awards, payments or sums which are deemed uninsurable according to the law of the jurisdiction under which this policy is construed;
 6. Costs incurred or payments required to modify, adapt, or renovate any building or property in order to make such building or property more accessible or accommodating to any disabled person;
 7. Medical benefits, whether in the form of direct payments of medical costs or payments of insurance premiums to maintain medical coverage, or contributions to any medical insurance plan of any type;
 8. Non-monetary relief; or
 9. Unpaid or withheld wages, overtime, vacation or leave pay, back benefits, or any similar types of damages or restitution, even if designated as compensatory or liquidated damages.

- E. The term **PARENT ORGANIZATION** shall mean any entity, other than a natural person, that has or had any equity interest in the corporation, partnership, or other entity named in Item A of the Declarations of this policy.
- F. The term **POLICY PERIOD** shall mean that period specified in Item B of the Declarations of this Policy except that if this Policy is cancelled then the **POLICY PERIOD** shall terminate at the effective date of cancellation.
- G. The term **POTENTIAL CLAIM** shall mean an incident which, although it has not yet resulted in a **CLAIM**, may or is likely to result in a **CLAIM** at some future date.
- H. The term **RETROACTIVE DATE** shall mean the date set forth in Item B. of the Policy Declarations.
- I. The term **SHAREHOLDER** shall mean any member or other equity interest owner of a limited liability company.
- J. The term **SUBSIDIARY** shall mean an entity in which the corporation, partnership, or other entity named in Item A of the Declarations of this Policy that has or had any equity interest.
- K. The term **WRONGFUL ACT(S)** shall mean:
1. any actual or alleged act or omission or breach of duty (regardless of whether or not such allegations prove to be groundless, false or fraudulent) which violates the Constitution of the United States, any State Constitution, or any Federal, State or municipal statute, regulation or ordinance, and which discriminates against any individual or group of individuals and shall include but not be limited to discrimination based upon race, religion, sex, sexual orientation, national origin and any physical or mental disability or age.
 2. any unwelcome sexual advances, requests for sexual favors or other verbal or physical conduct of a sexual nature that:
 - a. are made a condition of employment
 - b. are used as a basis for employment decisions
 - c. create a work environment that interferes with performance or
 - d. create an intimidating, hostile or offensive work environment.
 3. any workplace harassment (harassment of a non-sexual nature) which creates a work environment that interferes with performance or creates an intimidating, hostile or offensive work environment.
 4. any termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment. This definition shall not include damages determined to be owed under an oral or written express contract of employment or an express obligation or promise to make payments in the event of the termination of employment, including any severance pay obligation or promise.
 5. any failure to hire, failure to fire, denial of training/seniority, failure to enforce policies, failure to grant tenure, negligent evaluation, negligent hiring or supervision, wrongful demotion, wrongful discipline or wrongful deprivation of career opportunities.

IV. EXCLUSIONS

For the purpose of determining the applicability of any exclusion, a **WRONGFUL ACT(S)** by any one **INSURED** shall not be imputed to any other **INSURED**:

1. who has neither authorized nor ratified such **WRONGFUL ACT(S)** ; or
2. whose liability for such **WRONGFUL ACT(S)** is based on vicarious liability.

The Underwriters shall not be liable to pay any **LOSS** or **CLAIMS EXPENSES**, and shall have no obligation to defend the **INSURED** as a result of any **CLAIM** made against the **INSURED**:

1. For bodily injury, sickness, loss of consortium, disease or death of any person, or for damage to, or destruction of any tangible property including loss of use thereof.
2. For false arrest, false imprisonment, wrongful eviction, assault or battery.
3. For libel, slander, defamation, invasion of privacy, unless such **CLAIMS** are made in connection with and arise out of a **WRONGFUL ACT(S)** covered under this **POLICY**.
4. Arising out of allegations of violation of the Racketeer Influenced and Corrupt Organizations Act, or any rules or regulations issued pursuant to said statute.
5. Arising out of the actual or alleged establishment, funding, contribution to, or distribution to, or termination of the employee benefit plan, the payment or distribution of any benefits or other amounts from any employee benefit plan, or the actual or alleged failure or refusal to perform any of such acts; or any actual or alleged violations of any of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 or any similar provisions of any Federal, State or local statutory or common law, including, but not limited to, any provisions of the Internal Revenue Code as they relate to employee benefit plans. For purposes of this exclusion, the term, "Employee Benefit Plan" will include, but not be limited to, pension, profit sharing, health, welfare, life, or medical plans, whether or not governed or regulated by, qualified under, or encompassed within the Employee Retirement Income Security Act of 1974.
6.
 - a. for an actual or alleged **WRONGFUL ACT(S)** of which the **INSURED** had knowledge prior to the inception date of this Policy or, if this is a renewal, had knowledge prior to the inception date of the first Employment Practices Liability Policy issued to the **INSURED** by Underwriters provided that similar and uninterrupted coverage has been in force with the Underwriters since that time.
 - b. for which the **INSURED** is entitled to indemnity and/or payment (or would be entitled to indemnity and/or payment but for the exhaustion of the applicable limit(s) of liability) by reason of having given notice of any **CLAIM** or any **POTENTIAL CLAIM** which might give rise to a **CLAIM** under any prior Policy whose term has expired prior to or upon the inception date of this Policy, or has been extended to a time prior to or concurrent with and after the inception date of this Policy.
7. seeking injunctive or non-monetary relief even where claimants attorneys fees and costs are recoverable.
8. for any costs, charges, expenses, or any other amounts incurred in providing any of the reasonable accommodations, auxiliary aids or services, remedial construction, modifications, or alterations to facilities, materials, equipment, devices, or any other physical object, or the removing of architectural or structural barriers, as are or may be required by or made as a result of provisions of the Americans With Disabilities Act or any other similar federal, state, or local statute, regulation, or ordinance.

9. a. for injury, sickness, disease, death or destruction:
- i. with respect to which an **INSURED** under this Policy is also an **INSURED** under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada, or would be an **INSURED** under any such policy but for its termination upon exhaustion of its limit of liability; or
 - ii. resulting from the hazardous properties of nuclear material and with respect to which (1) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (2) the **INSURED** is, or had this policy not been issued would be entitled to indemnity from the United States of America, or any agency thereof, under any agreement entered into by the United States of America, or any agency thereof, with any person or organization.
- b. relating to immediate medical or surgical relief, to expenses incurred with respect to bodily injury, sickness, disease or death resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
- c. relating to injury, sickness, disease, death or destruction resulting from the hazardous properties of nuclear material, if
- i. the nuclear material (1) is at any nuclear facility owned by or operated by or on behalf of, an **INSURED** or (2) has been discharged or dispersed therefrom;
 - ii. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an **INSURED**; or
 - iii. the injury, sickness, disease, death or destruction arises out of the furnishing by an **INSURED** of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if such facility is located within the United States of America, its territories or possessions or Canada, this exclusion (iii) applies only to injury to or destruction of property at such nuclear facility.

As used in this exclusion:

"hazardous properties" include radioactive, toxic or explosive properties;

"nuclear material" means source material, special nuclear material or by-product material;

"source material", "special nuclear material", and "by-product material" have the meanings given them in the Atomic Energy Act 1954 or in any law amendatory thereof;

"spent fuel" means any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;

"waste" means any waste material, (1) containing by-product material other than tailings or "wastes" produced by the extraction or concentration of uranium or thorium from any ore processed primarily for its source material content, and (2) resulting from the operation by any person or organization of any "nuclear facility" included within the definition of nuclear facility under paragraph (i) or (ii) thereof.

"nuclear facility" means:

- i. any nuclear reactor,
- ii. any equipment or device designed or used for:

- (1) separating the isotopes of uranium or plutonium,
- (2) processing or utilizing spent fuel, or
- (3) handling, processing or packaging waste,
- iii. any equipment or device used for the processing, fabricating or alloying of special nuclear material if at any time the total amount of such material in the custody of the **INSURED** at the premises, where such equipment or device is located consists of or contains more than 25 grams of plutonium or uranium 233 or any combination thereof, or more than 250 grams of uranium 235,
- iv. any structure, basin, excavation, premises or place prepared or used for the storage or disposal of waste,

and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operations;

"nuclear reactor" means any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material;

With respect to injury to or destruction of property the word "injury" or "destruction" includes all forms of radioactive contamination of property.

10. any payment for **LOSS** and/or **CLAIM EXPENSES** in connection with any **CLAIM**, including, but not limited to, any shareholder derivative action or any representative class action, against any natural person who is an **INSURED**, and made by any person due to their status as a **SHAREHOLDER** of the **INSURED**, or on behalf of, or in the name or right of, any past, present or future **SHAREHOLDER** of the corporation, partnership, or any other entity named in Item A of the Declarations of this Policy or the estate, beneficiaries, heirs, legal representatives or assigns of such shareholder, who owns as of the date of the **CLAIM**, beneficially or in trust, separately or in the aggregate, or did own any equity interest in the **PARENT ORGANIZATION** or any **SUBSIDIARY**, whether such interest is in the form of common stock, preferred stock or other equity interest.
11. to any **CLAIMS** brought by or on behalf of unions. However, this exclusion does not apply to **CLAIMS** by employees or applicants otherwise covered under the terms of this policy solely by virtue of their membership in, or affiliation with, a union
12. in connection with, related to, or involving any **CLAIM** that arises out of any reorganization, restructuring, reduction in force, change in number of employees, rightsizing/downsizing operations, or closure of one or more plants or places of business operations that results in the termination, or other change in employment terms, within any 60 day period, of more than 20% of the total number of employees measured at the date of inception of the policy, or five employees, whichever is the greater.

However, this Exclusion will not apply if, prior to any downsizing, reorganization, restructuring, reduction in force, change in number of employees, or closure, the **INSURED** consulted with and followed the recommendation of legal counsel experienced in employment law.

V. LIMIT OF LIABILITY

A. The Limit of Liability shown in Item C.1. of the Declarations for Each **CLAIM** is the most we will pay for all **LOSS** and **CLAIM EXPENSES** incurred in connection with any one **CLAIM** covered under this Policy regardless of the number of:

1. **INSUREDS**;
2. **CLAIMS** made;

3. Persons or organizations making **CLAIMS**.

CLAIMS which are covered under this Policy based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related **WRONGFUL ACTS**, whether related logically, causally, or in any other way, in any combination, shall be considered a single **CLAIM**, and shall be limited to a total of one Each **CLAIM** Limit as provided under this Policy.

B. The Limit of Liability shown in Item C.2. of the Declarations as the Policy Aggregate is the most we will pay for the sum of all **LOSS** and **CLAIM EXPENSES** for all **CLAIMS** covered under this Policy.

C. The Underwriters' liability to pay **LOSS** and/or **CLAIM EXPENSES** shall be in excess of the amount of the **INSURED'S** deductible stated in Item D. of the Declarations of this Policy. The **INSURED** must pay **LOSS** and **CLAIM EXPENSES** within the deductible upon demand from us. The deductible amount stated in Item D.1. in the Declarations applies to each **CLAIM** covered under this Policy. The total amount of deductible for which the **INSURED** will be responsible as respects all **CLAIMS** covered under this Policy shall not exceed the amount stated in Item D.2. in the Declarations as the Policy Aggregate.

The deductible reduces the available Limits of Liability as stated in the Declarations. All **CLAIMS** arising from a single **WRONGFUL ACT** shall be subject to one deductible.

VI. NOTIFICATION OF CLAIM AND POTENTIAL CLAIM AND COOPERATION BY THE INSURED

A. It is a condition precedent to the availability of the coverage afforded herein that the **INSURED** shall in the event of a **CLAIM** being first made against the **INSURED** during the **POLICY PERIOD**:

1. Give written notice to the Underwriters as soon as practicable during the **POLICY PERIOD**, but in no event, should **CLAIM** be first made against the **INSURED** at the end of the **POLICY PERIOD**, later than sixty (60) days immediately following the end of the **POLICY PERIOD**, containing particulars sufficient to identify the **INSURED** and claimant and to provide full information with respect to the time, place and circumstances of the **WRONGFUL ACT(S)** together with the names and addresses of the claimant and of available witnesses, such notice to be given to the Underwriters or to any of their authorized agents.
2. Immediately forward to the Underwriters every demand, notice, summons or other process received by the **INSURED** or his representative, if a **CLAIM** is made against an **INSURED**.
3. Cooperate with the Underwriters and, upon the Underwriters' request, shall submit to examination and interrogation by a representative of the Underwriters, under oath, if required, and shall produce documents or electronic media, attend hearings, depositions and trials and shall assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits, as well as in the giving of a written statement or statements to the Underwriters' representatives and meeting with such representative for the purpose of investigation and/or defense, and all without charge to the Underwriters.
4. Not voluntarily assume or admit any liability nor, without the Underwriters' prior written consent, settle any **CLAIM** nor incur any **CLAIMS EXPENSES**, except at their own cost.
5. Forward all notices to the person or persons named in Item F of the Declarations,

B. If during the **POLICY PERIOD** or any applicable optional extension period, an **INSURED** becomes aware of a **POTENTIAL CLAIM**, and the **INSURED** during the **POLICY PERIOD** or applicable optional extension period:

1. gives the Underwriters written notice of such **POTENTIAL CLAIM** including a description of the **POTENTIAL CLAIM** in question, the identities of the potential claimants, the consequences which have resulted from such **POTENTIAL CLAIM**, the damages which may result from such **POTENTIAL CLAIM** and the circumstances by which the **INSURED** first became aware of such **POTENTIAL CLAIM**, and

2. requests coverage under this Policy for any **CLAIM** subsequently resulting from such **POTENTIAL CLAIM**.

Then the Underwriters will treat any such subsequently resulting **CLAIM** as if it had been made against the **INSURED** during the **POLICY PERIOD** or any applicable optional extension period.

Nothing contained in this Policy shall operate to deny the Underwriters the right to make such investigation of any **CLAIM** as they deem expedient.

VII. SETTLEMENT OF CLAIM

The Underwriters shall not settle any **CLAIM** without the consent of the **INSURED**. If, however, the **INSURED** shall refuse to consent to any settlement recommended by the Underwriters and shall elect to contest the **CLAIM** or continue any legal proceedings in connection with such **CLAIM**, then the Underwriters' liability for the **CLAIM** shall not exceed the amount for which the **CLAIM** could have been so settled plus **CLAIMS EXPENSES** incurred up to the date of such refusal. Such amounts are subject to the provisions of Section **V. LIMITS OF LIABILITY** of this Policy.

VIII. GENERAL CONDITIONS

A. Action Against the Underwriters

No action shall lie against the Underwriters unless, as a condition precedent thereto the **INSURED** shall have fully complied with all terms of this Policy. In the event of bankruptcy or insolvency of the **INSURED**, the Underwriters shall not be relieved of the payment of such **LOSS or CLAIM EXPENSES** hereunder as would have been payable but for such bankruptcy or insolvency.

B. Agreement and Severability Clause

The particulars and statements contained in the written application, copy of which is attached hereto, and the Declarations are the basis of this Policy and are to be considered as incorporated in and constituting part of this Policy. This Policy shall be considered a separate agreement with each **INSURED** except that nothing contained in this Agreement and Severability Clause shall operate to increase the Underwriters' total liability for **LOSS and/or CLAIM EXPENSES** under this Policy.

C. Assignment

Assignment of interest under this Policy shall not bind the Underwriters until their consent is endorsed hereon.

D. Cancellation Clause

1. This policy may be cancelled by the **INSURED** at any time by written notice or by surrender of this Policy. This Policy may also be cancelled by or on behalf of the Underwriters by delivery to the **INSURED** or by mailing to the **INSURED** by registered, certified or other first class mail, at the **INSURED'S** address set forth in the Declarations written notice stating when, not less than thirty (30) days thereafter, the cancellation shall become effective. The mailing of such notice as aforesaid shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy is cancelled by the **INSURED**, the Underwriters shall retain the short rate proportion of the premium, calculated in accordance with the attached and is to be considered as incorporated in the constituting part of this Policy.
2. If this Policy is cancelled by or on behalf of the Underwriters, the Underwriters shall retain the pro rata proportion of the premium. Payment or tender of any unearned premium by the Underwriters shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

E. Changes

EPL2008 (01/08)

Notice to any agent or knowledge possessed by any agent or by any other person shall not effect a waiver of or a change in any part of this Policy or estop the Underwriters from asserting any right under the terms of this Policy; nor shall the terms of this Policy be waived or changed, except by endorsement issued to form part of this Policy.

F. Conformity Clause

Terms of this Policy which are in conflict with the statutes of those states wherein certain provisions and coverage's included under this Policy are not permitted are hereby amended to conform to such statutes with all other terms of this Policy remaining the same.

G. Currency

All amounts used herein are in United States currency and premium shall be paid and all **LOSS and CLAIM EXPENSES** shall be adjusted and paid in United States currency.

H. False or Fraudulent **CLAIM**

If any **INSURED** shall commit fraud in making any **CLAIM** under this Policy with respect to the amount thereof or otherwise, the insurance afforded by this Policy shall become void as to such **INSURED** from the date such fraudulent **CLAIM** is made.

I. Minimum Earned Premium

Notwithstanding the foregoing, the Underwriters shall retain not less than twenty-five percent (25%) of the premium shown in the Declaration, which shall be fully earned at the inception date of this Policy.

J. Other Insurance

This Policy shall be excess insurance over any other valid and collectible insurance available to the **INSURED** whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the limits of liability provided in this Policy.

K. Representations

The **INSURED(S)** agree that the statements made in the Application are the representations and warranties of the **INSURED(S)**; that such statements are true; that such statements shall be deemed material to the acceptance of the risk or the hazard assumed by the Underwriters under this Policy; and this Policy is issued in reliance upon the truth and accuracy of such representations.

The **INSURED(S)** agree that, in the event that the Application contains misrepresentations or fails to state facts which materially affect either the acceptance of the risk or the hazard assumed by the Underwriters under this Policy, this Policy in its entirety, shall be void and of no effect whatsoever.

L. Service of Suit Clause

In the event of the failure of the Underwriters to pay any amount due hereunder, the Underwriters at the request of the **INSURED** will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this condition constitutes or should be understood to constitute a waiver of the Underwriters' rights to commence an action in any court of competent jurisdiction in the United States, to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States.

Service of process in such suit may be made upon the person or persons specified for the purpose in the Declarations and in any suit instituted against any one of them upon this Policy, the Underwriters will abide by the final decision of such court or of any appellate court in the event of an appeal.

The above mentioned are authorized and directed to accept service of process on behalf of the Underwriters in any such suit and/or upon the request of the **INSURED** to give written undertaking to the **INSURED** that they will enter a general appearance on the Underwriters' behalf in the event such a suit shall be instituted.

Further, pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Underwriters designate the Superintendent, Commissioner or Director of Insurance as their true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of the **INSURED**, or any beneficiary hereunder, arising out of this Policy and hereby designate the person or persons specified in the Declarations as authorized to receive service of process to whom the said officer is authorized to mail such process or a true copy thereof.

M. Subrogation Clause

In the event of any payment under this Policy, the Underwriters shall be subrogated to the extent of such payment to all rights of recovery therefore, and the **INSURED** shall execute all papers required and shall do everything that may be necessary to secure and preserve such rights, including the execution of such documents necessary to enable the Underwriters effectively to bring suit in the name of the **INSURED**.

N. Territorial Scope

The insurance afforded hereunder applies worldwide, provided the original **CLAIM** and suit for damages is brought within the United States of America, its territories, or possessions, or Canada.

SAMPLE

SHORT RATE CANCELLATION TABLE ENDORSEMENT

SHORT RATE CANCELLATION TABLE

A. For Policies written for one year:-

Days Insurance In Force	Percentage of One Year Premium	Days Insurance In Force	Percentage of One Year Premium
1	5	154 - 156	53
2	6	157 - 160	54
3 - 4	7	161 - 164	55
5 - 6	8	165 - 167	56
7 - 8	9	168 - 171	57
9 - 10	10	172 - 175	58
11 - 12	11	176 - 178	59
13 - 14	12	179 - 182 (6 months)	60
15 - 16	13	183 - 187	61
17 - 18	14	188 - 191	62
19 - 20	15	192 - 196	63
21 - 22	16	197 - 200	64
23 - 25	17	201 - 205	65
26 - 29	18	206 - 209	66
30 - 32 (1 month)	19	210 - 214 (7 months)	67
33 - 36	20	215 - 218	68
37 - 40	21	219 - 223	69
41 - 43	22	224 - 228	70
44 - 47	23	229 - 232	71
48 - 51	24	233 - 237	72
52 - 54	25	238 - 241	73
55 - 58	26	242 - 246 (8 months)	74
59 - 62 (2 months)	27	247 - 250	75
63 - 65	28	251 - 255	76
66 - 69	29	256 - 260	77
70 - 73	30	261 - 264	78
74 - 76	31	265 - 269	79
77 - 80	32	270 - 273 (9 months)	80
81 - 83	33	274 - 278	81
84 - 87	34	279 - 282	82
88 - 91 (3 months)	35	283 - 287	83
92 - 94	36	288 - 291	84
95 - 98	37	292 - 296	85
99 - 102	38	297 - 301	86
103 - 105	39	302 - 305 (10 months)	87
106 - 109	40	306 - 310	88
110 - 113	41	311 - 314	89
114 - 116	42	315 - 319	90
117 - 120	43	320 - 323	91
121 - 124 (4 months)	44	324 - 328	92
125 - 127	45	329 - 332	93
128 - 131	46	333 - 337 (11 months)	94
132 - 135	47	338 - 342	95
136 - 138	48	343 - 346	96
139 - 142	49	347 - 351	97
143 - 146	50	352 - 355	98
147 - 149	51	356 - 360	99
150 - 153 (5 months)	52	361 - 366 (12 months)	100

B. For Policies written for more or less than one year:

If this Policy has been in force for 12 months or less, apply the short rate table to the full annual premium determined as for a Policy written for a term of one year.