

Employment Practices Liability Insurance Coverage Section

CLAIMS MADE NOTICE FOR POLICY

NOTICE: THIS POLICY PROVIDES COVERAGE ON A CLAIMS MADE AND REPORTED BASIS. SUBJECT TO ITS TERMS, THIS POLICY APPLIES ONLY TO ANY CLAIM FIRST MADE AGAINST THE INSUREDS AND REPORTED TO THE INSURER DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD THAT MAY APPLY.

PLEASE READ THE POLICY CAREFULLY AND DISCUSS THE COVERAGE WITH YOUR INSURANCE AGENT OR BROKER.

In consideration of the payment of the premium, in reliance on all statements in the **Application** and all other information provided to the **Insurer**, and subject to all provisions of this **Policy**, the **Insurer** and **Insureds** agree as follows:

I. Insuring Agreement

A. Employment Practices Liability

This **Policy** shall pay on behalf of the **Insureds** all **Loss** arising from any **Employment Claim** that is first made against the **Insureds** during the **Policy Period** and reported in writing to the **Insurer** during the **Policy Period** or the Extended Reporting Period (if applicable), for any actual or alleged **Wrongful Employment Act**.

B. Third Party Wrongful Act Liability

If purchased as indicated in Item 3. ii. of the Declarations, this **Policy** shall pay on behalf of the **Insureds** all **Loss** arising from any **Third Party Claim** that is first made against the **Insureds** during the **Policy Period** and reported in writing to the **Insurer** during the **Policy Period** or the Extended Reporting Period (if applicable), for any actual or alleged **Third Party Wrongful Act**.

II. Extended Reporting Period

Refer to Common Policy Terms and Conditions Section.

III. Definitions

In addition to the Definitions listed in section III. of the Common Policy Terms and Conditions Section, whenever printed in boldface type, and whether in the singular or plural form, in this **Coverage Section** the following terms shall have the meanings indicated below.

A. Claim means:

1. an **Employment Claim**; or
2. if purchased as indicated in Item 3. ii. of the Declarations, a **Third Party Claim**;

provided, however, **Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement. A **Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

B. Claimant means:

1. a past or present **Employee** of, or applicant for employment with, the **Insured Entity**; or
2. a governmental entity or agency, including the Equal Employment Opportunity Commission or similar federal, state or local agency, when acting on behalf of or for the benefit of a past or present **Employee** or applicant for employment with the **Insured Entity**.

C. Costs of Defense means reasonable and necessary fees, costs and expenses (including premiums for any appeal bond, attachment bond or similar bond, but without any obligation to apply for or furnish any such bond) resulting solely from the investigation, adjustment, defense and appeal of a covered or potentially covered Claim against the Insureds, but excluding salaries, wages, overhead or benefit expenses associated with any Insured, or any amount covered by the duty to defend obligation of any other insurer.

D. Damages means a monetary judgment (including back pay and front pay), award or settlement, pre-judgment interest and post-judgment interest; provided, however, **Damages** shall not include:

1. taxes (provided, however, that the **Insurer** will reimburse an **Insured Entity** for any employer share of payroll taxes on any portion of damages or settlements which constitute back pay otherwise considered **Damages**), civil or criminal fines, or penalties imposed by law;
2. payment of insurance, disability, pension, health or other plan benefits claimed by or on behalf of any former or current **Employee**, or that a **Claimant** would have been entitled to as an **Employee** had the **Insured Entity** provided the **Claimant** with a continuation of insurance;
3. costs incurred by any **Insured** to make any building or property more accessible or accommodating to any disabled person, or
4. commissions, bonuses, profit sharing or severance payments;
5. future wages or benefits of any reinstated **Employee** or wages or benefits associated with the continued employment of an **Employee**; or
6. any matter deemed uninsurable under the law pursuant to which this **Policy** shall be construed.

Damages also means, where insurable, liquidated, punitive, or exemplary damages, or any multiplied damages award in excess of the amount so multiplied. Such coverage for liquidated, punitive, exemplary or multiplied damages is part of and not in addition to the Limit of Liability, and any payment of such damages shall serve to reduce the Limit of Liability. Only for the purpose of resolving any dispute between the **Insurer** and the **Insured** regarding whether such liquidated, punitive, exemplary or multiplied damages are insurable under this **Policy**, the law of the jurisdiction most favorable to the insurability of those damages shall control, provided that such jurisdiction is where:

1. those damages were awarded or imposed;
2. any **Wrongful Act** occurred for which such damages were awarded or imposed;
3. the **Insured** resides, is incorporated or has its principal place of business; or
4. the **Insurer** is incorporated or has its principal place of business.

E. Employee means:

1. an individual whose labor or service is engaged by and directed by an **Insured Entity**, including a part-time, leased, seasonal or temporary individual; or
2. an individual who is a volunteer, intern, committee or staff member for the **Insured Entity**.

An independent contractor is not an **Employee**. An individual's employment status shall be determined as of the date of the **Wrongful Act**.

F. Employment Claim means

1. a written demand for monetary or non-monetary relief which is brought and maintained by or on behalf of a **Claimant** against an **Insured**;
2. an administrative or regulatory investigation or proceeding brought or initiated by or before a federal, state, local or foreign agency which is brought and maintained on behalf of a **Claimant** against an **Insured**; or
3. a written request made by a **Claimant** to the **Named Insured** to toll or waive the statute of limitations for any **Employment Wrongful Act**;

provided, however, the term **Employment Claim** shall not include any grievance or arbitration subject to a collective bargaining agreement. An **Employment Claim** shall be deemed to have been first made at the time notice of the **Claim** is first received by any **Insured**.

G. Harassment means unwelcome sexual or non-sexual advances, requests for sexual or non-sexual favors or other verbal, visual or physical conduct of a sexual or non-sexual nature that:

1. is explicitly or implicitly made a condition of employment;
2. are used as a basis for employment decisions; or
3. create a work environment that interferes with performance.

Harassment also means assault or battery, but only if related to a charge of sexual harassment.

H. Insured means:

1. any director, trustee, officer, or **Employee** of an **Insured Entity** while acting solely within the course and scope of employment with the **Insured Entity**;
2. an independent contractor for the **Insured Entity**, but only if the **Insured Entity** provides indemnification to such individual in the same manner as that provided to the **Insured Entity's** employees;
3. an **Insured Entity**;
4. the estate, heirs, executors, administrators, assigns, and legal representatives of an **Insured** in the event of such **Insured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Insured** would have been provided coverage under this **Policy**; or

5. the spouse or domestic partner of an **Insured**; provided, however, coverage is only afforded to such spouse or domestic partner only for a **Claim** arising solely out of their status as such and where such **Claim** seeks damages from marital community property, jointly held property or property transferred from an **Insured** to the spouse or domestic partner. No coverage is provided for any act or omission of an estate, heir, legal representative, assign, spouse or domestic partner.

I. **Loss** means **Damages** and **Costs of Defense**.

J. **Prior Acts Date** means the date set forth in Item 7. ii. of the Declarations.

K. **Prior and Pending Litigation Date** means the respective dates set forth in Item 8. ii. of the Declarations.

L. **Third Party Claim** means:

1. a written demand for monetary or non-monetary relief, made against an **Insured**, which is solely brought and maintained by a **Third Party Claimant**, against whom a **Third Party Wrongful Act** is alleged to have been committed; or
2. an administrative or regulatory investigation or proceeding commenced by or before a federal, state, local or foreign agency, made against an **Insured**, which is solely brought and maintained by any **Third Party Claimant**, against whom a **Third Party Wrongful Act** is alleged to have been committed;

provided, however, the term **Third Party Claim** shall not include any grievance or arbitration based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving a collective bargaining agreement. A **Third Party Claim** shall be deemed to have been first made at the time notice of the **Third Party Claim** is first received by any **Insured**.

M. **Third Party Claimant** means any natural person(s), other than an **Employee** or applicant for employment with the **Insured Entity**.

N. **Third Party Wrongful Act** means:

1. any actual or alleged discrimination prohibited by law; or
2. any actual or alleged harassment on the basis of race, color, religion, age, sex, disability, pregnancy, national origin, sexual orientation or marital status;

alleged to have been committed by an **Insured** against a natural person(s) other than an **Employee** or applicant for employment with the **Insured Entity**.

O. **Wrongful Act** means any **Wrongful Employment Act**; and if purchased as indicated in Item 3. ii. of the Declarations, any **Third Party Wrongful Act**.

P. **Wrongful Employment Act** means any actual or alleged:

1. wrongful dismissal, discharge or termination (either actual or constructive) of employment, including breach of an implied contract agreement to employ;
2. **harassment**;
3. discrimination (including, but not limited to, discrimination based upon age, gender, gender identity or expression, race, color, national origin, religion, sexual orientation or preference, genetic information, pregnancy, military status or disability);
4. retaliatory act of an **Insured** alleged to be in response to the actual or attempted exercise by an **Employee** of the **Insured Entity** of any right that such **Employee** has under law, including, without limitation, any of the following activities: (1) the disclosure or threat of disclosure by an **Employee** to a superior or to any governmental agency of any act by an **Insured** which act is alleged to be a violation of any federal, state, local or foreign law, common or statutory, or any rule or regulation promulgated thereunder; (2) the exercise of rights under worker's compensation laws, the Family and Medical Leave Act, the Americans with Disabilities Act or any other law relating to employee rights; (3) the filing of any claim under the Federal False Claims Act or any other federal, state, local or foreign "whistle-blower" law; or (4) strikes of an **Employee**;
5. employment-related misrepresentation(s) to an **Employee** of any **Insured Entity**;
6. employment-related libel, slander, humiliation or defamation;
7. false arrest or false imprisonment;
8. wrongful failure to employ or promote;
9. wrongful deprivation of career opportunity, wrongful demotion or negligent **Employee** evaluation, including the giving of negative or defamatory statements in connection with an employee reference;
10. wrongful discipline;
11. failure to grant tenure; or

12. with respect to any of the foregoing subparagraphs (1) through (11) of this definition: negligent hiring, retention, training or supervision, infliction of emotional distress or mental anguish, failure to provide or enforce adequate or consistent corporate policies and procedures, or violation of an individual's civil rights;

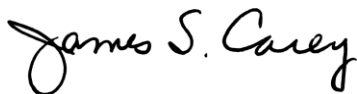
but only if the **Wrongful Employment Act** relates to an **Employee** of or an applicant for employment with an **Insured Entity**, whether committed directly, indirectly, intentionally or unintentionally.

IV. Exclusions

In addition to the Exclusions listed in section IV. of the Common Policy Terms and Conditions Section, the **Insurer** shall not be liable to make any payment for **Loss** in connection with a **Claim** made against any **Insured**:

- A. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged **Wrongful Act** or **Related Wrongful Act** committed or allegedly committed before the **Prior Acts Date** applicable to this **Coverage Section**;
- B. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving:
 - 1. any prior or pending litigation, administrative or arbitration proceeding, or investigation as of the **Prior and Pending Litigation Date**; or
 - 2. any fact, circumstance, situation, transaction or event underlying or alleged in such litigation, administrative or arbitration proceeding, or investigation; regardless of the legal theory upon which such **Claim** is predicated;
- C. for:
 - 1. physical injury to or destruction of any tangible property, including the loss of use thereof; or
 - 2. bodily injury, sickness, disease, and death; provided, however, this exclusion shall not apply to the following personal injury damages or causes of action in connection with a **Claim** for a **Wrongful Act** for: emotional distress, mental anguish, defamation, invasion of privacy or humiliation;
- D. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974, including amendments thereto; -or any similar provisions of state statutory law or common law;
- E. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged breach of any oral or written contract or agreement or for any amounts owed pursuant to an oral or written contract or agreement, whether denominated as breach of contract, misrepresentation or otherwise; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged breach of any implied employment contract or implied employment agreement with the **Claimant**, arising out of any personnel manual of the **Insured Entity**, policy statement or oral representation of an **Insured**;
- F. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged violation of the Worker's Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, Fair Labor Standards Act, the National Labor Relations Act, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the **Claimant** by the **Insured** on account of the **Claimant's** exercise of rights pursuant to any such law;
- G. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any actual or alleged obligations under any workers' compensation, social security, disability benefits, or unemployment compensation law, including amendments thereto, or any similar provisions of any federal, state, local or foreign statutory or common law; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the **Claimant** by the **Insured** on account of the **Claimant's** exercise of rights pursuant to any such law;
- H. based upon, arising out of, directly or indirectly resulting from or in consequence of, or in any way involving any federal, state, local or foreign wage and hour laws, including, without limitation, the Fair Labor Standards Act; provided, however, this exclusion shall not apply to any **Claim** for any actual or alleged retaliatory treatment of the **claimant** by the **Insured** on account of the **Claimant's** exercise of rights pursuant to any such law or amounts owed under the Equal Pay Act of 1963.

In witness whereof, the **Insurer** has caused this **Policy** to be signed by its President and Chief Executive Officer and Secretary, but this **Policy** shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the **Insurer**.



President and Chief Executive Officer



Secretary