MANAGEMENT AND CORPORATE LIABILITY COVERAGE PART

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**INSURING AGREEMENTS**

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A. Insured Individual Liability Coverage

The Insurer shall pay **Non-Indemnifiable** **Loss** of an **Insured Individual** on account of a **Claim** first made against such **Insured Individual** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** that takes place before or during the **Policy Period**.

B. Organization Indemnification Coverage

The Insurer shall pay **Loss** of an **Organization** for which the **Organization** has indemnified an **Insured Individual** on account of a **Claim** first made against such **Insured Individual** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** that takes place before or during the **Policy Period**.

C. Organization Liability Coverage

The Insurer shall pay **Loss** of an **Organization** on account of a **Claim** first made against the **Organization** during the **Policy Period** or the Extended Reporting Period, if applicable, for a **Wrongful Act** that takes place before or during the **Policy Period**.

D. Derivative Investigation Coverage

The Insurer shall pay **Derivative Investigation Costs** of an **Organization** on account of a **Derivative Demand or Suit** made against such **Organization** during the **Policy Period** or the Extended Reporting Period, if applicable.

As a condition precedent to the coverage afforded by these Insuring Agreements, the **Insured** shall report any such **Claim** in writing to the Insurer as soon as practicable after the risk manager, general counsel, or the functional equivalent of the foregoing in an **Organization** first becomes aware of such **Claim**, but in no event later than ninety (90) days after the expiration of the **Policy Period**, or, with respect to a **Claim** made during the Extended Reporting Period, no later than the expiration of the Extended Reporting Period.

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**COVERAGE EXTENSION**

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Outside Position Liability Coverage

Subject to the terms and conditions of this **Coverage Part** and the General Terms and Conditions, the Insuring Agreements entitled Insured Individual Liability Coverage and Organization Indemnification Coverage include coverage for an **Insured Individual** in an **Outside Position**. Such coverage is specifically excess of any indemnification and insurance available to such **Insured Individual** from the **Outside Entity**.

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**DEFINITIONS**

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For purposes of this **Coverage Part**, and whether singular or plural, the following Definitions apply:

**Claim** has the meaning set forth in the General Terms and Conditions, except that solely with respect to the Derivative Investigation Coverage Insuring Agreement of this **Coverage Part**, **Claim** means only a **Derivative Demand or Suit**.

**Derivative Demand or Suit** means a written demand by one or more shareholders or equity holders of an **Organization** upon the board of directors of such **Organization** to bring a civil proceeding in a court of law against any **Insured Individual**, or a lawsuit brought by the shareholders or equity holders of an **Organization**, purportedly on behalf of such **Organization**, against an **Insured Individual**, for a **Wrongful Act** of such **Insured Individual** that takes place before or during the **Policy Period**.

**Derivative Investigation Costs** means reasonable and necessary legal fees and expenses (other than regular or overtime wages, salaries, fees, or benefits of any **Insured Individual** or the overhead expenses of an **Organization**) incurred by an **Organization** (including its board of directors or the equivalent, or any committee thereof) in connection with the investigation or evaluation of any **Derivative Demand or Suit**.

**Entity Insured** means an **Insured** in this **Coverage Part** that is not a natural person.

**Insured** means the **Insured Individuals** and the **Organization**.

**Insured Individual** means an **Executive** or an **Employee** of an **Organization** in his or her capacity as such.

**Loss** has the meaning set forth in the General Terms and Conditions, except that solely with respect to this **Coverage Part**, **Loss** does not include, but the Insurer shall pay **Defense Costs** in an otherwise covered **Claim** for, any amount representing or equivalent to an increase in the consideration paid or proposed to be paid by an **Organization** in connection with the acquisition of an entity or an entity’s securities or assets; except that such amounts are not excluded from **Non-Indemnifiable Loss**.

**Outside Entity** means any non-profit entity that is not an **Organization** and that is exempt from federal income tax due to its organization under Section 501(c)(3), 501(c)(4), or 501(c)(10) of the Internal Revenue Code of 1986, as amended, or any other entity scheduled by endorsement to this **Coverage Part** as an **Outside Entity**.

**Outside Position** means the position of director, officer, trustee, or equivalent executive position held by an **Insured** **Individual** in an **Outside Entity** if service in such position is at the direction and request of the **Organization**.

**Professional Services** means any service performed by an **Insured**, and any activities of an **Insured** that are ancillary or incidental to, or associated with, the performance of any such service.

**Wrongful Act** means:

1. any error, misstatement, misleading statement, act, omission, neglect, or breach of duty actually or allegedly committed or attempted by:

a. any **Insured Individual** in his or her capacity as such or in an **Outside Position**; or

b. the **Organization**; or

2. any matter claimed against any **Insured Individual** solely by reason of serving in his or her capacity as such or in his or her capacity in an **Outside Position**.

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**EXCLUSIONS**

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A. The following Exclusions are applicable to **Claims** against all **Insureds** under this **Coverage Part** only:

1. Bodily Injury and Property Damage

The Insurer shall not be liable for **Loss** on account of any **Claim** for:

a. actual or alleged bodily injury, mental anguish, emotional distress, sickness, disease, or death of any person; or

b. damage to or destruction of any tangible property or electronic data or loss of use thereof.

2. Conduct / Illegal Profit

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to:

a. the gaining of any profit, remuneration, or advantage to which the **Insured** was not legally entitled; or

b. any deliberate criminal or deliberate fraudulent act or omission by an **Insured**;

if established by any final and non-appealable adjudication in a **Claim** other than an action or proceeding brought by the Insurer.

Solely with respect to this Exclusion, the conduct of an **Organization** or an **Insured Individual** shall not be imputed to any other **Insured Individual**, and only the conduct of an **Executive** of an **Organization** shall be imputed to that **Organization** and its **Subsidiaries**.

3. Employee Benefit Plan Law

The Exclusion entitled Employee Benefit Plan Law in the General Terms and Conditions does not apply to this **Coverage Part**.

The Insurer shall not be liable for **Loss** on account of any **Claim** for an actual or alleged violation of any of the responsibilities, obligations, or duties imposed by any law regulating employee welfare and employee benefit plans, including, but not limited to, the Employee Retirement Income Security Act of 1974, as amended.

4. Employment-Related Claims

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to the employment or prospective employment of any individual, or any employment practice, including, but not limited to, any breach of employment contract, any violation of any law or public policy concerning employment, any employment-related tortious conduct, or any other employment-related **Wrongful Act**.

5. Other Capacity

The Insurer shall not be liable for **Loss** on account of any **Claim** for a **Wrongful Act** of an **Insured Individual** in any capacity in any entity other than his or her capacity as an **Insured Individual** of an **Organization** or in an **Outside Position**.

6. Outside Entity or Executive v. Insured Individual

The Insurer shall not be liable for **Loss** on account of any **Claim** brought or maintained by or on behalf of any **Outside Entity** or any **Executive** of an **Outside Entity** against an **Insured Individual** in an **Outside Position** with such **Outside Entity**.

7. Personal Injury

The Insurer shall not be liable for **Loss** on account of any **Claim** for libel, slander, defamation, disparagement, harassment, violation of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, assault, or battery.

8. Pollution

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to:

a. an actual, alleged, or threatened discharge, release, escape, seepage, migration, dispersal, or disposal of **Pollutants** into or on real or personal property, water, or the atmosphere; or

b. any direction or request that an **Insured** test for, monitor, clean up, remove, contain, treat, detoxify, or neutralize **Pollutants**, or any voluntary decision to do so;

except that this Exclusion does not apply to a **Claim** brought by a shareholder or equity holder of the **Organization** in his, her, or its capacity as such.

9. Professional Services and Fund Investors

The Insurer shall not be liable for **Loss** on account of any **Claim**:

a. based upon, arising from, or attributable to the performance of, or the failure to perform **Professional Services**; or

b. brought or maintained by or on behalf of any shareholder, security holder, or limited partner of any investment company or any type of investment vehicle arising from such shareholder’s, security holder’s, or limited partner’s interest in such investment company or investment vehicle;

except that Paragraph a of this Exclusion does not apply to a **Claim** brought by a shareholder or equity holder of the **Organization** arising solely from such shareholder’s or equity holder’s ownership interest in the **Organization**.

10. Public Offering and Publicly Traded Securities

The Insurer shall not be liable for **Loss** on account of any **Claim** based upon, arising from, or attributable to any public offering of securities issued by an **Organization**, including but not limited to any such offering under the Securities Act of 1933, or the purchase or sale of any such securities, including but not limited to, the trading of any securities of an **Organization** that are publicly traded subject to the Securities Exchange Act of 1934.

B. The following Exclusions are applicable to **Claims** against the **Organization** under this **Coverage Part** only:

1. Contractual Liability

The Insurer shall not be liable for **Loss** on account of any **Claim** made against an **Organization** based upon, arising from, or attributable to any actual or alleged liability of an **Insured** under any contract or agreement, without regard to whether such liability is direct or assumed; except that this Exclusion does not apply to liability that would attach to an **Insured** in the absence of such contract or agreement.

2. Intellectual Property

The Insurer shall not be liable for **Loss** on account of any **Claim** made against an **Organization** based upon, arising from, or attributable to any actual or alleged infringement, misappropriation, or violation of any intellectual property rights, including, but not limited to, any patent, copyright, trademark, service mark, trade dress, trade secret, or idea.

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**LIMITS OF LIABILITY AND RETENTIONS**

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1. Derivative Investigation Sublimit

The Insurer’s maximum Limit of Liability for all **Derivative Investigation Costs** on account of all **Derivative Demands or Suits** is the Derivative Investigation Sublimit for this **Coverage Part** set forth in the Declarations, which is part of, and not in addition to, the Coverage Part Limit of Liability applicable to the Management and Corporate Liability **Coverage Part** and the Combined Aggregate Limit of Liability set forth in the Declarations. If the Derivative Investigation Sublimit is exhausted by payment of **Derivative Investigation Costs**, then the Insurer’s obligations with respect to the payment of **Derivative Investigation Costs** on account of all **Derivative Demands or Suits** shall be completely fulfilled and extinguished.

1. Derivative Investigation Retention

No Retention applies to **Derivative Investigation Costs** under the Derivative Investigation Coverage Insuring Agreement of this **Coverage Part**.

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**CONDITIONS**

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A. Subrogation

Notwithstanding the Subsection entitled Subrogation of the General Terms and Conditions, if the Insurer’s right of subrogation arises from profit, remuneration, or conduct that is the subject of the Conduct / Illegal Profit Exclusion of this **Coverage Part**, then the Insurer shall not exercise its right of subrogation against any **Insured Individual** with respect to this **Coverage Part** unless that Exclusion applies to such **Insured Individual**.

B. Indemnification Obligations

For purposes of this **Coverage Part**, the articles of incorporation or bylaws, or resolutions by shareholders, the board of directors, the board of managers, trustees, or similar resolutions of the **Entity Insureds** shall be deemed to require indemnification of the **Insured Individuals** for all **Loss** to the fullest extent permitted by law and the **Entity Insureds** shall be deemed under this **Coverage Part** to provide such indemnification to the fullest extent permitted by law.