

Lawyers Professional Liability Policy



LIBERTY SURPLUS INSURANCE CORPORATION

(A member of Liberty Mutual Group and hereinafter "the Company")

THIS IS A CLAIMS-MADE AND REPORTED POLICY. PLEASE READ IT CAREFULLY

In consideration of the undertaking of the **Named Insured** to pay, when due, the premium and the Deductible as described herein and in the amounts stated in the Declarations, and in reliance upon the statements in the Application, and subject to the Limits of Liability shown in the Declarations, and subject to all of the terms of this insurance, the Company agrees with the **Named Insured** as follows:

I. INSURING AGREEMENTS

A. This policy shall pay on behalf of the **Insured** all sums in excess of the Deductible amount and up to the Limits of Liability stated in the Declarations which the **Insured** shall become legally obligated to pay as **Damages** and **Claim Expenses** as a result of **CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD, OR EXTENDED REPORTING PERIOD**, if applicable, as a result of a **Wrongful Act** for which the Insured is legally responsible, provided always that:

1. each **Wrongful Act** that is the subject of the **Claim** was committed on or after the **Retroactive Date** and before the end of the **Policy Period**; and
2. no **Insured** gave notice to any prior insurer of such **Wrongful Act**; and
3. there is no other policy or policies which provide insurance for such **Wrongful Act**; and
4. prior to the **Knowledge Date** stated in the Declarations of this Policy, no **Insured** knew of such **Wrongful Act**, had any reasonable basis to know of such **Wrongful Act**, or could have reasonably expected that such **Wrongful Act** might give rise to a **Claim**.

As a condition precedent to coverage, the **Named Insured** shall report all **Claims** in writing to the Company as soon as practicable, but in no event later than sixty (60) days after expiration or termination of this Policy, or during the **Extended Reporting Period**, if applicable.

B. Defense and Investigation

The Company shall have the right and duty to defend any **Claim** against the **Insured** to which this insurance applies even if any of the allegations of the suit are groundless, false, or fraudulent. The Company shall have the sole right to select and retain counsel and/or other experts to investigate, defend, and/or settle any **Claim** to which this insurance applies.

The Company, however, shall have neither the right nor the duty to defend any **Disciplinary Proceeding**. In the event the violation of disciplinary rules or other professional misconduct alleged in any **Disciplinary Proceeding** is not proven by a final and enforceable determination by a tribunal of competent jurisdiction adverse to the **Insured** and is not admitted by the **Insured**, then the Company shall reimburse the **Insured** for all reasonable fees, costs and expenses incurred by the **Insured** and no deductible will apply in connection with such **Disciplinary Proceeding**. In the event the violation of disciplinary rules or other professional misconduct alleged in any **Disciplinary Proceeding** is proven by a final and enforceable determination by a tribunal of competent jurisdiction adverse to the **Insured** but

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is not admitted by the **Insured**, then the Company shall reimburse the **Insured** for all reasonable fees, costs and expenses incurred by the **Insured** in excess of the Deductible set forth in the Declarations, subject to a Limit of \$10,000.

The Company shall have the right to conduct any investigation or negotiation it deems necessary. The Company shall not be obligated to pay any **Damages** or **Claim Expenses**, or to defend any **Claim** after the Company's Limit of Liability has been exhausted by payment or by deposit in a court having jurisdiction over the remaining applicable Limit of Liability. Thereafter, the Company shall have the right to withdraw from the further investigation and/or defense of any **Claim** by tendering control of such investigation or defense to the **Insured**, and the **Insured** agrees, as a condition of the issuance of this policy, to accept such tender.

C. Consent to Settle

The Company shall not settle or compromise any **Claim** covered by the terms of this Policy, without the written consent of the **Insured**, which shall not be unreasonably withheld. If any **Insured** shall refuse to consent to any settlement or compromise recommended by the Company and acceptable to the claimant and shall elect to contest or continue to contest the **Claim**, then the Company's liability under this Policy shall not exceed and shall be limited to the amount for which the Company would have been liable for **Damages** and **Claim Expenses** if the **Claim** had been so settled or compromised, when and as so recommended. The Company shall have no liability for **Claim Expenses** incurred thereafter and shall have the right to withdraw from the further investigation and/or defense thereof by tendering control of such investigation or defense to the **Insured**, and the **Insured** agrees, as a condition of the issuance of this Policy, to accept such tender.

II. DEFINITIONS

Whenever used in this Policy:

- A. **Bodily Injury** means physical injury, sickness, disease or death of any person.
- B. **Claim** means a demand received by the **Insured** for money or services, including the service of suit or institution of arbitration proceedings against the **Insured** arising out of a **Wrongful Act**.
- C. **Claim Expenses** means:
 - 1. reasonable and necessary fees, costs and expenses charged by any lawyer or any other person or entity retained, selected or approved by the Company to investigate, defend, and/or settle a **Claim**;
 - 2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, if incurred by the Company.

However, **Claim Expenses** does not include salary charges of regular employees or of the officials of the Company or any fees, costs or expenses of the **Insured**. The determination by the Company as to the reasonableness of **Claim Expenses** shall be conclusive on the **Insured**.

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- D. Damages** means a monetary judgment or settlement but does not include: fines or statutory penalties, sanctions whether imposed by law or otherwise; any other amount awarded in any **Disciplinary Proceeding**; the return of or restitution of legal fees, costs and expenses; punitive or exemplary damages; the multiplied portion of multiplied **Damages**; equitable or non-monetary relief; amounts for which the **Insured** is not financially liable or which are without legal recourse to the **Insured**; personal profit or advantage to which the insured was not legally entitled; or matters which may be deemed uninsurable under the law.
- E. Disciplinary Proceeding** means a proceeding, including any precursory administrative action, inquiry or investigation, alleging violation of any disciplinary rule or other professional misconduct brought before a tribunal of competent jurisdiction which shall make a determination, whether or not subject to appeal or other review, as to whether such alleged professional misconduct is to be the subject of discipline.
- F. Insured** means any or all of the following:
1. the **Named Insured**, any past or present partner, principal, shareholder, member, officer, director, professional corporation or association and each lawyer who is a shareholder or member thereof, "of counsel," or employed lawyer of the **Named Insured**, but only as respects **Professional Legal Services** rendered on behalf of the **Named Insured** or any **Predecessor**;
 2. any lawyer who is acting as an independent contractor or on a per diem basis to the **Named Insured**, but only as respects **Professional Legal Services** rendered on behalf of the **Named Insured** or any **Predecessor**;
 3. all non-lawyer employees who were or are employees of the **Named Insured**, but only while acting within the scope of their employment services on behalf of the **Named Insured**; and
 4. the estate, heirs, executors, administrators, assigns and legal representatives of each **Insured** in the event of the **Insured**'s death, incapacity, insolvency or bankruptcy, but only to the extent that the **Insured** would otherwise be provided coverage under this Policy.
- G. Knowledge Date** means the Effective Date of the first Lawyers Professional Liability Insurance Policy issued by the Company to the **Named Insured** and continuously renewed and maintained in effect to the inception of this **Policy Period**:
- H. Named Insured** means the person or entity designated in the Declarations and any **Predecessor** of such entity.
- I. Other Organization** means any corporation, partnership, association, trust, individual, or fund, (including a pension, welfare, profit sharing, mutual or investment fund or trust) or any other business enterprise or charitable organization of any kind or nature, other than the **Insured**.
- J. Predecessor** means any individual or entity identified in the Application for this insurance engaged in the practice of law for whom the **Named Insured** is the successor in interest to greater than 50% of the identified predecessor's financial assets and liabilities.
- K. Personal Injury** means:

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1. false arrest, humiliation, detention or imprisonment, wrongful entry, eviction or other invasion of private occupancy, abusive litigation (criminal or civil), abuse of process, malicious prosecution; or
 2. the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy.
- L. Policy Period** means the period from the Inception Date of this Policy to the Policy Expiration Date as set forth in the Declarations or its earlier termination date, if any.
- M. Professional Legal Services** means legal services and activities performed for others:
1. as a lawyer, arbitrator, mediator, title insurance agent, or notary public;
 2. as an administrator, conservator, executor, guardian, court appointed trustee, receiver or in any similar fiduciary capacity, provided that such services are incidental to the practice of law and ordinarily performed by a lawyer, and provided that this coverage shall not apply to any loss sustained by the **Insured** as the beneficiary or distributee of any trust or estate;
 3. as a member of a bar association, ethics, peer review, formal accreditation board or similar professional boards or committees; or
 4. the publication or presentation of research papers or similar materials by an **Insured** but only if the fees, royalties, or other income generated from such work are not greater than five thousand dollars (\$5,000) during the **Policy Period**.
- N. Property Damage** means injury to or destruction of any tangible property or loss of the use of such property resulting therefrom. Tangible property does not include currency and negotiable instruments.
- O. Retroactive Date** means the date specified on the Declarations Page. This Policy shall not apply to any **Claims** resulting from **Wrongful Acts** committed prior to that date.
- P. Totally and Permanently Disabled** means that the **Insured** has become so disabled as to be wholly prevented from rendering any **Professional Legal Services** in the **Insured's** capacity as a lawyer provided that such disability:
1. has existed continuously for not less than six (6) months; and
 2. is expected to be continuous and permanent.
- Totally and Permanently Disabled** shall not include any condition which:
1. is a result of war or acts of war, whether or not declared;
 2. occurred during active service in the armed forces of any country; or
 3. results from:
 - a. intentionally self-inflicted injuries;
 - b. attempted suicide, whether or not sane; or
 - c. the abuse or misuse of addictive chemical compounds, drugs, or alcohol.

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Q. Wrongful Act means any actual or alleged act, error, omission, or **Personal Injury**, arising out of the rendering of or the failure to render **Professional Legal Services**.

III. EXTENDED REPORTING PERIODS

A. Extended Reporting Period

In case of cancellation or non renewal of this Policy by either the **Named Insured** or the Company, the **Named Insured** shall have the right upon payment of an additional premium, to an extension of coverage for the **Insured** under this Policy subject to all other terms, conditions, limitations of and any Endorsements to this Policy for a period of (a) one (1) year for an additional premium of 100% of the total annual premium, (b) two (2) years for an additional premium of 135% of the total annual premium, (c) three (3) years for an additional premium of 150% of the total annual premium, (d) five (5) years for an additional premium of 185% of the total annual premium, or (e) an unlimited period for an additional premium of 250% of the total annual premium following the Effective Date of such cancellation or refusal to renew but only with respect to any **Wrongful Act** committed, before the date of such cancellation or non-renewal.

As a condition precedent to the **Named Insured's** right to purchase the Extended Reporting Period, any and all premiums and deductibles that are due must have been paid and all other terms and conditions of this Policy must have been complied with. No Extended Reporting Period shall be available when any **Insured's** license or right to practice his or her profession is revoked, suspended by or surrendered at the request of any regulatory or judicial authority.

The **Named Insured's** right to purchase the Extended Reporting Period must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Extended Reporting Period. If such notice is not so given to the Company, the **Named Insured** shall not, at a later date, be able to exercise such right.

At the commencement of any Extended Reporting Period, the entire premium thereafter shall be deemed earned and in the event the **Named Insured** terminates the Extended Reporting Period before its Expiration Date, the Company shall not be liable to return to the **Named Insured** any portion of the premium for the Extended Reporting Period.

There is no additional policy limit applicable to the Extended Reporting Period. The fact that this Policy may be extended by virtue of an Extended Reporting Period shall not in any way increase, renew or replenish the Limits of Liability as set forth in the Declarations.

B. Non-practicing Reporting Period

If any attorney that is an **Insured** as specified in Part II. Definitions, Section F., **Insured**, Sub-section 1. shall retire or otherwise cease the private practice of law during the **Policy Period**, then such **Insured**, or, if deceased, such insured's estate, shall have the right upon payment of an additional premium, to an extension of coverage for such Insured under this Policy subject to all other terms, conditions, limitations of and any Endorsements to this Policy for a period of (a) one (1) year for an additional premium of 100% of the Per Lawyer Annual Premium, (b) two (2) years for an additional premium of 135% of the Per Lawyer Annual Premium, (c) three (3) years for an additional premium of 150% of the Per Lawyer Annual Premium, (d) five (5) years for an additional premium of 185% of the Per Lawyer

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Annual Premium, or (e) an unlimited period for an additional premium of 250% of the Per Lawyer Annual Premium but only with respect to any **Wrongful Act** committed by such **Insured** before such **Insured's** date of retirement or termination of private practice and otherwise covered by the insurance, PROVIDED there is no other insurance in effect on or after such **Insured's** date of retirement or termination of practice which covers such **Insured** for such liability or **Claim**. This Policy provides no coverage even though the limits of liability of such other insurance may be inadequate to pay all losses and **Claim Expenses** and/or the deductible amount and/or any other provisions of such other insurance may be different from those of this Policy.

In the event (a) any attorney that is an **Insured** as specified in Part II. Definitions, Section F., **Insured**, Sub-section 1. shall: (a) die, except by suicide; (b) become **Totally and Permanently Disabled**; or (c) with three (3) consecutive full years of coverage by the Company, retire or otherwise cease the private practice of law during the **Policy Period**, such **Insured** shall be entitled to a five (5) year Non-practicing Reporting Period at no additional premium.

As a condition precedent to such **Insured's** exercising the right to acquire the Non-practicing Reporting Period, any and all premiums and deductibles that are due must have been paid and all other terms and conditions of this Policy must have been complied with. The Non-practicing Reporting Period shall not be available when any **Insured's** license or right to practice his or her profession is revoked, suspended by or surrendered at the request of any regulatory or judicial authority.

Such **Insured's** right to acquire the Non-practicing Reporting Period must be exercised by notice in writing not later than sixty (60) days following the non-renewal or cancellation date of this Policy, and must include payment of premium for the applicable Non-practicing Reporting Period, if applicable. If such notice is not so given to the Company, such **Insured** shall not, at a later date, be able to exercise such right.

At the commencement of any Non-practicing Reporting Period, the entire premium thereafter shall be deemed earned and in the event the **Named Insured** terminates the Non-practicing Reporting Period before its Expiration Date, the Company shall not be liable to return to the **Named Insured** any portion of the premium for the Non-practicing Reporting Period.

There is no additional policy limit applicable to the Extended Reporting Period. The fact that this Policy may be extended by virtue of a Non-Practicing Reporting Period shall not in any way increase, renew or replenish the Limits of Liability as set forth in the Declarations.

IV. EXCLUSIONS

A. This Policy does not apply:

1. to any judgment or final adjudication based upon or arising out of any dishonest, deliberately fraudulent, criminal, malicious, intentionally or deliberately wrongful acts or omissions committed by any **Insured**, however, the Company will defend allegations of the foregoing acts or omissions until the time that such act or omission is proven by final adjudication or admitted by the **Insured**;
2. to **Claims** arising out of any **Insured's** services and/or capacity as:

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- a. an officer, director, partner, trustee, manager, or employee of any **Other Organization**;
 - b. a public official, or an employee of a governmental body, subdivision, or agency; or
 - c. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if the **Insured** is deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan;
3. to any **Claim** based upon or arising out of **Professional Legal Services** provided by the **Insured** to any **Other Organization** if the **Claim** arises:
- a. solely because the **Insured** controls, operates or manages the **Other Organization**, either individually or in a fiduciary capacity, including if the **Insured** owns, maintains or uses any property of the **Other Organization**;
 - b. because the particular **Insured** working for the **Other Organization** and/or members of such **Insured's** immediate family own 10% or more of the issued and outstanding shares, units or other portions of the capital of the **Other Organization**; or
 - c. because the **Insured** collectively and/or members of the immediate family(ies) of the **Insured** own 30% or greater of the issued and outstanding shares, units or other portions of the capital of the **Other Organization**;
4. to any **Claim** based upon or arising out of **Bodily Injury** or **Property Damage**, unless all of the following conditions are met:
- a. the liability for such **Claim** is caused by the performance of **Professional Legal Services** by the **Insured**;
 - b. such **Bodily Injury** or **Property Damage** would not have otherwise occurred directly or indirectly but for the performance of **Professional Legal Services** by the **Insured** and no other cause or circumstance contributed to the loss, including but not limited to the negligence, act, error, or omission of a third party;
 - c. such **Bodily Injury** or **Property Damage** takes place on premises occupied by the **Named Insured**;
 - d. such **Bodily Injury** does not happen to any **Insured** and such **Property Damage** does not occur to any property owned, leased, operated, or maintained by any **Insured**;
 - e. the liability for such **Claim** does not arise directly or indirectly out of any obligation under any workers' compensation, disability benefits or unemployment compensation law or any similar law;
 - f. such **Bodily Injury** or **Property Damage** does not arise out of actual, alleged or threatened pollution; and

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- g. the liability for such **Claim** does not arise directly or indirectly out of the use, ownership, and/or maintenance of owned, nonowned, hired, rented, or loaned automobiles, trucks, aircraft or watercraft by the **Insured**;

however, this exclusion does not apply to mental illness or emotional distress or humiliation caused by **Personal Injury**;

- 5. to any **Claim** made by one **Insured** against another **Insured** unless an attorney-client relationship exists and that attorney-client relationship forms the sole basis for the **Claim**.

B. Waiver of Exclusion (Innocent Insured) and Breach of Conditions

Whenever coverage under any provision of this policy would be excluded, suspended or lost solely:

- 1. because of Part IV., Exclusions, Sub-section A.1.; or
- 2. because of non-compliance with Part VII., Claims, Section A., Notice of Claims regarding the giving of notice to the Company for which any **Insured** shall be in default solely because of the failure by other **Insureds** responsible for the loss or damage otherwise insured hereunder to give the requisite notice,

the Company agrees that such insurance as would otherwise be afforded under this Policy shall apply with respect to each and every **Insured** who did not personally commit or personally participate in committing one or more of the acts, errors or omissions described in either such exclusion or such condition; PROVIDED that if the condition be one with which such **Insured** could comply after receiving knowledge thereof, the **Insured** entitled to the benefit of the Waiver of Exclusion and Breach of Conditions must comply with such condition promptly after obtaining knowledge of the failure of any other **Insured** to comply therewith.

V. TERRITORY

The insurance afforded applies worldwide.

VI. LIMITS OF LIABILITY

A. Limits of Liability - Each Claim

The liability of the Company for EACH **CLAIM** FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY DURING THE **POLICY PERIOD** AND ANY OTHER EXTENDED REPORTING PERIOD, IF APPLICABLE, shall not exceed the amount stated in the Declarations for Each **Claim**, and shall include all **Claim Expenses**.

B. Limits of Liability – Aggregate

The total liability of the Company for ALL **CLAIMS** FIRST MADE AGAINST THE **INSURED** AND REPORTED TO THE COMPANY DURING THE **POLICY PERIOD** AND ANY OTHER EXTENDED REPORTING PERIOD, IF APPLICABLE, shall not

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exceed the amount stated in the Declarations as Aggregate, and shall include all **Claim Expenses**.

If two or more policies of Lawyers Professional Liability Insurance issued by the Company covering the **Insured** apply to the same **Claim** or **Claims** for which the **Insured** is jointly and severally liable, the Company shall not be liable under this Policy for a greater proportion of such **Damages** and **Claim Expenses** than the Company's liability under this Policy bears to the total liability of the Company under all applicable valid and collectible insurance issued by the Company, provided that the Company shall not pay on behalf of the **Insured** any sum that exceeds the limit of liability of that policy issued by the Company which has the highest applicable limit of liability.

C. Deductible

The Deductible amount stated in the Declarations shall be applicable to all **Damages** and **Claim Expenses**, for each and every **Claim**, and shall be paid by the **Named Insured** as a condition precedent to any payment by the Company for **Damages** or **Claims Expenses**.

Such Deductible shall be paid by the **Named Insured** for each and every **Claim** within thirty (30) days of written demand therefore by the Company regardless of the number of **Claims** first made during the **Policy Period** and any Extended Reporting Period, if applicable.

The **Insured** shall be entitled to a reduced Deductible of fifty percent (50%) of the amount stated in the Declarations if during the **Policy Period** or any Extended Reporting Period, if applicable, a **Claim** is first made against the **Insured** and the **Insured** agrees, at the Company's written request and pursuant such terms and conditions as the Company requires, to submit such **Claim** to binding arbitration. The right to elect arbitration shall be at the Company's sole option provided, however, that no such **Claim** shall be submitted to arbitration without prior written consent of the **Insured**.

If two or more policies of Lawyers Professional Liability Insurance issued by the Company covering the **Insured** apply to the same **Claim** or **Claims** for which the **Insured** is jointly and severally liable, the applicability of deductibles shall be determined in the same manner as the limits of liability are determined per Section B. above.

D. Multiple Insureds, Claims and Claimants

The inclusion herein of more than one **Insured** or the making of **Claims** by more than one person or organization shall not operate to increase the Company's Limits of Liability. **Claims** alleging, based upon, arising out of or attributable to the same or related acts, errors or omissions shall be treated as a single **Claim** regardless of whether made against one or more than one **Insured**. All such **Claims**, whenever made, shall be considered first made during the **Policy Period** or any Extended Reporting Period in which the earliest **Claim** arising out of such acts, errors or omissions was first made, and all such **Claims** shall be subject to the same Limits of Liability.

E. Payment and Apportionment of Claim Expenses

All **Claim Expenses** shall first be subtracted from the applicable Limit of Liability with the remainder, if any, being the amount available to pay **Damages**.

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VII. CLAIMS

A. Notice of Claims

In the event of a **Claim**, the **Insured** shall, as a condition precedent to the coverage afforded by this Policy:

1. Forward to the Company every demand, notice, summons or other process including institution of arbitration proceedings received by the **Insured**;
2. Give written notice containing particulars sufficient to identify the **Insured** and claimant and full information with respect to the time, place and circumstances of the event complained of, and the names and addresses of the injured and of available witnesses, to the Company as soon as practicable;

Notice of any **Claim** or specific **Wrongful Act** shall be given in writing to the Company at the following address:

Liberty Surplus Insurance Corporation
c/o Liberty International Underwriters
55 Water Street, 18th Floor
New York, NY 10041

Attention: Lawyers Professional Liability Claims Department

B. Reporting of Wrongful Acts that may give rise to a Claim

If during the **Policy Period** the **Insured** becomes aware of a specific **Wrongful Act** that may reasonably be expected to give rise to a **Claim** against the **Insured**, and if the **Insured** reports such specific **Wrongful Act** to the Company during the **Policy Period** in writing, then any **Claim** subsequently arising from such specific **Wrongful Act** duly reported in accordance with this paragraph shall be deemed under this Policy to be a **Claim** made during the **Policy Period**. Such written notice to the Company shall include:

1. particulars as to the reasons for anticipating such a **Claim**; and
2. the nature and dates of the alleged **Wrongful Act**; and
3. the alleged injuries or damages sustained; and
4. the names of potential claimants, if available; and
5. the manner in which the **Insured** first became aware of the specific **Wrongful Act**.

C. Assistance and Cooperation of the Insured

The **Insured** shall cooperate with the Company and upon the Company's request shall submit to examination and interrogation by a representative of the Company, under oath if required, and shall 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 and other proceedings, as well as in the giving of a written statement or statements to the Company's representatives, including investigating and coverage counsel, and meeting with such representatives for the purpose of investigation including the investigation of coverage issues and/or defense, all without charge to the Company. The **Insured** shall further cooperate with the Company and do whatever is necessary to secure and

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effect any rights of indemnity, contribution or apportionment which any **Insured** may have. The **Insured** shall not, except at the **Insured**'s own cost, make any payment, admit any liability, settle any **Claims**, assume any obligation or incur any expense without the prior written consent of the Company. If requested in writing by the Company to attend a trial, hearing, or arbitration proceeding, the Company shall pay up to \$500 per day for loss of earnings to an **Insured** for attendance each day or part thereof arising from a **Claim** against an **Insured** subject to a maximum of \$5,000 per **Claim** and \$10,000 in the aggregate for all **Claims**. Any payment made pursuant to this paragraph will be in addition to the Limits of Liability set forth in the Declarations.

D. False or Fraudulent Claims

If any **Insured** shall commit fraud in proffering any **claim** under this policy as regards amount or otherwise, the insurance provided under this policy shall become void as to such **Insured** from the date such fraudulent **Claim** is proffered.

VIII. CONDITIONS

A. Firm Changes

The **Named Insured** shall report changes during the **Policy Period** which affect 50% or greater of the **Named Insured**'s total lawyer population within sixty (60) days of such change, however, this provision shall not apply if the **Named Insured** had less than six (6) lawyers who met the definition of **Insured** at the inception of this Policy. In the event of a merger, dissolution or acquisition, the **Named Insured** shall notify the Company at least 30 days prior to the projected date of such change. In each case, the Company will have the right to accept, alter or decline coverage and to charge an additional premium.

B. Subrogation

In the event of any payment under this Policy, the Company shall be subrogated to all the **Insured**'s rights of recovery therefore against any person or organization. The Company shall not exercise any rights of subrogation against the **Insured** except those of the **Insured** who committed the dishonest, deliberately fraudulent, criminal, malicious, intentionally or deliberately wrongful acts or omissions leading to the subrogated **Claim**. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such subrogation rights and the **Insured** shall do nothing to prejudice such rights.

C. Action Against the Company

No action shall lie against the Company unless, as a condition precedent thereto, the **Insured** shall have fully complied with all the terms of this Policy, nor until the amount of the **Insured**'s obligation to pay shall have been fully and finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Company.

Nothing contained in this Policy shall give any person or organization the right to join the Company as a co-defendant in any action against any **Insured** to determine the **Insured**'s liability. Bankruptcy or insolvency of any **Insured** or of the **Insured**'s estate shall not relieve the Company of any of its obligations hereunder.

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D. Application

By acceptance of this Policy, the **Insured** agrees that the statements in the Application are personal representations, that they shall be deemed material and that this Policy is issued in reliance upon such representations and that this Policy embodies all agreements existing between the **Insured** and the Company, or any of its agents, relating to this insurance.

E. Other Insurance

Subject to the limitation of coverage as set forth in Part I., Insuring Agreement, Section A., for prior insurance, this insurance shall be in excess of the amount of the applicable Deductible of this Policy and any other valid insurance available to the **Insured** which insurance is either collectible or uncollectible only because the Limits of Liability thereof shall have been exhausted, whether such other insurance is stated to be primary, pro rata, 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.

F. Changes

Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Company shall not effect a waiver or a change in any part of this Policy or stop the Company from asserting any right under the terms of this policy, nor shall the terms of this Policy be waived or changed, except by written endorsement issued to form a part of this Policy.

G. Alteration and Assignment

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement signed by an authorized representative of the Company.

H. Cancellation

This policy may be cancelled by the **Named Insured** by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation shall be effective. If cancelled by the **Insured**, the Company shall retain the customary short rate proportion of the premium.

This Policy may be cancelled by the Company by mailing to the **Named Insured** written notice stating when, not less than thirty (30) days thereafter, such cancellation shall be effective. However, if the Company cancels the Policy because the **Insured** has failed to pay a premium or Deductible when due, this Policy may be cancelled by the Company by mailing a written notice of cancellation to the **Named Insured** stating when not less than ten (10) days thereafter such cancellation shall be effective. Such notice shall be conclusive on all **Insureds**. Any such notice of cancellation and any other notice to be provided by the Company to the **Named Insured** or any **Insured** hereunder shall be mailed to the **Named Insured** at its address set forth in the Declarations.

The mailing of notice as aforementioned shall be sufficient notice and the Effective Date of cancellation stated in any notices shall become the end of the **Policy Period**. Delivery of such written notice by the **Named Insured** or the Company shall be the equivalent of mailing.

Lawyers Professional Liability Policy



If cancelled by the Company, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be executed and attested, but this Policy shall not be valid unless countersigned by a duly authorized representative of the Insurer, to the extent required by applicable law.

A handwritten signature in black ink that reads "David O. Cole". The signature is written in a cursive style.

President

A handwritten signature in black ink that reads "Dexter R. Leary". The signature is written in a cursive style.

Secretary