



INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY POLICY

The words You, Your and Yours mean the Insured and the words We, Us, and Our refer to the company providing this insurance.

In consideration of the payment of the premium, and in reliance upon the statements in the application and Declarations which are attached and made a part of this policy, and subject to the limits of liability and the deductible and all of the terms and conditions of this policy, We agree with You as follows:

I. Insuring Agreement

We shall pay on Your behalf all sums which You shall become legally obligated to pay as Damages resulting from any Claim first made against You during the Policy Period for any Wrongful Act of Yours or of any other person for whose actions You are legally responsible, but only if the Wrongful Act is first committed on or after the Retroactive Date stated in Item 5 of the Declarations and before the end of the Policy Period.

II. Defense Costs

The following provisions only apply to Claims for which insurance is afforded under the above insuring agreement.

If Item 3c of the Declarations is marked "Yes", then the provisions of this section shall apply in addition to the limits of liability. If Item 3c of the Declarations is marked "No", then the provisions of this section shall be included in and not in addition to the limits of liability.

We shall have the right and duty to defend any Claim brought against You seeking Damages because of a Wrongful Act, even if it is groundless. We shall pay Defense Costs on Your behalf resulting from such Claim. You may not admit any liability for or settle any Claim or incur any costs, charges or expenses without Our written consent. We shall have the right to make investigations and conduct negotiations and enter into the settlement of any Claim that We deem appropriate.

III. Definitions

Throughout this policy the words You, Your and Yours mean the Insured and the words We, Us, and Our refer to the company providing this insurance. Other words have special meanings as follows:

1. Claim means any civil action, suit, proceeding or written demand seeking to hold You



responsible for monetary Damages resulting from any actual or alleged Wrongful Act.

2. Damages means judgments or settlements negotiated with Our approval, but does not include any fines or penalties, the multiplied portion of any multiplied damage award, the return or restitution of any fees, commissions or charges, or any matters which are deemed uninsurable by law.
3. Defense Costs means reasonable expenses and legal fees incurred with Our approval in the investigation, adjustment, defense or appeal of a Claim against You. Defense Costs shall not include salaries, overhead or benefit expenses or other fees or charges of Yours, or salaries, overhead or benefit expenses of employees, officers or staff attorneys of Ours.
4. Insured means the individual, partnership, corporation or other entity named in Item 1 of the Declarations and shall include any past or present partner, director, officer or employee thereof solely while acting within the scope of his or her duties as such.
5. Personal Injury means false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, libel, slander or other defamatory or disparaging material, or publication or utterance in violation of an individual's right of privacy, or malicious prosecution.
6. Policy Period means the period from the inception date to the expiration date stated in Item 2 of the Declarations, or to any earlier cancellation date of this policy.
7. Professional Services means insurance services performed for others for a fee or a commission, including via electronic means or methods, as a property, casualty, surety, life, accident, health or other insurance agent, insurance broker, or insurance consultant, including managing general agent, program administrator, general agent, surplus lines broker, wholesale broker, and notary, premium financing, claims handling or adjusting, risk management and loss control services.
8. Wrongful Act means any actual or alleged negligent act, error or omission including a Personal Injury committed solely in the performance or failure to perform Professional Services.

IV. Exclusions

This policy shall not apply to any Claim based on, directly or indirectly arising out of or resulting from any actual or alleged:

- a) criminal, fraudulent, dishonest or discriminatory act or omission; however, this exclusion shall not apply to:



- (1) Defense Costs unless and until such time that a jury, court, arbitrator or other final adjudication establishes that the act or omission was criminal, fraudulent, dishonest or discriminatory, or You admit to such act or omission, or;
 - (2) any natural person who did not actually commit or have prior or contemporaneous knowledge of or participate in a cover-up of such criminal, fraudulent, dishonest or discriminatory act or omission;
- b) act or omission committed with knowledge of it's wrongful nature or with intent to cause damage, or any infringement of copyright, patent, trademark or service mark;
 - c) act, error, omission, fact or circumstance which is the subject of any notice or claim under any prior policy, or any other act, error, omission, fact or circumstance logically or causally connected to such notice or claim;
 - d) Wrongful Act first committed prior to the beginning of the Policy Period if, on or before the inception date of this policy You knew or could have reasonably foreseen that such Wrongful Act did or could result in a Claim; however, if this policy is a renewal of one or more policies previously issued by Us to You, and the insurance provided by Us to You was in effect, without interruption, for the entire time between the inception date of the first such other policy and the inception date of this policy, then the reference above to the inception date of this policy will instead refer to the inception date of the first policy under which We began to provide You with the continuous and uninterrupted insurance;
 - e) bodily injury to or sickness, disease or death of any person, or damage to or destruction of any property, including the loss of use thereof; however, this exclusion shall not apply to a Claim resulting from Your actual or alleged failure to effect or maintain any insurance or bond, in whole or in part, or on any particular terms or with any particular limits;
 - f) placement of or failure to place any reinsurance, or sale or failure to sell any securities other than mutual funds, variable annuities or variable life insurance;
 - g) performance of or failure to perform any actuarial services, or the commingling of or failure to collect or safeguard any money;
 - h) guarantee of any future premium payment, of any investment result or return, of any interest rate or yield, or of any tax consequence in connection with any life insurance product, annuity, mutual fund or security;
 - i) performance or failure to perform services for any person or entity which is owned or controlled by any Insured, or which owns or controls any Insured, or which is affiliated



with any Insured through any common ownership or control, or any Claim brought by one Insured against another Insured.

V. Conditions

1. Territory.

This policy applies to Wrongful Acts committed anywhere in the world.

2. Notice.

You must give written notice of any Claim made against You as soon as practicable but in no event later than sixty days after the end of the Policy Period or, if applicable, after the end of the extended reporting period. Written notice shall be sent to:

Liberty Insurance Underwriters, Inc.
c/o Claims Division
61 Broadway, 32nd Floor
New York, NY 10006

3. Limits of Liability.

Regardless of the number of Claims, the number of persons or entities included within the definition of Insured, or the number of claimants who make Claim against You:

- a) the amount stated in Item 3a of the Declarations shall be the maximum limit of Our liability to pay for all Damages and, if Item 3c of the Declarations is marked “No”, for all Defense Costs resulting from each Wrongful Act or series of continuous, repeated or interrelated Wrongful Acts. If additional Claims are subsequently made which arise out of the same Wrongful Act or series of continuous, related or interrelated Wrongful Acts as Claims already made, all such Claims, whenever made, shall be considered first made within the Policy Period or extended reporting period in which the earliest Claim arising out of such Wrongful Act was first made, and all such Claims shall be subject to one limit of liability;
- b) the amount stated in Item 3b of the Declarations shall be the maximum limit of Our liability to pay for all Damages and, if Item 3c of the Declarations is marked “No”, for all Defense Costs resulting from all Claims under this policy;
- c) If Item 3c of the Declarations is marked “No”, then Defense Costs shall be part of and not in addition to the applicable limits of liability, and payment of Defense Costs by Us shall reduce, and may exhaust, the applicable limits of liability.



We shall not be obligated to pay any Damages or Defense Costs or to defend or continue to defend any Claim after the applicable limit of liability has been exhausted.

4. Deductible.

We shall only be obligated to pay Damages and Defense Costs which are in excess of the deductible stated in Item 4 of the Declarations. This deductible shall be borne by You and shall remain uninsured. We shall have no obligation to pay all or any part of the deductible on your behalf, but We shall, at Our sole discretion, have the right and option to do so, in which event You will repay Us any amounts so paid.

5. Special Reporting Clause.

If You become aware of any circumstances which You might reasonably expect to give rise to a Claim against You, and provided You give Us written notice during the Policy Period or, if applicable, during the extended reporting period, of the nature and date of the circumstances and specifics of the possible Wrongful Act and the name of the potential claimant, then any Claim subsequently made against You arising from such Wrongful Act shall be deemed to have been made during the Policy Period or, if applicable, during the extended reporting period.

6. Extended Reporting Period.

If this policy is not renewed for any reason or is cancelled for any reason other than for non-payment of premium, You shall have the right, upon payment of an additional premium of 50% of the total annual premium, to a period of twelve months following the effective date of such cancellation or non-renewal, in which to give Us written notice of Claims otherwise covered by this Policy. Your rights contained in this clause will terminate unless We receive written notice of Your intent to exercise such rights along with the additional premium due within thirty days of the effective date of cancellation or non-renewal. This clause does not increase or renew the limits of Our liability and it does not apply to Wrongful Acts subsequent to the effective date of cancellation or non-renewal. Premiums due under this clause will be fully earned when paid.

7. Cancellation.

You may cancel this policy by surrendering it to Us or by delivering or mailing to Us notice stating when thereafter such cancellation shall be effective. We may cancel this policy only for non-payment of premium or deductible by delivering or mailing to You by registered, certified or other first class mail written notice stating when not less than ten days thereafter, cancellation shall be effective.



8. Authorization.

The person or entity named in Item 1 of the Declarations shall be the sole agent and shall act on behalf of all Insureds with respect to all matters under this policy, including giving and receiving notices, effecting or accepting endorsements to or cancellation of this policy, the payment of premium and receipt of any return premiums, and the purchase of the extended reporting period.

9. Changes.

Notice to any agent or knowledge possessed by any agent or other person shall not effect a waiver or change in any part of this policy or estop Us from asserting any of Our rights. The terms, conditions and limitations of this policy can only be waived or changed by written endorsement issued to form a part of this policy.

10. Assignment.

No assignment of interest under this policy will be effective without Our written consent. However, in the event of Your death, incapacity or bankruptcy this policy will apply to Your estate, heirs, legal representatives or assigns as if they were You, but only for Wrongful Acts committed by You.

11. Cooperation.

You must cooperate with Us and, upon Our request, assist in making settlements and in the conduct of actions, suits, proceedings or claims. You shall attend hearings, trials and depositions and assist in securing and giving evidence and obtaining the attendance of witnesses. You may not, except at Your own expense, voluntarily make any payment, assume any obligation or incur any expense.

12. Subrogation.

If We make any payment under this policy, We shall be subrogated to all Your rights of recovery therefor. You shall do whatever is necessary to secure such rights, and You shall do nothing to prejudice such rights. Any amount recovered in excess of Our total payment shall be restored to You, less the cost to Us of the recovery.

13. Other Insurance.

This policy shall apply only as excess over, and shall not contribute with, any other valid and collectible insurance.



14. Action Against Us.

No action shall be taken against Us unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this policy, and the amount of Your obligation to pay shall have been finally determined either by judgment against You after adjudicatory proceedings, or by written agreement of the claimant and Us. No person or entity shall have any right under this policy to join Us as a party to any Claim against You to determine Your liability, nor shall We be impleaded by You or Your legal representative in any such Claim.

15. Bankruptcy.

Bankruptcy or insolvency of You or of Your estate shall not relieve Us of any of Our obligations under this policy.

16. Headings.

The descriptions in the headings and sub-headings of this policy are solely for convenience and form no part of the terms and conditions of the policy.

In witness whereof, We have caused this policy to be executed by Our authorized officers, but this policy shall not be valid unless countersigned on the Declarations page by a duly authorized representative of Ours.

Edmund F. Kelly
President

Authorized Representative of
Liberty Mutual Insurance Company