

**PRIMARY LAWYERS
PROFESSIONAL LIABILITY INSURANCE
WORDING**

DECLARATIONS

Attaching to and forming part of
LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY NUMBER

This Insurance is effected with certain
Underwriters at Lloyd's of London (not incorporated).

THIS IS A CLAIMS-MADE AND REPORTED PROFESSIONAL LIABILITY INSURANCE POLICY. PLEASE READ CAREFULLY

1. NAMED ASSURED:
ADDRESS :

2. PERIOD OF INSURANCE: FROM: TO:
12.01AM STANDARD TIME AT THE ADDRESS SHOWN IN NUMBER 1
ABOVE.

3. LIMIT OF LIABILITY
 - (a) US \$ Each **Claim**, including **Claims Expenses**.
 - (b) US \$ Aggregate for the **Period of Insurance**, including **Claims Expenses**.

4. DEDUCTIBLE
US \$ Each **Claim** Deductible, including **Claims Expenses**

5. PREMIUM US \$

6. RETROACTIVE DATE:

7. KNOWLEDGE DATE:

8. NOTICE OF CLAIM:

9. SERVICE OF SUIT:

10. NOTICE OF ELECTION FOR
THE EXTENDED REPORTING PERIOD:

11. DATE OF APPLICATION:

12. PREDECESSOR FIRM(S):

LAWYERS PROFESSIONAL LIABILITY INSURANCE

CLAIMS MADE AND REPORTED

NOTICE: This is a **Claims** made and reported policy. Except to such extent as may otherwise be provided herein, the coverage afforded under this insurance policy is limited to liability for only those **Claims** that are first made against the **Assured** and reported to the Underwriters during the **Period of Insurance** or **Extended Reporting Period**. The Limit of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims Expenses**. **Damages** and **Claims Expenses** shall be applied against the Deductible. Please review the coverage afforded under this insurance policy carefully and discuss the coverage hereunder with your insurance agent or broker.

I Insuring Agreements

The Underwriters agree with the **Assured**, named in the Declarations made a part hereof, in consideration of the payment of the premium and reliance upon the statements in the application which is made a part of this insurance policy (hereinafter "policy" or "insurance") and subject to the Limit of Liability, Deductible, exclusions, conditions and other terms of this insurance:

A Coverage

To pay on behalf of the **Assured Damages** and **Claims Expenses** which the **Assured** shall become legally obligated to pay because of any **Claim** or **Claims**, including **Claim(s)** for **Personal Injury** as hereafter defined, first made against the **Assured** and reported to the Underwriters during the **Period of Insurance** or **Extended Reporting Period**, arising out of any act, error or omission of the **Assured** in rendering or failing to render professional services for others in the **Assured's** capacity as a lawyer, **Fiduciary**, mediator, arbitrator or notary public, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations and caused by the **Assured**, except as excluded or limited by the terms, conditions and exclusions of this policy, and provided that:

1. the **Assured** has not given notice of such act, error or omission or related acts, errors or omissions to the insurer of any other policy in force prior to the effective date of this policy;
2. no **Assured** on or prior to the knowledge date set forth in Item 7 of the Declarations of this policy knew or could have reasonably foreseen that such acts, errors or omissions might be expected to be the basis of a **Claim**; and
3. such act, error or omission took place, or is alleged to have taken place after the retroactive date as set forth in Item 6 of the Declarations.

B Defense and Settlement (Included in the Limit of Liability)

1. The Underwriters shall have the right and duty to defend, subject to the Limit of Liability, any **Claim** against the **Assured** seeking **Damages** which are payable under the terms of this insurance, even if any of the allegations of the **Claim** are groundless, false or fraudulent. However, Underwriters shall not formally appoint defense counsel without the consent of the **Named Assured**, such consent not to be unreasonably withheld.
2. It is agreed that the Limit of Liability available to pay **Damages** shall be reduced and may be completely exhausted by payment of **Claims**

Expenses. Damages and Claims Expenses shall be applied against the Deductible.

3. The Underwriters shall have the right to make any investigation they deem necessary, including, without limitation, any investigation with respect to the application and statements made in the application and, with respect to coverage. The **Assured** shall submit to examination by a representative of Underwriters, under oath if requested, in connection with all matters relating to this policy.
4. The Underwriters shall not settle any **Claim** without the consent of the **Assured**, which consent shall not be unreasonably withheld. If, however, the **Assured** shall refuse to consent to any settlement or compromise recommended by the Underwriters and acceptable to the Claimant and elects to contest the **Claim**, Underwriters' total liability for any **Damages** and **Claims Expenses** with regard to that **Claim** shall not exceed the amount for which the **Claim** could have been settled, less the remaining Deductible, plus the **Claims Expenses** incurred up to the time of such refusal, or the remaining Limit of Liability, whichever is less, and the Underwriters shall have the right to withdraw from the further defense of that **Claim** by tendering control of said defense to the **Assured**.
5. It is further provided that the Underwriters shall not be obligated to pay any **Damages** or **Claims Expenses**, or to undertake or continue defense of any suit or proceeding after the applicable limit of the Underwriters' liability has been exhausted by payment of **Damages** or **Claims Expenses** or after deposit of the applicable policy limit in a court of competent jurisdiction, and that upon such payment, the Underwriters shall have the right to withdraw from the further defense thereof by tendering control of said defense to the **Assured**.

II Definition of Assured

Each of the following is an **Assured** under this insurance to the extent set forth below:

- (a) if the **Named Assured** designated in Item 1 of the Declarations is an individual, the person so designated, but only with respect to the conduct of a law practice of which the individual is the sole proprietor;
- (b) the Partnership, Professional Corporation, Professional Association, Limited Liability Partnership or Limited Liability Corporation designated in Item 1 of the Declarations;
- (c) any lawyers who are partners, officers, directors, stockholders or shareholders in the **Named Assured**, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;
- (d) any employed lawyer or other employee, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;
- (e) any lawyer acting as "of counsel", but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;
- (f) any lawyer independently contracted, employed or otherwise salaried to work on a project-by-project basis or a temporary lawyer contracted from an employment agency by the **Named Assured** designated in Item 1 of the Declarations, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;

- (g) any person who previously qualified as an **Assured** under (c), (d), (e) or (f) above prior to the termination of the required relationship with **Named Assured**, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;
- (h) any Predecessor Firm designated in Item 12 of the Declarations if the **Named Assured** is the successor in interest of more than 50% of the Predecessor Firm's financial assets and liabilities;
- (i) any lawyer who during the **Period of Insurance** becomes a partner, officer, director, stockholder, shareholder or employee of the **Named Assured**, but solely for acts on behalf of the **Named Assured** designated in Item 1 of the Declarations;
- (j) the estate, heirs, executors, administrators, assigns and legal representatives of any **Assured** in the event of such **Assured's** death, incapacity, insolvency or bankruptcy, but only to the extent that such **Assured** would otherwise be provided coverage under this insurance.

III Territory

This insurance applies to acts, errors or omissions which take place anywhere in the world provided that the **Claim** is first made against the **Assured** within the United States of America, its territories or possessions or Canada during the **Period of Insurance** or **Extended Reporting Period** when purchased in accordance with Clause IX.

IV Exclusions

The coverage under this insurance does not apply to **Damages** or **Claims Expenses** incurred with respect:

- (a) to any **Claim** arising out of any criminal, dishonest, fraudulent or malicious act, error or omission of any **Assured**, committed with actual, criminal, dishonest, fraudulent or malicious purpose or intent. However, notwithstanding the foregoing, the insurance afforded by this policy shall apply to **Claims Expenses** incurred in defending any such **Claim**, but shall not apply to any **Damages**;
- (b) to punitive or exemplary damages, fines, penalties, sanctions or any damages which are a multiple of compensatory damages, except that if a **Claim** shall have been brought against the **Assured** seeking both compensatory and either punitive or exemplary damages, fines, penalties, sanctions or damages which are a multiple of compensatory damages, then any coverage which may be afforded by this policy will apply to any **Claims Expenses** incurred, without liability, however, for such punitive or exemplary damages, fines, penalties, sanctions or damages which are a multiple of compensatory damages;
- (c) to any **Claim** by one **Assured** under this insurance against another **Assured** under this insurance;
- (d) to any **Claim** arising out of bodily injury to, or sickness, disease or death of any person, or to injury to or destruction of any tangible property, including the loss of use thereof;
- (e) to any loss sustained by an **Assured** as a beneficiary or distributee of any trust or estate;
- (f) to any **Claim** arising out of any **Assured's** activities as a trustee, partner, officer, director or employee of any employee trust, charitable organization, corporation, company or business other than that of the **Named Assured**;
- (g) to any **Claim** made by or against or in connection with any business enterprise (including the ownership, maintenance or care of any property in connection therewith), not named in Item 1 of the Declarations, which is owned by any

Assured or in which any **Assured** is a trustee, partner, officer, director or employee (except where he is an employee solely by virtue of having been retained to perform legal services), or which is directly or indirectly controlled, operated or managed by any **Assured** in a non-fiduciary capacity;

- (h) to any **Claim** arising out of any **Assured's** capacity as an elected public official or as an employee of a governmental body, subdivision, or agency thereof unless the **Assured** is deemed an employee solely by virtue of rendering legal services to such governmental body, the remuneration for which services inures to the benefit of the **Named Assured**;
- (i) to any **Claim** arising out of any **Assured's** activities and/or capacity as a **Fiduciary** under the Employee Retirement Income Security Act of 1974 and its amendment or any regulation or order issued pursuant thereto, except if the **Assured** is deemed to be a **Fiduciary** solely by reason of legal advice rendered with respect to any employee benefit plan;
- (j) to any **Claim** seeking the return or reimbursement of legal fees, costs or expenses paid to the **Assured**;
- (k) to any **Claim** directly or indirectly brought about by arising out of, or attributable to any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act, 18 USC Sections 1961 et seq., or any comparable state law, and any amendments thereto, or any rules or regulations promulgated thereunder.

V. **Definitions**

Wherever used in this Policy in bold typeface, the following definitions shall apply:

A **"Personal Injury"** means:

1. false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of the right of private occupancy or malicious prosecution;
2. libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

B **"Claims Expenses"** means:

1. fees charged by an attorney designated by Underwriters and consented to by the **Named Assured**, with such consent not to be unreasonably withheld; and
2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit or proceeding arising in connection therewith, if incurred by the Underwriters, or by the **Assured** with the written consent of the Underwriters.
3. **Claims Expenses** does not include any salary, overhead or other charges by the **Assured** for any time spent in cooperating in the defense and investigation of any **Claim** or **Circumstance** notified under this insurance.

C **"Period of Insurance"** means the period of time between the inception date shown in the Declarations and the effective date of termination, expiration or cancellation of this insurance and specifically excludes any **Extended Reporting Period** hereunder.

D **"Extended Reporting Period"**, if applicable, means the 12 month period of time after the end of the **Period of Insurance** for reporting **Claims** arising out of acts, errors or omissions which have taken place prior to the end of the **Period of Insurance** and are otherwise covered by this insurance.

- E "Claim" means:
1. a demand received by any **Assured** for money or services, including the service of suit or notice of the institution of arbitration or mediation proceedings against the **Assured**; or
 2. a request received by any **Assured** to toll or waive a statute of limitations.

Multiple **Claims** arising out of the same, continuing or related acts, errors or omissions shall be considered a single **Claim** for the purposes of this Policy, irrespective of the number of Claimants or **Assureds** involved in the **Claim**. All such **Claims** shall be deemed to have been made at the time of the first such **Claim**.

- F "Circumstance" means any act, error, omission, fact, event or situation that could reasonably be the basis for a **Claim**.

- G "Fiduciary" except as set forth in Clause IV(i), means an **Assured's** capacity as an administrator, conservator, executor, guardian, trustee, receiver, escrow agent or any similar capacity.

- H "Damages" means a monetary judgment, award or settlement.

Whenever the singular form of a word is used herein, the same shall include the plural when required by context.

VI Limit of Liability

- A The Limit of Liability stated in Item 3(a) of the Declarations is the limit of the Underwriters' liability for all **Damages** and **Claims Expenses** arising out of each **Claim**.
- B The Limit of Liability stated in Item 3(b) of the Declarations is the total limit of the Underwriters' liability for all **Damages** and **Claims Expenses** arising out of all **Claims** and **Circumstances** which are covered under the terms and conditions of this Policy.
- C Neither the inclusion of more than one **Assured** under this Policy, nor the making of **Claims** by more than one person or entity shall increase the Limit of Liability.
- D The Limit of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the limits of liability of the Underwriters for the **Period of Insurance**.

VII Deductible

The Deductible amount stated in the Declarations, shall be satisfied by payments by the **Assured** of **Damages** and **Claims Expenses** resulting from each **Claim** first made and reported to the Underwriters during the **Period of Insurance** or the **Extended Reporting Period** as a condition precedent to the payment by the Underwriters of any amounts hereunder and the Underwriters shall be liable only for amounts in excess of such Deductible subject to Underwriters' total liability not exceeding the Limit of Liability stated in Item 3 of the Declarations. The **Assured** shall make direct payments within the Deductible to appropriate other parties designated by the Underwriters.

VIII Innocent Assured

- A Whenever coverage under this insurance would be excluded, suspended or lost because of any exclusion relating to criminal, dishonest, fraudulent or malicious acts, errors or omissions by any **Assured**, and with respect to which any other **Assured** did not personally participate or personally acquiesce or remain passive

after having personal knowledge thereof, the Underwriters agree that such insurance as would otherwise be afforded under this policy shall cover and be paid with respect to those **Assureds** who did not personally commit or personally participate in committing or personally acquiesce in or remain passive after having personal knowledge of one or more of the acts, errors or omissions described in any such exclusion.

- B With respect to this provision, the Underwriters' obligation to pay in such event shall be in excess of the Deductible and in excess of the full extent of any assets of any **Assured** to whom the exclusion applies. In no event shall the Underwriters' obligation to pay exceed the Limit of Liability stated in Item 3 of the Declarations.

IX **Extended Reporting Period for Dissolution, Cancellation or Non-Renewal**

- A In the event that the **Named Assured** ceases to continue as an ongoing entity or its assets are sold, this policy shall only cover any **Claim** or **Circumstance** arising out of any act, error or omission which took place, or is alleged to have taken place, prior to the date the **Named Assured** ceased to provide professional services and such **Claim** or **Circumstance** is otherwise covered by this insurance. The Underwriters will make such amendment at no additional or return premium up to the end of the **Period of Insurance**. At the expiration of the **Period of Insurance**, the Underwriters will offer annual renewals of such cover, at terms to be agreed by Underwriters.
- B In the event of cancellation or non-renewal of this insurance by the Underwriters, the **Named Assured** designated in Item 1 of the Declarations shall have the right, upon payment of an additional premium calculated at 125% of the Premium set forth in Item 5 of the Declarations, in full and not proportionally or otherwise in part, to have issued an endorsement providing a 12 month **Extended Reporting Period** for **Claims** first made against any **Assured** and reported to the Underwriters during the **Extended Reporting Period**, subject to the conditions set forth in the definition of **Extended Reporting Period** herein. In order for the **Named Assured** to exercise this option, the payment of the additional premium for the **Extended Reporting Period** must be paid to Underwriters within 30 days of the non-renewal or cancellation.
- C The Limit of Liability for the **Extended Reporting Period** shall be part of, and not in addition to, the limits of liability of the Underwriters for the **Period of Insurance**.
- D The quotation by the Underwriters of a different premium or Deductible or limits of liability or changes in policy language for the purpose of renewal shall not constitute a refusal to renew by the Underwriters.
- E The right to the **Extended Reporting Period** shall not be available to the **Named Assured** where cancellation or non-renewal by the Underwriters is due to non-payment of premium or failure of an **Assured** to pay such amounts in excess of the applicable Limit of Liability or within the amount of the applicable Deductible.
- F All notices and additional premium payments with respect to the **Extended Reporting Period** shall be directed to the Underwriters through the entity named in Item 10 of the Declarations.
- G At the commencement of the **Extended Reporting Period** the entire additional premium shall be deemed earned, and in the event the **Named Assured** terminates the **Extended Reporting Period** for any reason prior to its natural expiration, the Underwriters will not be liable to return any premium paid for the **Extended Reporting Period**.

X **Other Insurance**

This insurance shall apply in excess of any other valid and collectible insurance available to any **Assured**, unless such other insurance is written only as specific excess insurance over the Limit of Liability of this policy.

XI **Notice of Claim or Circumstance**

A If any **Claim** is made against the **Assured**, the **Assured** shall immediately forward to the Underwriters through persons named in Item 8 of the Declarations every demand, notice, summons or other process received by him or his representative.

B If during the **Period of Insurance** the **Assured** first becomes aware of any **Circumstance** it must give written notice to the Underwriters through persons named in Item 8 of the Declarations during the **Period of Insurance** of:

1. the specific act, error or omission; and
2. the injury or damage which may result or has resulted from the act, error or omission; and
3. how the **Assured** first became aware of the act, error or omission.

Any subsequent **Claim** made against the **Assured** which is the subject of the written notice shall be deemed to have been made at the time written notice was first given to the Underwriters.

C A **Claim** or **Circumstance** shall be considered to be reported to the Underwriters when notice of the **Claim** or **Circumstance** is first received by Underwriters through persons named in Item 8 of the Declarations.

D In the event of non-renewal of this insurance by the Underwriters, the **Assured** shall have thirty (30) days from the expiration date of the **Period of Insurance** to notify Underwriters of **Claims** made against the **Assured** during the **Period of Insurance** which arises out of any act, error or omission which took place prior to the termination date of the **Period of Insurance** and otherwise covered by this insurance.

E If any **Assured** shall make any **Claim** under this policy knowing such **Claim** to be false or fraudulent, as regards amount or otherwise, this policy shall become null and void and all coverage hereunder shall be forfeited.

XII **Assistance and Cooperation of the Assured**

The **Assured** shall cooperate with the Underwriters in all investigations, including investigations regarding the application and coverage under this insurance and, upon the Underwriters' request, assist in making settlements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization other than an employee of any **Assured** who may be liable to the **Assured** because of acts, errors or omissions with respect to which insurance is afforded under this policy; and the **Assured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Assured** shall not, except at its own cost, admit liability, make any payment, assume any obligation, incur any expense, enter into any settlement, stipulate to any judgment or award or otherwise dispose of any **Claim** without the prior consent of the Underwriters.

XIII **Action Against Underwriters**

No action shall lie against the Underwriters unless, as a condition precedent thereto, there shall have been full compliance with all terms of this insurance, nor until the amount of the **Assured's** obligation to pay shall have been finally determined either by judgment or award

against the **Assured** after actual trial or arbitration or by written agreement of the **Assured**, the claimant and the Underwriters.

Any person or organization or the legal representative thereof who has secured such judgment, award or written agreement shall thereafter be entitled to make a **Claim** under this policy to the extent of the insurance afforded by this policy. No person or organization shall have any right under this insurance to join the Underwriters as a party to an action or other proceeding against the **Assured** to determine the **Assured's** liability, nor shall the Underwriters be impleaded by the **Assured** or the **Assured's** legal representative. Bankruptcy or insolvency of the **Assured** or of the **Assured's** estate shall not relieve the Underwriters of any of their obligations hereunder.

XIV Subrogation

In the event of any payment under this insurance, the Underwriters shall be subrogated to all the **Assured's** rights of recovery therefor against any person or organization and the **Assured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Assured** shall do nothing after the payment of **Damages** by the Underwriters to prejudice such rights.

XV Changes

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

XVI Change in Membership of Firm

Any additions to the list of lawyers in the application which take place during the **Period of Insurance** must be immediately reported to the Underwriters in the event that:

1. prior to joining the **Named Assured**, any **Claim** was made against the lawyer brought into or added to the **Named Assured** or the lawyer is aware of any **Circumstance**; or
2. any lawyer brought into or added to the **Named Assured** during the **Period of Insurance** has been or is in the process of being subject to any disciplinary proceeding by any court or bar association or has been reprimanded, censured or disbarred or prohibited from practicing law in a specified area, before any court or administrative agency; or
3. as a result of lawyers being brought into or added to the **Named Assured**, the total number of lawyers exceeds the number of lawyers stated in the application for coverage by 15%.

The Underwriters expressly reserve the right to demand a premium adjustment in the event that any additions to the list of lawyers in the application for this insurance meet the criteria set forth in the paragraphs immediately above.

XVII Mergers, Acquisitions and Cessation

The **Named Assured** shall be required to give written notice to the Underwriters prior to the completion of a merger or acquisition by or of the **Named Assured** or if the **Named Assured** ceases to continue as an ongoing entity.

The Underwriters expressly reserve the right to demand a premium adjustment if this insurance is to remain in force subsequent to any merger or acquisition by the **Named Assured**.

XVIII **Assignment**

The interest hereunder of any **Assured** is not assignable. If the **Assured** shall die or be adjudged incompetent, this insurance shall cover the **Assured's** legal representative as the **Assured** with respect to liability previously incurred and covered by this Insurance.

XIX **Cancellation**

A This policy may be cancelled by the **Named Assured** by surrender thereof to the Underwriters or by mailing to the Underwriters written notice stating when thereafter the cancellation shall be effective. This insurance may be cancelled by the Underwriters by mailing to the **Named Assured** at the address shown in the Declarations written notice stating when, but not less than 60 days thereafter, such cancellation shall be effective. However, if the Underwriters cancel this insurance because the **Assured** has failed to pay a premium when due this insurance may be cancelled by the Underwriters by mailing written notice of cancellation to the **Named Assured** at the address shown in the Declarations stating when, but not less than 10 days thereafter, such cancellation shall be effective. The mailing of notice as aforesaid shall be sufficient proof of notice. The time of surrender or the effective date and hour of cancellation stated in the notice shall become the end of the **Period of Insurance**. Delivery (where permitted by law) of such written notice either by the **Named Assured** or by the Underwriters shall be equivalent to mailing.

B If the **Named Assured** cancels this insurance, earned premium shall be computed in accordance with the short rate table and procedure set forth in Clause XXII of this insurance. If the Underwriters cancel this insurance, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

XX **Entire Contract**

By acceptance of this policy the **Assured** agrees that the statements in the Declarations and application are the **Assured's** agreements and representations, that this insurance is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Assured** and the Underwriters relating to this insurance.

XXI **Service of Suit**

(1) It is agreed that in the event of the failure of the Underwriters to pay any amount claimed to be due under this insurance, the Underwriters, at the request of the **Named Assured**, will submit to the jurisdiction of a court of competent jurisdiction within the United States. This clause does not constitute and should not be understood to constitute an agreement by Underwriters that an action is properly maintained in a specific forum, nor may it be construed as a waiver of the Underwriters' rights to commence an action in a 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 of the United States, all of which rights the Underwriters expressly reserve. It is further agreed that service of process in such suit may be made upon persons named in Item 9 of the Declarations and that 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.

(2) The persons named in Item 9 of the Declarations 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 **Named Assured** to give written undertaking to the **Named Assured** that they will enter a general

appearance upon 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 therefor, Underwriters hereon hereby designate the Superintendent, Commissioner or Director of Insurance or other officer specified for that purpose in the statute or his successor or successors in office, 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 **Named Assured** or any beneficiary hereunder arising out of this policy of insurance, and hereby designate the persons named in Item 9 of the Declarations as the persons to whom the said officer is authorized to mail such process or a true copy thereof.

XXII **Short Rate Cancellation Table**

Notwithstanding anything to the contrary contained herein and in consideration of the premium for which this Insurance is written it is agreed that in the event of cancellation thereof by the **Assured** the Earned Premium shall be computed as follows:

A. For insurances written for one year:

Days Insurance in Force	Per cent. of One Year Premium	Days Insurance in Force	Per cent. of One Year Premium
1 - 73	30	206 - 209	66
74 - 76	31	210 - 214 (7 months)	67
77 - 80	32	215 - 218	68
81 - 83	33	219 - 223	69
84 - 87	34	224 - 228	70
88 - 91 (3 months)	35	229 - 232	71
92 - 94	36	233 - 237	72
95 - 98	37	238 - 241	73
99 - 102	38	242 - 246 (8 months)	74
103 - 105	39	247 - 250	75
106 - 109	40	251 - 255	76
110 - 113	41	256 - 260	77
114 - 116	42	261 - 264	78
117 - 120	43	265 - 269	79
121 - 124 (4 months)	44	270 - 273 (9 months)	80
125 - 127	45	274 - 278	81
128 - 131	46	279 - 282	82
132 - 135	47	283 - 287	83
136 - 138	48	288 - 291	84
139 - 142	49	292 - 296	85
143 - 146	50	297 - 301	86
147 - 149	51	302 - 305 (10 months)	87
150 - 153 (5 months)	52	306 - 310	88
154 - 156	53	311 - 314	89
157 - 160	54	315 - 319	90
161 - 164	55	320 - 323	91
165 - 167	56	324 - 328	92
168 - 171	57	329 - 332	93
172 - 175	58	333 - 337 (11 months)	94
176 - 178	59	338 - 342	95
179 - 182 (6 months)	60	343 - 346	96
183 - 187	61	347 - 351	97
188 - 191	62	352 - 355	98
192 - 196	63	356 - 360	99
197 - 200	64	361 - 365 (12 months)	100
201 - 205	65		

- B. For Insurances written for more or less than one year:
1. If insurance has been in force for 12 months or less, apply the standard short rate table for annual insurances to the full annual premium determined as for an insurance written for a term of one year.
 2. If insurance has been in force for more than 12 months:
 - (a) Determine full annual premium as for an insurance written for a term of one year.
 - (b) Deduct such premium from the full insurance premium, and on the remainder calculate the pro rata Earned Premium on the basis of the ratio of the length of time beyond one year the insurance has been in force to the length of time beyond one year for which the insurance was originally written.
 - (c) Add premium produced in accordance with items (a) and (b) to obtain Earned Premium during full period insurance has been in force.

Furthermore and notwithstanding the foregoing, the Underwriters shall retain the total premium for this Policy, such total premium to be deemed earned upon inception of the Policy if any **Claim** or any **Circumstance** is reported to the Underwriters under this Policy on or before such date of cancellation.