



**POLICY DECLARATIONS**  
**LAWYERS PROFESSIONAL LIABILITY INSURANCE**  
**POLICY NUMBER:**  
**RENEWAL OF POLICY:**

Named Insured & Mailing Address:

Broker Name & Mailing Address:

Policy Period: From \_\_\_\_\_ to \_\_\_\_\_ at 12:01 A.M. Eastern Time

**This policy is issued by the insurance company listed above (herein "Company").**  
**THIS POLICY IS A CLAIMS MADE AND REPORTED POLICY WHICH COVERS ONLY CLAIMS FIRST MADE**  
**AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD.**  
**PLEASE READ THIS POLICY CAREFULLY.**

**RETROACTIVE DATE**

**LIMITS OF INSURANCE\***

Each Claim \_\_\_\_\_  
Aggregate Limit \_\_\_\_\_ \$  
*\*Includes Costs of Defense*

**RETENTION\***

Each Claim \_\_\_\_\_  
*\*Applies to Costs of Defense*

**PREMIUM**

Premium \_\_\_\_\_ \$

Notices to Insurance Company:

Notice of Claim or Potential Claim:  
Attn: Claims Department  
American Safety Claims Services, Inc.  
100 Galleria Parkway, Suite 700  
Atlanta, GA 30339  
[Claims@amsafety.com](mailto:Claims@amsafety.com)

All other notices:  
VP, PL Underwriting group  
American Safety Indemnity Company  
100 Galleria Parkway, Suite 700  
Atlanta, GA 30339  
[PL@amsafety.com](mailto:PL@amsafety.com)

**IN CONSIDERATION OF THE PAYMENT OF THE PREMIUMS, AND SUBJECT TO ALL THE TERMS, CONDITIONS AND EXCLUSIONS OF THIS POLICY, WE AGREE TO PROVIDE THE INSURED WITH THE INSURANCE AS STATED IN THIS POLICY.**

**POLICY DECLARATIONS  
LAWYERS PROFESSIONAL LIABILITY INSURANCE  
POLICY NUMBER:  
NAMED INSURED:**

THESE DECLARATIONS, TOGETHER WITH THE COMPLETED AND SIGNED APPLICATION FOR THIS POLICY INCLUDING INFORMATION FURNISHED IN CONNECTION THEREWITH, AND THE COVERAGE FORM AND ANY ENDORSEMENTS ATTACHED HERETO, CONSTITUTE THE ABOVE NUMBERED INSURANCE POLICY.

Countersigned: \_\_\_\_\_ By: \_\_\_\_\_  
(Date) (Authorized Representative)

In witness whereof, this company has caused this policy to be signed by its President and Secretary but if required by state law, the policy shall not be valid unless countersigned by an authorized representative of the Company.

\_\_\_\_\_  
SECRETARY SIGNATURE

\_\_\_\_\_  
PRESIDENT SIGNATURE

**SPECIMEN**

## LW AS 0001 02 11

THIS IS A CLAIMS MADE AND REPORTED POLICY WITH CLAIMS EXPENSES INCLUDED IN THE LIMIT OF LIABILITY. COVERAGE APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE DURING THE POLICY PERIOD AND REPORTED DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, IF APPLICABLE. COVERAGE DOES NOT APPLY TO ANY WRONGFUL ACT OR PERSONAL INJURY COMMITTED BEFORE THE RETROACTIVE DATE STATED ON THE DECLARATIONS PAGE. WORDS PRINTED IN BOLD FACE, OTHER THAN CAPTIONS, ARE DEFINED IN THE POLICY. VARIOUS PROVISIONS IN THIS POLICY RESTRICT COVERAGE. PLEASE READ THE ENTIRE POLICY CAREFULLY.

## LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

In consideration of the payment of the premium, the undertaking of the **Named Insured** to pay the **Retention** as described herein and in the amount stated in the Declarations and in reliance upon all statements made and information furnished to the **Company** shown in the Declarations, including those furnished in any application(s) for this Policy which is deemed incorporated into this Policy, and subject to all terms, conditions and limitations of this Policy, the **Insureds** and the **Company** agree as follows:

## SECTION I — INSURING AGREEMENT

A. **Lawyers Professional Liability**

The **Company** shall pay on behalf of the **Insured** all sums in excess of the **Retention** amount stated in the RETENTION section of the Declarations, which the **Insured** shall become legally obligated to pay as **Damages** as a result of **Claims** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period, if exercised, and reported to the **Company** pursuant to the **Claim Reporting Provision** of SECTION VI NOTICE OF CLAIM, by reason of:

1. a **Wrongful Act** arising out of **Professional Legal Services**, or
2. **Personal Injury** committed by the **Insured**;

provided:

1. the entirety of the **Wrongful Act** or **Personal Injury** happens during the **Policy Period** or on or after the **Retroactive Date** stated in the RETROACTIVE DATE section of the Declarations; and
2. prior to the effective date of this Policy no **Insured** had any knowledge of such **Wrongful Act** or **Personal Injury** or any fact, circumstance, situation or incident which would lead a reasonable person in that **Insured's** position to conclude that a **Claim** was likely.

B. **DEFENSE, SETTLEMENTS AND CLAIM EXPENSES**1. **Defense, Investigation and Settlement of Claims:**

The **Company** shall have the right and duty to defend and investigate any **Claim** to which coverage under this Policy applies pursuant to the following provisions:

- (a) **Claim Expenses** incurred in defending and investigating such **Claim** shall be a part of and shall not be in addition to the Limits of Liability stated in the LIMITS OF INSURANCE section of the Declarations. Such **Claim Expenses** shall reduce the Limits of Liability and shall be applied against the **Retention**. The **Company** shall have no obligation to pay any **Damages** or to defend or continue to defend any **Claim** or to pay **Claim Expenses** after the Limits of Liability as stated in the LIMITS OF INSURANCE section of the Declarations have been tendered to the **Insured** or into the court or exhausted by payment(s) of **Damages** and/or **Claim Expenses**.
- (b) The **Company** shall select defense counsel; provided, however, that if the law of the state of the **Insured's** domicile (as stated in the Declarations) allows the **Insured** to control the selection of defense counsel where a conflict of interest has arisen between the **Insured** and the **Company**, the **Company** will provide a list of attorneys or law firms from which the **Insured** may designate defense counsel who shall act solely in the interest of the **Insured**, and the **Insured** shall direct such defense counsel to cooperate with the **Company**. Such cooperation shall include:
  - (1) providing on a regular basis, but not less frequently than every three (3) months, written reports on claimed **Damages**, potential liability, progress of any litigation, any settlement demands, or any investigation developments that materially affect the **Claim**;

- (2) providing any other reasonable information requested and fully itemized billing on a periodic basis;
- (3) cooperating with the **Company** and the **Insured** in resolving any discrepancies;

and the fees and costs incurred by such defense counsel, including those fees and costs generated by cooperation with the **Company**, as set forth above, shall be included in **Claim Expenses**. Such **Claim Expenses** shall be a part of and shall not be in addition to the Limits of Liability as stated in the LIMITS OF INSURANCE section of the Declarations. Such **Claim Expenses** shall reduce the Limits of Liability and shall be applied against the **Retention**.

**2. Consent to Settlements:**

- (a) The **Company** shall not settle any **Claim** without the prior written consent of the **Insured**, but the **Company** shall have, at all times, the right to recommend a settlement of any **Claim**. If the **Insured** shall refuse to settle such **Claim** pursuant to the **Company's** recommendations, then the **Company's** liability in regard to such **Claim** shall not exceed the amount for which the **Claim** could have been settled and the amount of any **Claim Expenses** incurred up to the date of the **Insured's** refusal to settle the **Claim**. Such amounts are subject to the provisions of the Limits of Liability Each **Claim** and Policy Aggregate as described in SECTION IV LIMITS OF INSURANCE.
- (b) The **Insured** shall not, with respect to any **Claim** covered under this Policy, except at his/her own cost, make any payment, admit any liability, settle any **Claims**, assume any obligation, agree to arbitration or any similar means of resolution of any dispute, waive any rights or incur **Claim Expenses** without the **Company's** prior written consent, such consent not to be unreasonably withheld. Any costs and expenses incurred by the **Insured** prior to the **Insured** giving written notice of the **Claim** to the **Company** shall be borne by the **Insured** and will not constitute satisfaction of the **Retention**.

**SECTION II — DEFINITIONS**

- A. **Application** means the **Insured's** signed Lawyers Professional Liability insurance policy application and any attachments and other information furnished to the **Company** for the purpose of applying for the insurance. All such attachments and information shall be deemed attached to the Policy as if physically attached to it. If this Policy is a renewal or replacement of a previous policy or policies issued by the **Company**, all signed applications and other materials that were attached to and became a part of these previous policies shall be considered part of the **Application** for this Policy.
- B. **Claim** means a demand received by the **Insured** for **Damages** and shall include the service of suit or institution of arbitration proceedings against the **Insured**.
- C. **Claim Expenses** means reasonable and necessary amounts incurred by the **Company** or by the **Insured** with the prior written consent of the **Company** in the defense of that portion of any **Claim** for which coverage is afforded under this Policy, including costs of investigation, court costs, costs of bonds to release attachments and similar bonds, but without any obligation of the **Company** to apply for or furnish any such bonds, and costs of appeals; provided, however, **Claim Expenses** shall not include: (1) salary, wages, overhead, or benefit expenses of or associated with employees or officials of the **Named Insured** or employees or officials of the **Company**; or (2) salary, wages, administration, overhead, benefit expenses, or charges of any kind attributable to any in-house counsel or captive out-of-house counsel for the **Named Insured** or the **Company**.
- D. **Company** means the insurance company identified as such on the Declarations.
- E. **Damages** means the monetary portion of any judgment, award or settlement; provided, however, **Damages** shall not include: (1) punitive or exemplary damages or any multiplied portions of damages in excess of actual damages, including trebling of damages; (2) taxes, criminal or civil fines, or attorneys' fees of a party other than an **Insured** or other penalties imposed by law; (3) sanctions; (4) matters which are uninsurable under the law pursuant to which this Policy shall be construed; or (5) the return, withdrawal, reduction, restitution or payment of any fees, profits or charges for services or consideration and/or any expenses paid to the **Insured** for services or goods.
- F. **Disciplinary Proceeding** means any complaint, charge or investigation commenced or action brought by a bar association, disciplinary board or other similar entity alleging violations of the rules of professional responsibility, or any other action to limit, suspend or revoke the **Insured's** license to practice law.

**G. Insured** means:

1. the **Named Insured** specified in the Declarations or any **Predecessor Firm**;
2. any lawyer who is a past, present or future partner, officer, director, principal, shareholder, shareholder of a partner, member or employee of the **Named Insured** solely for **Professional Legal Services**;
3. any non-lawyer who is a past, current or future employee of the **Named Insured** specified in the Declarations or any **Predecessor Firm** solely while acting on behalf of the **Named Insured** specified in the Declarations or any **Predecessor Firm**;
4. any person, professional corporation or limited liability professional corporation designated as **Of Counsel** solely for **Professional Legal Services**;
5. any lawyer who is a temporary or leased professional personnel solely for **Professional Legal Services**; and/or
6. the heirs, executors, administrators, assigns and legal representatives of each **Insured** hereinabove in the event of death, incapacity or bankruptcy of such **Insured**, but only while acting within the scope of their duties as such on behalf of the **Named Insured** or of the **Insured's** estate.

**H. Mediation** means the voluntary process in which an objective third party who is a qualified professional mediator selected by the parties to the **Claim**, with written agreement of the **Company**, intervenes between the parties in an attempt to achieve settlement of the **Claim**. **Mediation** does not include litigation, arbitration or any court mandated proceedings.

**I. Named Insured** means the person or entity identified on the Declarations.

**J. Of Counsel** means any lawyer, professional corporation, limited liability professional corporation or any lawyer who is an employee of such professional corporation or limited liability professional corporation who is specifically identified on the application for this Policy as **Of Counsel** solely while acting on behalf of the **Named Insured**.

**K. Personal Injury** means:

1. libel, slander or defamation;
2. oral or written publication of material that violates a person's right of privacy; or
3. false arrest, detention or imprisonment, or malicious prosecution; committed in the performance of **Professional Legal Services**.

**L. Predecessor Firm** means any legal entity which was engaged in the practice of law to whose financial assets and liabilities the **Named Insured** is the majority successor in interest and which is designated in the application as a **Predecessor Firm**.

**M. Policy Period** means the period from the inception date of this Policy to the Policy expiration date as stated in the Declarations, or its earlier cancellation or termination date.

**N. Professional Legal Services** means services rendered by an **Insured** (1) as a lawyer, as a notary public, as a mediator, as an arbitrator, as a title insurance agent, or as an administrator, conservator, executor, guardian, trustee other than a trustee in bankruptcy, or any other similar fiduciary, provided that such services are connected with and incidental to the **Insured's** profession as a lawyer and are performed by or on behalf of the **Named Insured** or any **Predecessor Firm**; or (2) as a director or officer of any bar association, its governing body or any of its committees, provided that such services were rendered while such **Insured** was a partner, officer, director, principal, shareholder, shareholder of a partner, member or employee of the **Named Insured**.

**O. Retention** means the amount stated in the RETENTION section of the Declarations and described in SECTION IV LIMITS OF INSURANCE of the Policy.

**P. Retroactive Date** means the date, if any, stated in the RETROACTIVE DATE section of the Declarations and/or as specifically endorsed to the Policy and is the earliest date that any **Personal Injury** or **Wrongful Act** can commence for coverage to be provided under this Policy.

**Q. Wrongful Act** means any act, error or omission by the **Insured** in rendering or failing to render **Professional Legal Services** for others.

### SECTION III. — EXCLUSIONS

This Policy does not apply to and the **Company** will have no obligation to provide indemnity, defense, or any other expense payment for:

- A. any **Claim** based upon or arising out of a contract or agreement for, or any other right relating to, payment of or division of any fees or fee apportionment between the **Insured** and any lawyer;
- B. any **Claim** made against the **Insured** by or on behalf of any **Insured** under this Policy; provided, however, this exclusion does not apply to a **Claim** arising out of the rendering of **Professional Legal Services** by an **Insured** rendered to such other **Insured** as a client;
- C. any **Claim** brought by or on behalf of any entity which at the time **Professional Legal Services** were rendered, any **Insured** had more than a ten percent (10%) ownership interest or control, whether or not such ownership or control is financial or otherwise;
- D. any **Claim** based upon or arising out of any obligation of the **Insured** under any workers' compensation, unemployment compensation or disability benefits law or under any similar law;
- E. any **Claim** based upon or arising out of wrongful termination or other employment related practices;
- F. any **Claim** based upon, arising out of, or in any way involving any deliberately criminal, dishonest or fraudulent act, error or omission if a judgment or other final adjudication adverse to the **Insured** establishes that the **Insured** committed a criminal, dishonest or fraudulent act, error or omission; provided, however, any criminal, dishonest or fraudulent act, error or omission pertaining to any **Insured** under this Policy shall not be imputed to any other **Insured** under this Policy for the purpose of determining the applicability of this exclusion.
- G. any **Claim** for any actual or alleged bodily injury, sickness, disease or death of any person, or damage to or destruction of any property including loss of use thereof;
- H. any **Claim** based on or arising out of any **Insured's** services or capacity as a securities broker, dealer, financial planner, investment advisor, accountant, real estate broker or real estate agent;
- I. any **Claim** based upon or arising out of any unlawful discrimination by any **Insured**;
- J. any **Claim** based upon or arising out of notarized certification or acknowledgement by any **Insured**, in his/her capacity as a notary public, of a signature without the physical appearance at the time of said notarization before such notary public, of the person who is or alleges to be the person signing such instrument;
- K. any **Claim** based upon or arising out of the **Insured's** capacity as a public official, or as an employee of a governmental body, subdivision or agency; provided, however, this exclusion does not apply to the rendering of **Professional Legal Services** by an **Insured** to a governmental body, subdivision or agency wherein the **Named Insured** receives a fee for such **Professional Legal Services**; or
- L. any **Claim** based upon or arising out of any actual or alleged violations of the Employee Retirement Income Security Act of 1974 (ERISA) and its amendments or any regulation or order issued pursuant thereto or any similar federal, state or local law.

### SECTION IV — LIMITS OF INSURANCE

- A. **Limit of Liability - Each Claim:** The total liability of the **Company** for the combined total of **Damages** and **Claim Expenses** for each **Claim** first made against the **Insured** during the **Policy Period** or Extended Reporting Period, if exercised, shall not exceed the Limit of Liability stated in the Declarations as applicable to Each **Claim**. This limit

applies as excess over the **Retention** amount.

**B. Limit of Liability - Policy Aggregate:** Subject to the **Each Claim Limit of Liability** described above, the total liability of the **Company** shall not exceed the Aggregate Limit of Liability as stated in the Declarations for all **Damages** and **Claim Expenses** arising out of all **Claims** first made during the **Policy Period** and the Extended Reporting Period, if exercised. This limit applies as excess over the **Retention** amount.

**C. Retention**

1. The applicable **Retention** specified in the RETENTION section of the Declarations shall be a condition precedent and must be paid by the **Named Insured** before the **Company** has any payment obligation, and shall apply to both covered **Damages** and **Claims Expense**. The RETENTION will not erode the LIMITS OF INSURANCE as shown on the DECLARATIONS.
2. One **Retention** shall apply to each **Claim** alleging the same **Wrongful Act** or **Related Wrongful Acts**. The **Named Insured** shall be responsible for any amount within the **Retention**.

The determination of the **Company** as to the reasonableness of the **Claim Expenses** shall be conclusive on the **Named Insured**.

**D. Retention Credits:** If a **Claim** is settled without litigation, arbitration, **Mediation** or court mandated proceedings, the **Retention** for such **Claim** will be reduced by seventy-five percent (75%) or ten thousand dollars (\$10,000), whichever is less.

If the **Named Insured** and the **Company** agree to the use of **Mediation** and a **Claim** is settled at that **Mediation**, the **Retention** for such **Claim** will be reduced by fifty percent (50%) or ten thousand dollars (\$10,000), whichever is less.

**E. Multiple Insureds, Claims and Claimants:** The inclusion herein of more than one **Insured** in any **Claim** or the making of **Claims** by more than one person or organization shall not operate to increase the Limits of Liability stated in LIMITS OF INSURANCE section of the Declarations. More than one **Claim** arising out of a single **Wrongful Act** or **Personal Injury** or a series of related **Wrongful Acts** or **Personal Injuries** shall be considered a single **Claim**. All such **Claims**, whenever made, shall be treated as a single **Claim**. Such single **Claim**, whenever made, shall be deemed to be first made on the date on which the earliest **Claim** arising out of such **Wrongful Act** is made or with regard to notice given to and accepted by the **Company** pursuant to the **Discovery Clause** of SECTION VI NOTICE OF CLAIM of this Policy on the date within the **Policy Period** on which such notice of potential **Claim** is first received by the **Company**.

## SECTION V — SUPPLEMENTARY PAYMENTS

**A. Disciplinary Proceedings:** Solely with respect to the **Insureds** described in subsections 1., 2., 4., or 6. of the definition of **Insured** as shown in SECTION II DEFINITIONS of this Policy (solely as 6. applies to subsections 1., 2. or 4. of the definition of **Insured** as shown in SECTION II DEFINITIONS), upon submission to the **Company** of satisfactory written proof of payment, the **Company** shall reimburse the **Insured** all reasonable and necessary legal fees and legal expenses incurred and paid by the **Insured** in defending a **Disciplinary Proceeding** first received by the **Insured** during the **Policy Period** and reported to the **Company** pursuant to **Claim Reporting Provision** of SECTION VI NOTICE OF CLAIM; provided:

1. the act giving rise to the **Disciplinary Proceedings** happens during the **Policy Period** or on or after the **Retroactive Date** stated in the RETROACTIVE DATE section of the Declarations; and
2. prior to the effective date of this Policy, the **Insured** had no knowledge of such **Disciplinary Proceeding** or any fact, circumstance, situation or incident which would lead a reasonable person in that **Insured's** position to conclude that a **Disciplinary Proceeding** was likely.

The total of such reimbursement shall not exceed twenty-five thousand dollars (\$25,000) for all **Disciplinary Proceedings** first received during the **Policy Period**.

No reimbursement pursuant to the **Disciplinary Proceedings** provisions described herein shall be made for the **Insured's** payment of any taxes; criminal or civil fines, penalties or sanctions; registration or licensing fees; or any monetary judgment, award or settlement of any kind.

Reimbursement to the **Insured** pursuant to the **Disciplinary Proceedings** provisions described herein shall be in addition to the Limits of Liability stated in LIMITS OF INSURANCE section of the Declarations and shall not be subject to the **Retention**.

- B. Loss of Earnings and Expense Reimbursement:** Upon submission to the **Company** of satisfactory written proof of payment, the **Company** shall reimburse the **Insured** as expense reimbursement all reasonable and necessary expenses incurred by the **Insured** at the **Company's** request for attendance at any arbitration, **Mediation**, deposition, hearing or trial in connection with a **Claim** to which this Policy applies.

The **Company** shall compensate the **Named Insured** for loss of earnings solely of an **Insured** who is a lawyer a maximum of four hundred dollars (\$400) per day per insured lawyer to attend at the **Company's** request any arbitration, **Mediation**, deposition, hearing or trial in connection with a **Claim** to which this Policy applies.

The maximum the **Company** shall reimburse all **Insureds** for all loss of earnings and expense reimbursements during the **Policy Period** for all **Claims** to which this Policy applies and all attendances is ten thousand dollars (\$10,000).

Payments to the **Insured** pursuant to the Loss of Earnings and Expense Reimbursement provisions described herein shall be in addition to the Limits of Liability stated in the LIMITS OF INSURANCE section of the Declarations and shall not be subject to the **Retention**.

## SECTION VI— NOTICE OF CLAIM

- A. Claim Reporting Provision:** The **Insured** shall give to the **Company** written notice as stated in the NOTICE TO INSURANCE COMPANY section of the Declarations as soon as practicable of any **Claim** first made against the **Insured** during the **Policy Period** or the Extended Reporting Period, if exercised.

In the event suit is brought against the **Insured**, the **Insured** shall immediately forward to American Safety Insurance Services, Inc., (100 Galleria Parkway, Suite 700, Atlanta, GA 30339), on behalf of the **Company**, every demand, notice, summons or other process received by him/her or by his/her representatives.

- B. Discovery Clause:** If during the **Policy Period**, the **Insured** first becomes aware of a specific **Wrongful Act** or **Personal Injury** which is reasonably expected to result in a **Claim** within the scope of coverage of this Policy, then the **Insured** may provide written notice to the **Company** containing the information listed below. If such written notice is received by the **Company** during the **Policy Period**, then any **Claim** subsequently made against the **Insured** arising out of such **Wrongful Act** or **Personal Injury** shall be deemed for the purpose of this insurance to have been first made on the date on which such written notice is first received by the **Company**.

It is a condition precedent to the coverage afforded by this Discovery Clause that written notice be given to the **Company** containing the following information:

1. the description of the specific **Wrongful Act** or **Personal Injury**;
2. the date on which such **Wrongful Act** or **Personal Injury** took place;
3. the injury or damage which has or may result from such **Wrongful Act** or **Personal Injury**;
4. the identity of any persons and/or organization subject to such injury and/or damage; and
5. the circumstances by which the **Insured** first became aware of such **Wrongful Act** or **Personal Injury**.

- C. Assistance and Cooperation of the Insured:** The **Insured** shall cooperate with the **Company** and upon the **Company's** request, the **Insured** shall: (1) submit to examination and interview by a representative of the **Company**, under oath if required; (2) attend hearings, depositions and trials; (3) assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses in the conduct of suits; (4) give a written statement or statements to the **Company's** representatives and meet with such representatives for the purpose of determining coverage and investigating and/or defending any **Claim**, all without cost to the **Company** other than expense reimbursement provided under SECTION V SUPPLEMENTARY PAYMENTS. The **Insured** shall further cooperate with the **Company** and do whatever is necessary to secure and effect any right of indemnity, contribution or apportionment which the **Insured** may have.

- D. False or Fraudulent Claims:** If any **Insured** shall commit fraud in proffering any **Claim**, this insurance shall become void from the date such fraudulent **Claim** is proffered.



## SECTION VII — CONDITIONS

### A. Action Against the Company

1. No action shall be taken against the **Company** unless, as a condition precedent thereto, there shall have been full compliance with all the terms of this Policy, and until the obligation of the **Insured** to pay shall have been finally determined by an adjudication against the **Insured** or by written agreement of the claimant, the **Insured**, and the **Company**.
2. No person or organization shall have any right under this Policy to join the **Company** as a party to any **Claim** against an **Insured** nor shall the **Company** be impleaded by any **Insured** or their legal representative in any such **Claim**.

### B. Application

It is agreed by the **Named Insured** and all **Insureds** that the particulars and statements contained in the **Application** and any information provided therewith (which shall be on file with the **Company** and be deemed attached hereto as if physically attached hereto) are the basis of this Policy and are to be considered as incorporated in and constituting a part of this Policy. It is further agreed by the **Named Insured** and all **Insureds** that the statements in the **Application** or in any information provided therewith are their representations, that they are material, and that this Policy is issued in reliance upon the truth of such representations.

### C. Assignment

This Policy and any and all rights hereunder are not assignable without the **Company's** prior written consent, which consent shall be at the sole and absolute discretion of the **Company**.

### D. Bankruptcy

Bankruptcy or insolvency of the **Insured** will not relieve the **Company** of any of the **Company's** obligations under this Policy.

### E. Cancellation

This Policy may be cancelled by the **Named Insured** on behalf of all **Insureds** by mailing to the **Company** written notice stating when thereafter such cancellation shall be effective. If cancelled by the **Named Insured**, the earned premium shall be computed at the customary short rate. Payment or tender of unearned premium shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.

This Policy may be cancelled by the **Company** or by its underwriting manager, on behalf of the **Company**, by mailing to the **Named Insured**, at the address stated in the Declarations, 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 **Named Insured** has failed to pay a premium or **Retention** when due, including premium and **Retentions** due on any other policy(ies) issued by the **Company** or any of its affiliated companies in an uninterrupted series of policies for which this Policy is a renewal or replacement, this Policy may be cancelled by the **Company** or by its underwriting manager, on behalf of 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. The mailing of notice as aforementioned shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Such notice shall be conclusive on all **Insureds**. Delivery of such written notice by the **Named Insured**, the **Company** or its underwriting manager shall be equivalent to mailing. If cancelled by the **Company** or its underwriting manager, earned premium shall be computed pro rata. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter.

### 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 and shall not estop the **Company** from asserting any right under the terms of the Policy. The terms of this Policy shall not be waived or changed, except by written endorsement issued to form a part of this Policy, and this Policy embodies all agreements existing between the **Insureds** and the **Company** or any of its agents relating to this insurance.

### G. Changes in Ownership

If after the inception date of this Policy:

1. another entity or person or group of entities and/or persons acting in concert acquires a majority of the voting

- securities of the **Named Insured** or majority successor in interest of the **Named Insured**;
2. the **Named Insured** is merged into or consolidated with another entity such that the **Named Insured** is not the surviving entity; or
  3. a receiver, liquidator, conservator, trustee or similar official is appointed with respect to the **Named Insured**; then, the Policy will remain in effect until the end of the **Policy Period**, but only with respect to any **Wrongful Act** or **Personal Injury** which occurred before such change in ownership. The **Named Insured** shall give written notice of such change in ownership to the **Company** as soon as practicable, but in no event later than sixty (60) days after such change in ownership. Further, the entire premium for this Policy will be considered fully earned upon the occurrence of any of the above events in consideration of the coverage extended.

#### H. Changes in the Named Insured

If after the inception date of this Policy:

1. there is a change of fifty percent (50%) or more in the total number of lawyers at the **Named Insured**; or
2. there is any new involvement in any single practice specialty anticipated to produce twenty-five percent (25%) or more of the **Named Insured's** gross billable dollars;

the **Named Insured** shall give written notice of such change to the **Company** as soon as practicable, but in no event later than sixty (60) days after such change, and the **Company** shall have the right to additional premium for such changes, based on its sole assessment of the additional exposure(s) presented.

There shall not be any premium adjustment during the **Policy Period** as the result of a change in the total number of lawyers at the **Named Insured** other than as stated herein above.

#### I. Choice of Law

All matters arising hereunder including questions related to the validity, interpretation, performance and enforcement of this Policy shall be determined in accordance with the law and practice of the State of New York notwithstanding New York's conflicts of law rules.

#### J. Dispute Resolution

In the event any dispute arises in connection with this Policy that cannot be resolved by agreement, prior to commencing a judicial proceeding or arbitration, the **Insured** may submit the dispute to binding **Mediation** in which the **Company** and the **Insured** shall attempt in good faith to resolve such dispute in accordance with the American Arbitration Association's ("AAA") then-prevailing Commercial **Mediation** Rules. In the event the **Insured** does not elect to engage in binding **Mediation** or such binding **Mediation** does not result in a settlement of the subject dispute or difference, either the **Insured** or the **Company** shall have the right to commence a judicial proceeding or, if the parties agree, a binding arbitration under the then-prevailing AAA Commercial Arbitration Rules, to resolve such dispute. The costs and expenses of **Mediation**, or arbitration, shall be split equally by the parties.

**K. Entire Agreement:** This Policy, the Declarations, the application(s) and any written endorsements attached hereto shall be deemed to be a single unitary contract.

#### L. Headings

The descriptions in the headings of this Policy form no part of the terms and conditions of the coverage under this Policy.

#### M. Named Insured As Sole Representative

By acceptance of this Policy, the first person or organization identified as the **Named Insured** on the Declarations shall act on behalf of all **Insureds** with respect to completing any application for this Policy, including the representations of the truth, accuracy and completeness of all information and documents provided. It shall also act on behalf of all **Insureds** with respect to the giving and receipt of any notices required under this Policy, including notice of **Claim**, cancellation or non-renewal. The **Named Insured** also acts on behalf of all **Insureds** with respect to the payment of any premiums, receipt of return premiums, satisfaction of any **Retentions**, consent to settlement of a **Claim**, any and all changes to this Policy and election of any Extended Reporting Period pursuant to SECTION VIII EXTENDED REPORTING PERIOD of this Policy.

#### N. Other Insurance

This insurance shall be in excess of the **Retention** stated in RETENTION section of the Declarations and any other insurance available to the **Insured** whether such other insurance is stated to be primary, 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. Nothing in this provision shall prevent the **Company** or the **Insureds** from seeking contribution or coverage from any other company or indemnitor

**O. Representations**

By acceptance of this Policy, the **Insureds** agree as follows:

1. that the information and statements contained in the **Application(s)** are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy; and
2. that the information and statements contained in the **Application(s)** are their representations, that they shall be deemed material to the acceptance of the risk or hazard assumed by the **Company** under this Policy, and that this Policy is issued in reliance upon the truth and accuracy of such representations.

**P. Representative of the Company**

American Safety Insurance Services, Inc. (100 Galleria Parkway, Suite 700, Atlanta, GA 30339) shall act on behalf of the **Company** for all purposes including, but not limited to, the giving and receiving of all notices and correspondence, provided, however, notice of **Claims** shall be given pursuant to SECTION VI NOTICE OF CLAIM of the Policy.

**Q. Service of Suit**

The service of process in any **Claim** or suit on the Policy against American Safety Indemnity Company may be made upon the highest one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the Policy is issued. The one in authority bearing the title "Commissioner", "Director" or "Superintendent" of Insurance of the state or commonwealth wherein the Policy is issued is hereby authorized and directed to accept service of process on the **Company's** behalf in any such **Claim** or suit.

**R. Subrogation**

In the event of any payment under this Policy, the **Company** shall be subrogated to the right of recovery of all **Insureds** to the extent of such payment. The **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after the **Claim** to prejudice such rights.

Any amount so recovered shall be apportioned as follows:

Any recovery shall first be used for the repayment of expenses incurred toward subrogation; second, to any loss and expense payment by the **Insured** in excess of any **Retention(s)**; third, to any loss and expense payments by any excess carrier on behalf of the **Insured**; fourth, to any loss and expense payments by any primary carrier on behalf of the **Insured**; and, last, to repayment of the **Insured's Retention**.

**S. Territory (Worldwide Provision)**

Coverage applies to **Wrongful Acts** committed anywhere in the world provided that any action, arbitration, or other proceeding for, in relation to, or arising from the **Claim** is brought within the United States of America, its territories or possessions. If **Damages** or **Claim Expenses** are paid in a currency other than United States of America dollars, then the payment under this Policy will be considered to have been made in United States dollars at the applicable rate of currency exchange published in *The Wall Street Journal* on the date any judgment becomes final or payment of the settlement or other element of **Damages** or **Claim Expenses** is due.

**SECTION VIII— EXTENDED REPORTING PERIODS**

**A. Practicing Extended Reporting Periods**

1. If the **Named Insured** nonrenews this Policy or cancels this Policy pursuant to the Cancellation provision of SECTION VII CONDITIONS or if the **Company** nonrenews this Policy or cancels this Policy pursuant to the Cancellation provision of SECTION VII CONDITIONS, for reasons other than nonpayment of premium or **Retention** or non-compliance with the terms and conditions of this Policy, then the **Named Insured** shall have the right upon payment of an additional premium, to extend the coverage granted under this Policy, to **Claims** first made against the **Insureds** during the time period of up to thirty-six (36) months; as elected by the **Named Insured**, and reported to the **Company** pursuant to the **Claim Reporting Provision** of SECTION VI NOTICE OF CLAIM following immediately upon the effective date of such cancellation or nonrenewal, for any **Wrongful Act** or **Personal Injury** committed on or after the **Retroactive Date** and prior to the effective date of such cancellation or nonrenewal. This period of months as elected by the **Named Insured** and described in this paragraph shall be referred to in this Policy as the Extended Reporting Period.

The **Company** will determine the actual premium for the Practicing Extended Reporting Period in accordance with the **Company's** rules and rates. In doing so, the **Company** may take into account the following:

- (a) The exposures insured;
- (b) Previous types and amounts of insurance;
- (c) Limits of Insurance available under this Policy for future payment of **Damages**; and
- (d) Other related factors.

If, however, this Policy is immediately succeeded by similar **Claims** made insurance coverage on which the **Retroactive Date** is the same as or earlier than that stated in the RETROACTIVE DATE section of the Declarations, the succeeding insurance shall be deemed to be a renewal hereof and, in consequence, the **Named Insured** shall have no right to purchase an Extended Reporting Period.

The quotation of a different premium and/or **Retention** and/or Limit of Liability for renewal does not constitute a cancellation or refusal to renew for the purpose of this provision.

2. As a condition precedent to the right to purchase the Extended Reporting Period, the **Named Insured** must have paid: (1) all **Retentions** when due; (2) all premiums due for the **Policy Period**; and (3) all premium and **Retentions** due on any other policy(ies) issued by the **Company** or any of its affiliated companies in an uninterrupted series of policies for which this Policy is a renewal or replacement. The right to purchase the Extended Reporting Period shall terminate unless a written request for the Extended Reporting Period is received by the **Company** within thirty (30) days after the effective date of cancellation or nonrenewal together with full payment for the Extended Reporting Period. If such written request and premium payment for the Extended Reporting Period are not so received by the **Company**, there shall be no right to purchase the Extended Reporting Period at a later date.
3. In the event of the purchase of the Extended Reporting Period the entire premium therefore shall be fully earned at its commencement.
4. The Extended Reporting Period shall not in any way increase or reinstate the Limits of Liability stated in the LIMITS OF INSURANCE section of the Declarations.

#### **B. NON-PRACTICING EXTENDED REPORTING PERIOD OPTIONS**

1. Any natural person who is a partner, officer, director, principal, shareholder, shareholder of a partner, member or employee of the **Named Insured** who, during the **Policy Period**, retires or otherwise ceases the private practice of his/her profession as a lawyer shall have the right upon payment of an additional premium to extend coverage granted under this Policy to **Claims** first made against the such **Insured** during up to twenty-four (24) months; as elected by the **Insured** and reported to the **Company** pursuant to the **Claim Reporting Provision** of SECTION VI NOTICE OF CLAIM following immediately upon the effective date of such retirement or cessation of private practice for any **Wrongful Act** or **Personal Injury** committed on or after the **Retroactive Date** and prior to the effective date of such retirement or cessation of private practice. This period of months as elected by the **Insured** and described in this paragraph shall be referred to in this Policy as the Non-Practicing Extended Reporting Period.

The **Company** will determine the actual premium for the Non Practicing Extended Reporting Period in accordance with the **Company's** rules and rates. In doing so, the **Company** may take into account the following:

- (a) The exposures insured;
- (b) Previous types and amounts of insurance;
- (c) Limits of Insurance available under this Policy for future payment of **Damages**; and
- (d) Other related factors.

This Non-Practicing Extended Reporting Period Option shall not be available when the license to practice law of the **Insured** exercising the Non-Practicing Reporting Period Option, has been revoked, suspended or surrendered at the request of any disciplinary or regulatory authority for reason other than the retirement or cessation of private practice of such **Insured** at, on or prior to the effective date of retirement or cessation of private practice.

2. As a condition precedent to the right to elect the Non-Practicing Extended Reporting Period, the **Named Insured** must have paid: (1) all **Retentions** when due; (2) all premiums due for the **Policy Period**; and (3) all premium and

**Retentions** due on any other policy(ies) issued by the **Company** or any of its affiliated companies in an uninterrupted series of policies of which this Policy is a renewal or replacement of. The right to elect the Non-Practicing Extended Reporting Period shall terminate unless a written request for the Non-Practicing Extended Reporting Period is received by the **Company** within sixty (60) days after the effective date of retirement or cessation of private practice together with full payment for the Non-Practicing Extended Reporting Period. If such written request and premium payment for the Non-Practicing Extended Reporting Period are not so received by the **Company**, there shall be no right to elect the Non-Practicing Extended Reporting Period at a later date.

3. In the event of the purchase of the Non-Practicing Extended Reporting Period the entire premium therefore shall be fully earned at its commencement.
4. The Non-Practicing Extended Reporting Period shall not in any way increase or reinstate the Limits of Liability stated in the LIMITS OF INSURANCE section of the Declarations.

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