

NAVIGATORS SPECIALTY INSURANCE COMPANY

DECLARATIONS

Attaching to and forming part of

EXCESS INSURANCE AGENT PROFESSIONAL LIABILITY INSURANCE POLICY

THIS IS A CLAIMS MADE AND REPORTED EXCESS PROFESSIONAL LIABILITY INSURANCE - PLEASE READ CAREFULLY AND DISCUSS WITH YOUR INSURANCE ADVISOR. UNDER NO CIRCUMSTANCES, EXCEPT THOSE SET FORTH IN CLAUSE 3 PARAGRAPH c(1) AND c(2), SHALL THE COVERAGE AFFORDED BY THIS POLICY ATTACH BELOW THE SUM OF THE UNDERLYING LIMIT(S) OF LIABILITY SET FORTH IN ITEM 6 OF THE DECLARATIONS.

1. **EXCESS POLICY NO.:**

2. **NAMED INSURED AND ADDRESS:**

3. **PERIOD OF INSURANCE:** 12 months FROM:
TO:

12:01 A.M. STANDARD TIME AT THE ADDRESS SHOWN IN NUMBER 3 ABOVE

4. **LIMIT OF LIABILITY UNDER THIS POLICY:**

Any one Claim (including costs and expenses) \$

Annual Aggregate (including costs and expenses) \$

5. **PREMIUM** \$

6. **UNDERLYING POLICY LIMITS OF LIABILITY INCLUDING INSURER AND**

POLICY NUMBERS: \$ any one claim/ \$ in the aggregate/

Policy No.

7. **ADDITIONAL PREMIUM FOR EXTENDED REPORTING PERIOD:** 100% of Item 5 above.

8. **DURATION OF EXTENDED REPORTING PERIOD:** 12 months

Navigators Specialty IAP

- 9. **ENDORSEMENTS ATTACHING TO THIS POLICY:**
- 10. **RETROACTIVE DATE:**
- 11. **DATE OF APPLICATION:**
- 12. **NOTICE OF CLAIM TO:**

By Acceptance of this policy the Insured agrees that the statements in the Declarations and the Application and any attachments hereto are the Insured's agreements and representations and that this policy embodies all agreements existing between the Insured and the Company or any of its representatives relating to this insurance.

Authorized Representative

IN WITNESS WHEREOF, we have caused this policy to be signed by our President and Secretary and countersigned by our duly authorized representative.

Bradley D Wiley
SECRETARY

Stacy Adam Galorel
PRESIDENT

EXCESS INSURANCE AGENT PROFESSIONAL LIABILITY INSURANCE POLICY

NOTICE: This is a claims made and reported form. Except to such extent as may otherwise be provided herein, the coverage afforded under this Policy is limited to liability for only those claims that are first made against the Insured and reported to the Company during the Period of Insurance. The limit of liability available to pay claims shall be reduced and may be completely exhausted by payment of defense costs, charges and expenses. Please review the coverage afforded under this insurance Policy carefully and discuss the coverage hereunder with your insurance advisor.

1. INSURING AGREEMENT

To pay on behalf of the Insured, subject to the terms, conditions and limitations of this Policy and the Underlying Policy set forth in Item 6 of the Declarations, any claim first made against the Insured and reported to the Company during the Period of Insurance set forth in the Declarations, or, if applicable, during any Extended Reporting Period.

2. INCORPORATION OF PRIMARY TERMS

Except as otherwise provided herein, this Policy is subject to the same terms, exclusions, conditions and definitions as the Policy of the Underlying Policy. No amendment to the Policy of the Underlying Insurer during the Period of Insurance shall increase or expand the coverage or limits provided by this Policy unless agreed in writing by the Company.

3. LIMIT OF LIABILITY

- A. The liability of the Company under this Policy shall not exceed the amount set forth in Item 4 of the Declarations, and shall include all defense costs, charges and expenses incurred in excess of the limit of liability of the Underlying Policy set forth in Item 6 of the Declarations.
- B. The liability of the Company under this Policy shall not attach unless and until the primary insurance have paid or have been held liable to pay, the full amount of the limit of liability as set forth in Item 6 of the Declarations.
- C. If by reason of the payment of any claim or claims or defense costs, charges and expenses by the Underlying Policy during the Period of Insurance, the amount of coverage provided by such Underlying Policy is:
 - (1) Partially reduced, then this Policy shall apply in excess of the reduced amount of the Underlying Policy for the remainder of the Period of Insurance;
 - (2) Totally exhausted, then this Policy shall continue in force as the Underlying Policy until expiry hereof.

Under no circumstances, except those set forth in Clause 3 paragraphs C(1) and C(2) above, shall the coverage afforded by this Policy attach below the sum of the underlying limit of liability set forth in Item 6 of the Declarations.

4. MAINTENANCE OF UNDERLYING INSURANCE

- A. It is a condition of this Policy that the underlying limits listed in Item 6 of the Declarations be maintained in full force and effect during the Period of Insurance and any Extended Reporting Period, except as provided in Clause 3 paragraphs C(1) and C(2) above. In the event of failure to maintain the Underlying Policy for any reason, except non-payment of any premium due, the insurance afforded by this Policy shall apply as if the Underlying Policy had been maintained in force.
- B. In the event the Underlying Insurer listed in Item 6 of the Declarations shall cancel, void or in any way terminate their coverage because of the non-payment of premiums due, the coverage afforded by this Policy shall immediately terminate and any unearned premium as calculated on a short-rate basis, shall be returned to the Insured.

5. EXCLUSIONS

Such coverage as would be afforded hereunder shall not apply to:

- A. any Claim or circumstance which might lead to a claim which was included, or is related to directly or indirectly, any matter identified as a pending claim or circumstance that might lead to a claim in the proposal form dated as shown in Item 11 of the Declarations.
- B. any Claim or circumstance where the act, error or omission took place or is alleged to have taken place prior to the date when the involved individual was employed, joined or otherwise became part of the Named Insured;
- C. If a retroactive date is applicable to this coverage it will appear at Item 6 of the Declarations and the following exclusion shall apply:
 - (1) to any Claim or circumstance that might lead to a Claim arising out of any act, error or omission which took place, or is alleged to have taken place, prior to the retroactive date as set forth in Item 6 of the Declarations.

6. NOTICE OF CLAIMS OR CIRCUMSTANCES

- A. If during the Period of Insurance, or any Extended Reporting Period, any Claim is made against the Insured, or the Insured becomes aware of any circumstance which might lead to a Claim, the Insured shall immediately give notice in writing of such matters to the persons listed in Item 10 of the Declarations.
- B. If the Insured shall make any claim knowing the same to be false or fraudulent, as regards amount or otherwise, this Policy shall become void and all claims hereunder shall be forfeited.

7. COSTS, CHARGES AND EXPENSES AND SETTLEMENTS.

- A. In the event a Claim arises which involves the coverage provided by this Policy, no costs, charges or expenses shall be incurred without the Company's prior consent, such consent not to be unreasonably withheld.
- B. No settlement of a Claim shall be agreed by the Insured for such a sum as will involve the coverage provided by this Policy without the consent of the Company.

8. SUBSEQUENT RECOVERIES FROM THIRD PARTIES

- A. All monetary recoveries received by the Insured from third parties subsequent to any payments under this Policy shall be applied, after deducting any reasonable costs incurred in obtaining such recoveries, as if recovered or received prior to any payment under this Policy and all necessary adjustments shall then be made between the Insured and the Company provided always that nothing in this Policy shall be construed to mean that any payments under this Policy are payable until the Insured's ultimate net loss has been finally ascertained.
- B. Under no circumstances shall the Company be required or obligated to take possession or bear responsibility for any property or other asset taken over by the Insured by way of salvage or recovery. The Company shall, however, have the right to recover the proceeds from the Insured's sale of any such property or asset and the Insured shall use its best efforts to sell, at market value or at a price agreed by the Company, any property or asset recovered.

9. ACTION AGAINST COMPANY

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

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 Company as a party to an action or other proceeding against the Insured to determine the Insured's liability, nor shall the Company be impleaded by the Insured or his legal representative. Bankruptcy or insolvency of the Insured or of the Insured's estate shall not relieve the Company of its obligations hereunder.

10. EXTENDED REPORTING PERIOD

- A. In the event of cancellation or non-renewal of this Policy by the Company, the Named Insured designated in Item 2 of the Declarations shall have the right, within 30 days of such termination, upon payment in full and not proportionally or otherwise in part of 100% of the Named Insured's last annual premium, to have issued an endorsement providing a one year Extended Reporting Period for all Claims first made against any Insured and reported to the Company during the Extended Reporting Period arising out of any act, error or omission occurring prior to the termination of this Policy and otherwise covered by the terms of this Policy.
- B. In the event that the Underlying Policy offers no extended reporting period or an extended reporting period that is of different duration to that offered by this Policy, the insurance afforded by this Policy shall apply as if the Underlying Policy Extended Reporting Period Endorsement was for the same duration as that provided for by the terms of this Policy.
- C. The limit of liability for the Extended Reporting Period shall be part of, and not in addition to, the limit of liability of the Company for the Period of Insurance as set forth in Item 4 of the Declarations.
- D. The right to the Extended Reporting Period shall not be available to the Named Insured where cancellation or non-renewal by the Company is due to non-payment of premium.
- E. The right to the Extended Reporting Period shall only be available to the Named Insured listed in Item 2 of the Declarations where the Named Insured has also invoked extended reporting or discovery coverage against the Underlying Policy set forth in Item 6 of the Declarations.
- F. The quotation by the Company of a different premium or limit of liability or changes in Policy language for the purpose of renewal shall not constitute a refusal to renew by the Company.

11. CANCELLATION

- A. This policy of insurance may be cancelled by the Named Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter the cancellation shall be effective. This insurance may be cancelled by the Company by mailing to the Named Insured at the address shown in the Declarations written notice stating when not less than 60 days thereafter such cancellation shall be effective. However, if the Company cancels this insurance because the Insured has failed to pay a premium when due this insurance may be cancelled by the Company by mailing a written notice of cancellation to the Named Insured at the address shown in the Declarations stating when 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 Insured or by the Company shall be equivalent to mailing.
- B. If the Named Insured cancels this insurance, earned premium shall be computed in accordance with the customary short rate table and procedure. If the Company cancels 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.

12. SERVICE OF SUIT

It is understood and agreed that in the event of the failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States of America. The foregoing shall not constitute a waiver of the right of the Company to remove, remand, or transfer such suit to any other court of competent jurisdiction in accordance with the applicable statutes of the state of United States pertinent hereto. In any suit instituted against them upon this contract, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

It is further agreed that service of process in such suit may be made upon the Superintendent, Commissioner, or Director of Insurance or other person 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 Insured or any beneficiary hereunder arising out of this contract of insurance.

The Company hereby designates the President of Navigators Specialty Insurance Company, One Penn Plaza, 55th Floor, New York, NY 10119, as the person to who the said Superintendent, Commissioner, or Director of Insurance is authorized to mail such process or a true copy thereof, in compliance with the applicable statutes governing said service of process in the state or jurisdiction in which a cause of action under this contract of insurance arises.

