

# NAVIGATORS SPECIALTY INSURANCE COMPANY

(herein called the "INSURER")

## EMPLOYMENT PRACTICES LIABILITY INSURANCE POLICY

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

In consideration of the payment of the premium and in reliance upon all statements made and information furnished to the INSURER, including the statements made in the Declarations and APPLICATION and subject to all terms, conditions and limitations of this Policy, the INSURER agrees:

### I. INSURING AGREEMENT

To pay on behalf of the INSUREDS all LOSS which the INSUREDS shall be legally obligated to pay in excess of the applicable Retention as a result of any CLAIM first made and reported against the INSUREDS during the POLICY PERIOD for a WRONGFUL EMPLOYMENT ACT.

### II. DEFINITIONS

- A. "APPLICATION" shall mean the application attached hereto and forming a part of this Policy, Including any materials submitted in connection with such application which are on file with the INSURER.
- B. "CLAIM" shall mean any oral or written demand or notice received by an INSURED from any current or former EMPLOYEE or applicant for employment in which such demand or notice there is an allegation that a WRONGFUL EMPLOYMENT ACT has been committed. CLAIM includes a civil, criminal, administrative, alternative dispute resolution, or other legal proceeding, including but not limited to EEOC hearings, in which there is an allegation that a WRONGFUL EMPLOYMENT ACT has been committed. CLAIM shall not include any labor or grievance arbitration that is subject to a collective bargaining agreement.
- C. "COMPANY" shall mean the entity(s) named in Item 1 of the Declarations and any SUBSIDIARY as defined in Section II. N. which is legally constituted at the inception date as stated in Item 2 of the Declarations.
- D. "DEFENSE COSTS" shall mean reasonable and necessary legal fees and expenses incurred in the investigation and/or defense of any CLAIM and appeals from a CLAIM, and cost of attachment or similar bonds; provided however, DEFENSE COSTS shall not include salaries, wages, overhead or benefit expenses of the COMPANY.
- E. "EMPLOYEE" shall mean any person who receives wages or a salary from the COMPANY for work that is directed and controlled by the COMPANY. EMPLOYEES shall include part-time, seasonal and temporary workers whose labor or service is directed and controlled by the COMPANY. Independent contractors are neither EMPLOYEES nor INSUREDS under this Policy.

- F. "DISCRIMINATION" shall mean the failure to hire an applicant, the failure to promote, the demotion of, the segregation or classification of, or the employment related defamation of any EMPLOYEE of the COMPANY because of race, color, creed, religion, age, national origin, sex, sexual orientation or preference, gender, disability, handicap, pregnancy, or other protected class or characteristic established under applicable federal, state or local statute or ordinance.
- G. "HARASSMENT" shall mean:
- (1) unwelcome sexual advances, requests for sexual favors, or other verbal, visual or physical conduct of a sexual nature that is made either explicitly or implicitly a term or condition of employment with the COMPANY, is used as a basis for employment decisions with the COMPANY, creates a work environment with the COMPANY that interferes with an EMPLOYEE's performance, or creates an intimidating, hostile, or offensive working environment; or
  - (2) conduct of a non-sexual nature which creates a work environment with the COMPANY that interferes with an EMPLOYEE's performance, or creates an intimidating, hostile, or offensive working environment.
- H. "INSURED" shall mean the COMPANY and all its Directors, Officers and EMPLOYEES.
- I. "INTERRELATED WRONGFUL EMPLOYMENT ACTS" shall mean WRONGFUL EMPLOYMENT ACTS occurring prior to or after the Retroactive Date, which have as a common nexus any fact, circumstance, situation, event, transaction or series of facts, circumstances, situations, events or transactions.
- J. "LOSS" shall mean any amount which the INSUREDS are legally obligated to pay for any CLAIM or CLAIMS made against the INSUREDS for WRONGFUL EMPLOYMENT ACTS and shall include judgments, pre-judgment and post-judgment interest, settlements, DEFENSE COSTS, back pay, front pay, damages for mental anguish or emotional distress, compensatory damages, and punitive damages if insurable under the law pursuant to which this Policy is construed. LOSS shall not include: (1) civil or criminal fines, penalties, taxes imposed by law, or non-monetary relief; (2) unpaid salary, bonus, overtime pay, severance pay or damages determined to be owed under an express contract of employment or an express obligation to make such payments in the event of the termination of employment, including but not limited to payments for stock option or stock appreciation rights; (3) the payment of any insurance plan benefits, retirement benefits, vacation and fringe benefits; (4) damages, costs or expenses incurred by an INSURED in making physical changes, modifications, alterations, or improvements as part of an accommodation of any disabled person pursuant to the Americans with Disabilities Act or any similar federal, state, or local law; or (5) other matters which may be deemed uninsurable pursuant to the law under which this Policy shall be interpreted.
- K. "POLICY PERIOD" shall mean the period from the inception date of this Policy to the expiration date stated in Item 2 of the Declarations, or its earlier termination or cancellation, if any.
- L. "POLICY YEAR" shall mean the period of one year following the effective date and hour of this Policy or the period of one year following an anniversary date thereof falling within the POLICY PERIOD; or if the time between the effective date or any anniversary date and the termination of this Policy is less than one year, such lesser period. If the EXTENDED REPORTING PERIOD is exercised in accordance with Section III, then such period shall be part of and not in addition to the last POLICY YEAR.

- M. "RETALIATION" shall mean unlawful or abusive treatment of an EMPLOYEE which results from the EMPLOYEE'S exercise or attempted exercise of her/his rights under law.
- N. "SUBSIDIARY" shall mean any entity in which the COMPANY or one of its subsidiaries owns more than 50% of the outstanding voting securities of such entity. The term "SUBSIDIARY" shall include any subsidiary of a SUBSIDIARY and any subsidiary acquired in accordance with Section VIII.D. of this Policy.
- O. "WRONGFUL EMPLOYMENT ACT" shall mean:
- (1) Actual or alleged WRONGFUL TERMINATION of an EMPLOYEE by an INSURED; or
  - (2) Actual or alleged DISCRIMINATION against an EMPLOYEE or an applicant who has sought and been refused employment with the COMPANY by an INSURED; or
  - (3) Actual or alleged HARASSMENT against an EMPLOYEE or an applicant who has sought and been refused employment with the COMPANY by an INSURED; or
  - (4) Actual or alleged RETALIATION against an EMPLOYEE by an INSURED.
- P. "WRONGFUL TERMINATION" shall mean the actual or constructive termination of an employment relationship in a manner which is against the law, in breach of an implied agreement to continue employment, or retaliatory discharge.

### **III. EXTENDED REPORTING PERIOD**

- A. An EXTENDED REPORTING PERIOD means the one (1) year period immediately following the end of the POLICY PERIOD. Any CLAIM which is first made and reported against the INSURED during the EXTENDED REPORTING PERIOD because of a WRONGFUL EMPLOYMENT ACT which occurred after the Retroactive Date and prior to the end of the POLICY PERIOD shall be deemed to have been made on the last day of the POLICY PERIOD.
- B. The coverage otherwise afforded under this Policy will be extended to apply to the EXTENDED REPORTING PERIOD, subject to all of the terms, conditions, limitations and endorsements of this Policy, for CLAIMS first made and reported against any INSURED during the EXTENDED REPORTING PERIOD for WRONGFUL EMPLOYMENT ACTS occurring subsequent to the Retroactive Date and before the expiration of the POLICY PERIOD.
- C. The additional premium for the EXTENDED REPORTING PERIOD will be the amount set forth in Item 7 of the Declarations. The COMPANY must notify the INSURER in writing of the decision to purchase an EXTENDED REPORTING PERIOD, and must pay the additional premium, within thirty (30) days after the end of the POLICY PERIOD. Payment of the full additional premium by the due date is a condition precedent to the right to purchase an EXTENDED REPORTING PERIOD.
- D. The maximum aggregate Limit of Liability set forth in Item 3 of the Declarations shall be the maximum aggregate Limit of Liability for the POLICY PERIOD and, if applicable, the EXTENDED REPORTING PERIOD. The maximum aggregate Limit of Liability of the Policy is not increased, reinstated or renewed as a result of the applicability of any EXTENDED REPORTING PERIOD.
- E. The EXTENDED REPORTING PERIOD will apply only if this Policy is canceled by either the COMPANY or the INSURER pursuant to Section VIII, or not renewed by the INSURER for any reason other than the nonpayment of a premium or Retention, or noncompliance with the terms and conditions of this Policy by the COMPANY. An increase in premium or other changes in the terms

and conditions of this coverage shall not constitute a non-renewal for the purpose of this provision. The EXTENDED REPORTING PERIOD may not be canceled.

- F. In the event of the purchase of the EXTENDED REPORTING PERIOD, the entire premium shall be deemed earned at its commencement. If the EXTENDED REPORTING PERIOD is terminated before its full term for any reason, the INSURER shall not be liable to return any portion of the premium paid for the EXTENDED REPORTING PERIOD.

#### IV. EXCLUSIONS

The INSURER shall not be liable to make any payment for LOSS in connection with any CLAIM:

- A. Arising from, or in any way involving, actual or alleged: bodily injury, sickness, disease or death of any person, damage to or destruction of any tangible property including loss of use thereof, invasion of privacy, wrongful entry, eviction, false arrest, false imprisonment, malicious prosecution, libel, slander, false light or defamation, except when such libel, slander, false light or defamation is a result of employment related defamation;
- B. For an actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974 (ERISA), any Worker's Compensation, disability benefits or workers' compensation law, The Fair Labor Standards Act (except the Equal Pay Act), the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act of 1985, the Occupational Safety and Health Act, rules or regulations promulgated under and amendments to or similar provisions of any federal, state or local statutory law or common law; except that this exclusion shall not apply to any CLAIM for actual or alleged WRONGFUL TERMINATION or RETALIATION based upon claims asserted under said acts;
- C. Arising from or in any way involving an obligation based upon an INSURED'S assumption of liability for another person or entity, except to the extent that the INSURED would have been liable in the absence of the contract or agreement;
- D. Brought by any person or entity other than a Director, Officer, EMPLOYEE or an applicant who has sought and been refused employment;
- E. Arising from, or in any way involving: (1) any WRONGFUL EMPLOYMENT ACT, or any fact, circumstance or situation which has been the subject of any notice given prior to the effective date of this Policy under any insurance policy providing protection to an INSURED, including any matter related thereto; or (2) any other WRONGFUL EMPLOYMENT ACT which has been the subject of such notice described in the preceding clause, which would constitute INTERRELATED WRONGFUL EMPLOYMENT ACTS;
- F. Arising from, or in any way involving, a lockout, strike, picket line, replacement or any similar actions in connection with labor disputes or labor negotiations.
- G. For compensation earned by the claimant in the course of employment but not paid by the Company, including any unpaid salary, bonus, wages, overtime, severance pay, retirement benefits, stock options, perquisites, fringe benefits, vacation days, sick days, medical benefits or insurance to which the claimant allegedly was or would have been entitled had the COMPANY or any Subsidiary provided the claimant with a continuation or conversion of such benefits or

insurance benefits (or the equivalent value of any such compensation earned but not paid); however this exclusion shall not apply to DEFENSE COSTS.

- H. Based upon, arising from, or attributable to directly or indirectly, in connection with, related to, or in any way involving any Claims alleging violations of any federal, state or local wage and hour law.
- I. Based upon, arising from, or in any way related to any demand, suit, or other proceeding against any Insured which was pending on or existed prior to date in Item 5 of the Declarations, or the same or substantially the same facts, circumstances or allegations which are the subject of or the basis for such demand, suit or other proceeding;

## **V. LIMIT OF LIABILITY**

- A. The INSURER shall be liable to pay covered LOSS in excess of the applicable Retention amount up to the Limit of Liability.
- B. CLAIMS based upon or arising out of the same WRONGFUL EMPLOYMENT ACT or any INTERRELATED WRONGFUL EMPLOYMENT ACT shall be considered a single CLAIM, and only one Retention and Limit of Liability shall be applicable to such single CLAIM; provided, however, that each such single CLAIM shall be deemed to fall within the POLICY YEAR in which the earliest CLAIM arising out of such WRONGFUL EMPLOYMENT ACT or fact, circumstance or situation, or one or more series of any similar, repeated or continuous WRONGFUL EMPLOYMENT ACTS is first made, or within the POLICY YEAR in which notice pursuant to Section VII. B. is given, whichever occurs first. In the event that more than one INSURED is included in the same CLAIM, the total amount of such CLAIM and the Retention shall be apportioned pro-rata among the INSUREDS in proportion to their respective LOSS unless otherwise mutually agreed upon by the INSUREDS and the INSURER.
- C. One Retention amount shall apply to the covered portion of each and every CLAIM.
- D. DEFENSE COSTS shall be part of and not in addition to the Limit of Liability, and such DEFENSE COSTS shall reduce the Limit of Liability and shall also be applied to the Retention.
- E. If both LOSS covered by this Policy or other loss amounts are incurred, either because a CLAIM made against the INSUREDS includes both covered and uncovered matters, or because a CLAIM is made against both INSUREDS and others not included within the definition of "INSURED" set forth in Section II.H. above, then the INSUREDS and the INSURER agree to use their best efforts to determine a fair and proper allocation of all such amounts. In making such determination, the parties shall take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the CLAIM by the INSUREDS and non-insureds. In the event that the parties cannot agree to an appropriate allocation percentage for the CLAIM, then the INSURER shall be obligated to make an interim payment of the amount of LOSS, including DEFENSE COSTS, which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.
- F. Subject to the foregoing, the INSURER'S liability for all LOSS including DEFENSE COSTS shall be the maximum aggregate Limit of Liability of the INSURER for each POLICY YEAR in the POLICY PERIOD for all CLAIMS against an INSURED, regardless of the time of payment by the INSURER.

## **VI. DEFENSE COSTS AND SETTLEMENTS**

- A. The INSUREDS shall not admit liability for, or settle, any CLAIM or incur DEFENSE COSTS, in connection with any CLAIM, without the INSURER'S prior written consent, which consent shall not be unreasonably withheld. The INSURER shall be entitled to full information and all particulars it may request in order to reach a decision as to such consent. Any DEFENSE COSTS incurred, and/or settlements agreed to prior to the INSURER'S consent shall not be covered hereunder.
- B. The INSURER shall, upon request, advance DEFENSE COSTS on behalf of the INSUREDS, incurred by the INSUREDS in connection with any CLAIM made against them, prior to the final disposition of any such CLAIMS. Any agreement by the INSURER to advance DEFENSE COSTS shall be on the condition that:
  - (1) The INSUREDS provide a written undertaking satisfactory to the INSURER which states that if the INSURER has no liability under the Policy to the INSUREDS for such CLAIM, the INSUREDS agree to repay to the INSURER upon demand all DEFENSE COSTS advanced on their behalf by virtue of this provision;
  - (2) The INSUREDS provide security for such written undertaking satisfactory to the INSURER; and
  - (3) Any DEFENSE COSTS advanced by the INSURER shall reduce the Limit of Liability for such CLAIM to the extent that such DEFENSE COSTS are not in fact repaid to the INSURER in accordance with VI.B.(1) above.
- C. It shall be the duty of the INSUREDS and not the duty of the INSURER to defend CLAIMS, and the INSUREDS shall obtain the consent of the INSURER for defense counsel, which consent shall not be unreasonably withheld.

The INSURER shall at all times have the right, but not the duty, to associate with an INSURED in the investigation, defense or settlement of any CLAIM that appears reasonably likely to involve the INSURER. The INSUREDS shall provide the INSURER with such information, assistance and cooperation as the INSURER may reasonably request.

## **VII. NOTICE OF CLAIM**

- A. An INSURED as a condition precedent to its rights under this Policy, shall give the INSURER notice in writing, as soon as practicable of any CLAIM first made during the POLICY PERIOD or during the EXTENDED REPORTING PERIOD, but in no event later than sixty (60) days after such CLAIM is made, and shall give the INSURER such information and cooperation as the INSURER may reasonably require.
- B. If prior to the effective date of the cancellation or expiration of this Policy, any INSURED first becomes aware of any circumstances which may subsequently give rise to a CLAIM being made against an INSURED, and an INSURED, as soon as practicable, but in no event later than sixty (60) days from the date of such first awareness, gives written notice to the INSURER of the circumstances and the reasons for anticipating such a CLAIM, then any CLAIM made against an INSURED arising directly out of such circumstances shall be deemed for the purposes of this Policy to have been made during the POLICY PERIOD in which the notice was given; provided, however, that as a condition precedent for such notice to trigger coverage:

- (1) Such notice must be received by the INSURER prior to the effective date of the cancellation of the Policy, or in the case of non-renewal, prior to the expiration date of the Policy; and
  - (2) Such notice must be specific and contain full particulars as to the circumstances potentially giving rise to a CLAIM, including a narrative setting forth names, dates, persons involved in the underlying facts, as well as the identity of the potential plaintiffs and the causes of action to be asserted.
- C. In addition to furnishing the notice as provided in Section VII. A. and VII. B., an INSURED shall, as soon as practicable, furnish the INSURER with all information reasonably requested by the INSURER including, but not limited to, copies of reports, investigations, and pleadings.
- D. The INSURER shall have the right but not the obligation to make (1) any investigation it deems expedient and with the consent of the INSURED against whom the CLAIM has been made or the COMPANY on behalf of the INSURED, and (2) make settlement within the available Limit of Liability (whether above or below the applicable Retention). If the INSURED, or the COMPANY on behalf of the INSURED, shall refuse to consent to any settlement recommended by the INSURER and shall act to contest or continue any actions or proceedings in connection with such CLAIM, then, subject to the available Limit of Liability and the applicable Retention, the INSURER'S liability for all LOSS in connection with such CLAIM shall not exceed the amount for which the CLAIM could have been settled, plus the reasonable DEFENSE COSTS incurred with the INSURER'S consent up to the date of refusal to consent by the INSURED and/or the COMPANY.
- E. All CLAIMS arising out of the same, continuing or related EMPLOYMENT WRONGFUL ACTS shall be considered a single CLAIM and deemed to have been made at the time first of the related CLAIMS is reported to INSURER and shall be subject to one Limit of Liability. CLAIMS alleged to be of a continuing violation of stature or law, which involve an EMPLOYMENT WRONGFUL ACT which occurred or allegedly occurred more than two (2) years prior to the date on which the INSURED was first covered by this Policy or policies issued by the INSURER providing coverage for the same conduct, are not covered by this Policy.
- F. Notice to the INSURER as provided in Section VII. A. and VII. B., and any information furnished to the INSURER as provided in Section VII. C., shall be given to: NAVIGATORS INSURANCE COMPANY, attn. Claims Department, One Penn Plaza, 55th Floor, New York, NY 10119.

## **VIII. GENERAL CONDITIONS**

### **A. CANCELLATION OR NON-RENEWAL:**

- (1) By acceptance of this Policy, the INSUREDS hereby confer the exclusive power and authority to cancel this Policy on their behalf to the COMPANY. Such entity may cancel this Policy by surrender thereof to the INSURER, or by mailing to the INSURER written notice stating when thereafter such cancellation shall be effective. The mailing of such notice and the effective date of cancellation stated in the notice shall become the end of the POLICY PERIOD. Delivery of such written notice shall be equivalent to mailing.
- (2) This Policy may be canceled by the INSURER by mailing to the COMPANY written notice stating when, not less than sixty (60) days thereafter, such cancellation shall be effective. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in

the notice shall become the end of the POLICY PERIOD. Delivery of such written notice by the INSURER shall be equivalent to mailing.

- (3) If this Policy shall be canceled by the COMPANY, the INSURER shall retain the customary short rate portion of the premium. If this Policy shall be canceled by or on behalf of the INSURER, the INSURER shall retain the pro-rata portion of the premium. Payment or tender of any unearned premium by the INSURER shall not be a condition precedent to the effectiveness of cancellation, but such payment shall be made as soon as practicable.
- (4) If the INSURER elects not to renew this Policy, the INSURER shall provide the COMPANY with no less than sixty (60) days advance notice thereof.

#### B. TERMINATION:

This Policy shall be deemed terminated immediately upon the happening of any of the following events:

- (1) The acquisition of the COMPANY by another entity, or the merger of the COMPANY into another entity such that the COMPANY is not the surviving entity, or the consolidation of the COMPANY with another entity, or the acquisition of substantially all of the assets of the COMPANY by another entity; provided, however, in the event of termination of this Policy pursuant to this paragraph, the Policy will remain in effect until the end of the POLICY PERIOD, but only with respect to WRONGFUL EMPLOYMENT ACTS occurring after the Retroactive Date, but prior to such merger, acquisition or consolidation , or
- (2) The appointment of a receiver, conservator, trustee, liquidator, or rehabilitator, or any similar official for or with respect to the COMPANY.

If this Policy shall be terminated pursuant to Section VIII.B.(1), then the premium will be fully earned in consideration for the coverage extended. If this Policy shall be terminated pursuant to Section VIII.B.(2), then the INSURER shall retain the pro-rata portion of the premium. Payment or tender of any unearned premium by the INSURER shall not be a condition precedent to the effectiveness of termination, but such payment shall be made as soon as practicable.

#### C. REPRESENTATIONS AND WARRANTIES:

It is agreed, represented and warranted that the particulars and statements contained in the APPLICATION for this Policy or contained in any application for any Policy issued by the INSURER of which this Policy is a renewal thereof, a copy of which is attached hereto, and material submitted therewith (which shall be on file with the INSURER and be deemed attached hereto, as if physically attached hereto), are the basis of this Policy and are to be considered as incorporated into and constituting a part of this Policy.

By acceptance of this Policy the INSUREDS agree:

- (1) That the statements in the APPLICATION are their representations and warranties, that they shall be deemed material to the acceptance of the risk or hazard assumed by the INSURER under this Policy, and that this Policy is issued in reliance upon the truth of such representations and warranties;
- (2) That in the event the APPLICATION contains misrepresentations made with the actual intent to deceive, this Policy in its entirety shall be void and of no effect whatsoever; and provided, however, that except for material facts or circumstances known to the person(s) who signed



the APPLICATION, any misstatement or omission in such APPLICATION in respect to a specific WRONGFUL EMPLOYMENT ACT by a particular INSURED or an INSURED'S cognizance of any matter which the INSURED has reason to suppose might afford grounds for a future CLAIM against an INSURED shall not be imputed to any other INSURED for purposes of determining the validity of this Policy as to such other INSUREDS; and

- (3) That this Policy shall be deemed to be a single unitary contract and not a severable contract of insurance or a series of individual contracts of insurance with each of the INSUREDS.

#### D. ACQUISITIONS, MERGERS AND SUBSIDIARIES:

If the COMPANY (i) acquires securities or voting rights in another entity or creates another entity which as a result of such acquisition or creation such entity becomes a SUBSIDIARY, or (ii) acquires any entity by merger into or consolidation with such entity, then such entity and its Directors, Officers and EMPLOYEES may become INSUREDS under this coverage section but only with respect to WRONGFUL EMPLOYMENT ACTS committed, attempted, or allegedly committed or attempted, after such acquisition, creation, merger or consolidation.

The COMPANY shall give written notice of such acquisition, creation, merger or consolidation to the INSURER as soon as practicable, complete an application and provide such information as the INSURER may require within sixty (60) days after the effective date of such acquisition, creation, merger or consolidation, and pay any reasonable additional premium required by the INSURER.

#### E. SUBROGATION:

In the event of any payment under this Policy, the INSURER shall be subrogated to the extent of such payment to all of the INSUREDS' rights to recovery, including but not limited to the right of priority of recovery, and the INSUREDS shall execute all papers required and shall do everything that may be necessary to secure such rights, including the execution of such documents as may be necessary to enable the INSURER to effectively bring suit in the names of the INSUREDS.

#### F. ASSIGNMENT:

Assignment of interest under this Policy shall not bind the INSURER until its written consent is provided.

#### G. CONFORMITY TO STATUTE:

Any terms of this Policy which are in conflict with the terms of any applicable laws construing this Policy, including any endorsement to this Policy which is required by any state Department of Insurance (or equivalent regulatory agency or authority) ("State Amendatory Endorsement"), are hereby amended to conform to such laws. Nothing herein shall be construed to restrict the terms of any State Amendatory Endorsement.

#### H. ENTIRE AGREEMENT:

By acceptance of this Policy, the INSUREDS and the INSURER agree that this Policy, including the APPLICATION, and any written endorsements attached thereto constitute the entire agreement between the parties.

I. AUTHORIZATION:

By acceptance of this Policy, the COMPANY shall act on behalf of the INSUREDS for all purposes including, but not limited to, giving and receiving of all notices and correspondence, the cancellation or non-renewal of this Policy, the payment of premiums, and the receipt of any return premiums that may be due under this Policy.

J. CHANGES:

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

K. ACTION AGAINST THE INSURER:

- (1) No action shall be taken against the INSURER unless, as a condition precedent thereto, there shall have been full compliance with all terms of this Policy, and until the INSUREDS' obligation to pay shall have been finally determined, either by an adjudication against the INSUREDS or by written agreement of the INSUREDS, claimant(s) and the INSURER.
- (2) No person or organization shall have any right under this Policy to join the INSURER as a party to any CLAIM against the INSUREDS nor shall the INSURER be impleaded by the INSURED'S or their legal representative in any such CLAIM.

L. TERRITORY:

This Policy applies to any WRONGFUL EMPLOYMENT ACT occurring and any CLAIM made anywhere in the world.

M. OTHER INSURANCE:

Unless expressly written to be excess over other applicable insurance, it is intended that the insurance provided by this Policy shall be primary. In the event there is other primary insurance, then each insurer shall contribute in equal amounts up to the applicable limits of liability for each insurer.

N. CONSTRUCTION OF POLICY:

The terms of this Policy are to be construed in an evenhanded fashion as between the INSUREDS and the INSURER in accordance with the laws of the jurisdiction in which the situation forming the basis for the controversy arose. Where the language of this Policy is deemed to be ambiguous or otherwise unclear, the issue shall be resolved in a manner most consistent with the relevant terms of the Policy without regard to authorship of the language and without any presumption or arbitrary interpretation or construction in favor of either the INSUREDS or the INSURER.

IN WITNESS WHEREOF, the INSURER has caused this Policy to be signed, if required, on the Declarations page by a duly authorized agent of the INSURER.