Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Section of this **Policy**, the terms, conditions and limitations of each Coverage Section will apply only to that Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Section, the terms, conditions and limitations of such Coverage Section will control for purposes of that Coverage Section. Any defined term referenced in these General Terms and Conditions but defined in a Coverage Section will, for purposes of coverage under that Coverage Section, have the meaning set forth in that Coverage Section**.**

Any words or phrases that appear in bold text (other than in headings and titles) will have special meaning applicable to this **Policy** only. In consideration of the payment of the premium and upon all statements made and information furnished to the **Company**, including the statements made in the **Application**, the **Company** and the **Insured**, subject to all of the terms, conditions and limitations of this **Policy**, agree as follows**:**

# DEFINITIONS

Some bold-faced words may be defined in other parts of the **Policy**.

1. **Application** means all signed applications, supplemental applications, renewal applications, any attachments thereto, and all other information and materials submitted to the **Company** by or on behalf of the **Insured** for the purpose of applying for this **Policy.** All such applications, supplemental applications, renewal applications, attachments, information and materials will be deemed attached to and incorporated into this **Policy**.
2. **Company** means the Insurance Company as specified in the Declarations.
3. **Executive Officer** means any duly elected or appointed director, officer, member of the Advisory Board or in-house general counsel of any **Insured Entity** incorporated, formed or organized in the United States and any holder of an equivalent position anywhere in the world.
4. **Financial Impairment** means the **Insured Entity** becoming a debtor-in-possession; or the appointment of a receiver, conservator, liquidator, trustee, rehabilitator or similar official to control, supervise, manage or liquidate the **Insured Entity**; or the filing of a petition under the bankruptcy laws of the United States of America or any equivalent outside the United States of America.
5. **First Named Insured** means the person or organization named in Item 1. of the Declarations.
6. **Insured Entity** means:
	1. the **First Named Insured**; and
	2. any **Subsidiary** of the **First Named Insured**.
7. **Management Control** means:
	1. ownership interests representing greater than fifty percent (50%) of the voting, appointment, or designation power for the selection of a majority of the Board of Directors of a corporation; the Management Committee members of a joint venture or partnership, or the members of the Management Board of a limited liability company; or
	2. having the right, pursuant to a written contract or the by-laws, charter, operating agreement or similar documents, to elect, appoint or designate a majority of the Board of Directors of a corporation, the Management Committee of a joint venture or partnership, or the Management Board of a limited liability company.
8. **Policy** means collectively, the Declarations, the **Application**, the General Terms and Conditions Section, all purchased Coverage Sections as specified in the Declarations and any endorsements.
9. **Policy Aggregate Limit** means the Policy Aggregate Limit of Liability set forth in Item 5. of the Declarations.
10. **Policy Period** means the period of time from the Effective Date set forth in Item 2. of the Declarations to the earlier of the Expiration Date set forth in Item 2. of the Declarations or the effective date of cancellation of this **Policy**.
11. **Pollutant** means any solid, liquid, gaseous or thermal irritant or contaminant, including:
	1. Smoke, vapor, soot, fumes, acids, alkalis, chemicals, mold, fungi, fibers and waste. Waste includes materials to be recycled, reconditioned or reclaimed; or
	2. Hazardous, toxic or radioactive matter or nuclear radiation.
12. **Related Claims** means all **Claims** for **Wrongful Acts** based upon, arising out of, or in consequence of the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.
13. **Related Wrongful Acts** means all **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events will be considered **Related** **Wrongful Acts** and will be treated under this **Policy** as one **Wrongful Act** deemed to have occurred on the date of the first of such related **Wrongful Acts**.
14. **Subsidiary** means**:**
	1. any for-profit entity, whose securities are not publicly traded, of which the **First Named Insured** has **Management Control** before the Effective Date set forth in Item 2. of the Declarations, either directly or indirectly through one or more **Subsidiaries**; or
	2. any not-for-profit entity under section 501(c)3 of the Internal Revenue Code of 1986 (as amended) sponsored exclusively by an **Insured**.

# LIMITS OF LIABILITY

1. The Limits of Liability for each purchased Liability Coverage Section, as specified in the Declarations, are the maximum Limits of Liability of the **Company** for all **Loss** from all **Claims** first made during the **Policy Period** or Optional Extended Reporting Period, if applicable, for each respective Coverage Section. If the total of **Loss** from any **Claim** is within the Retention, the **Company** will have no duty to pay such **Loss** from the **Claim**.
2. The Policy Aggregate Limit of Liability, as set forth in Item 5. of the Declarations, is the maximum Limit of Liability of the **Company** for all **Loss** from all **Claims** first made during the **Policy Period**, or Optional Extended Reporting Period if applicable for all purchased Liability Coverage Sections as specified in the Declarations and purchased by the **Insured**, regardless of whether or not the Limits of Liability for any such Liability Coverage Sections are shared.
3. Any payment of **Loss** under any Limit of Liability as specified in the Declarations will reduce and may exhaust the Policy Aggregate Limit of Liability set forth in Item 5. of the Declarations. If the Policy Aggregate Limit of Liability is exhausted by the payment of **Loss**, the **Company** will have no further obligations of any kind with respect to this **Policy**, and the Total Policy Premium set forth in Item 9. of the Declarations will be fully earned.
4. **Claim Expenses** are part of and not in addition to the applicable Limits of Liability set forth in Item 3. and Item 5. of the Declarations, and payment by the **Company** of **Claim Expenses** will reduce and may exhaust such Limits of Liability.
5. The purchase of an Optional Extended Reporting Period pursuant to Section VII. of this General Terms and Conditions, will neither increase nor reinstate any Limit of Liability.

# RETENTION AND PRESUMPTIVE INDEMNIFICATION

1. Subject to all other terms and conditions of this **Policy**, the **Company** will only be liable for the amount of **Loss** from a **Claim** which is in excess of the applicable Retention amounts as specified in the Declarations for each Coverage Section. A single Retention amount will apply to all **Loss** from all **Related Claims**. The Retention amount will be borne by the **Insureds** and remain uninsured.
2. The application of the Retention will not erode the Limits of Liability or any applicable sublimit.
3. The application of the Retention to **Loss** under one Coverage Section will not reduce the Retention that applies to **Loss** under any other Coverage Section. If different Retention amounts apply to different parts of a **Claim,** the applicable Retention will be applied separately to each part of the **Claim**, and the sum of such Retention amounts will not exceed the largest single Retention amount which applies to such **Claim.**
4. If the **Company** is legally required or permitted to indemnify its **Insured Person** for any **Loss**, and does not do so for any reason, the **Company** will not require payment of the applicable Retention by the **Insured Person**. However, the **Insured Entity** hereby agrees to reimburse the **Company** for the full amount of such Retention immediately upon request, unless the **Insured Entity** is unable to do so solely by reason of **Financial Impairment**.

# DUTIES IN THE EVENT OF A CLAIM, POTENTIAL CLAIM OR LOSS

Reporting of **Claims** and Potential **Claims -** For Claims Department contact information please refer to the “WHAT TO DO IF YOU HAVE A CLAIM OR POTENTIAL CLAIM” notice accompanying this **Policy**.

1. Notice of **Claims**

The **Insured** will provide written notification to the **Company** of a **Claim** made during the **Policy Period** as soon as practicable or within ninety (90) days after the expiration or cancellation of this **Policy**. If a **Claim** is first made within any applicable Extended Reporting Period, the **Insured** will provide written notification to the **Company** of such **Claim** as soon as practicable but in no event later than the termination of the Extended Reporting Period. In the event suit is commenced against an **Insured**, the **Insured** must immediately send the **Company** copies of all demands, notices, settlement offers, summonses or legal papers received in connection with the **Claim**.

1. Notice of Potential **Claims**

If during the **Policy Period** the **Insured** first becomes aware of a **Wrongful Act** which may reasonably be expected to be the basis of a **Claim** against an **Insured**, and the **Insured**, as soon as practicable, but in no event later than the termination of the **Policy Period**, gives the **Company** written notice of such **Wrongful Act**, then the **Company** will treat any subsequently resulting **Claim** as if it had first been made during the **Policy Period**.

The notice must include all of the following information:

1. the names of all persons and/or organizations involved in the **Wrongful Act**;
2. the specific person or organization likely to make the **Claim**;
3. a description of the time, place and nature of the **Wrongful Act**; and
4. a description of the potential **Loss**.
5. **Insured’s** Duties in Event of **Claim**
	* + 1. Upon the **Company’s**, request, the **Insured** must authorize the **Company** to obtain records and other information.
			2. The **Insured** must cooperate with and assist the **Company** in the investigation, settlement and defense of any **Claim**.
			3. The **Insured** must cooperate with and assist the **Company**, upon the **Company’s** request, in enforcing any rights of contribution or indemnity against another party who may be liable to an **Insured**.
			4. No **Insured** will, except at the **Insured**’s own cost, voluntarily make a payment, assume any obligation, or incur any expense without the **Company’s** written consent.
6. Notice and Proof of Loss - Crime Coverage Section

It is a condition precedent to coverage under the Crime Coverage Section that, upon **Discovery**, the **Insured** will:

1. provide written notice to the **Company** as soon as practicable and in no event later than ninety (90) days after such **Discovery**;
2. furnish sworn Proof of Loss with full particulars to the **Company** within six (6) months of such **Discovery**, including:
3. production of all relevant records and documents as the **Company** will request; and
4. submit to examination under oath at the **Company’s** request; and
5. cooperate completely with the **Company** in all matters pertaining to the claim.

The **Insured** may offer a comparison between the **Insured’s** inventory records and actual physical count of its inventory to prove the amount of loss, but only where the **Insured** establishes wholly apart from such comparison that it has sustained a covered loss.

# ESTATES, HEIRS, REPRESENTATIVES, SPOUSES, DOMESTIC PARTNERS

The estates, heirs, legal representatives, assigns, spouses and domestic partners of **Insured Persons** will be considered **Insured Persons** under this **Policy**; provided, however, coverage is afforded to such estates, heirs, legal representatives, assigns, spouses and domestic partners only for a **Claim** arising solely out of their status as such and, in the case of a spouse or domestic partner, where the **Claim** seeks damages from marital community property, jointly held property or property transferred to such spouse or domestic partner. No coverage is provided for any **Wrongful Act** of an estate, heir, legal representative, assign, spouse or domestic partner. All of the terms and conditions of this **Policy** including, without limitation, the Retentions applicable to **Loss** incurred by **Insured Persons** will also apply to **Loss** incurred by their estates, heirs, legal representatives, assigns, spouses or domestic partners.

# CANCELLATION

1. This **Policy** will terminate upon the Expiration Date specified in the Declarations or upon the effective date of any earlier cancellation.
2. The **Company** may cancel this **Policy** by mailing or delivering to the **First Named Insured** written notice of cancellation at least:
3. Ten (10) days before the effective date of cancellation if the **Company** cancels for nonpayment of Premium; or
4. Sixty (60) days before the effective date of cancellation if the **Company** cancels for any other reason. Such notice will state the specific reason(s) for cancellation.
5. The **Company** will have no obligation to renew this **Policy** or any individual Coverage Section. In the event the **Company** decides to non-renew this **Policy** or any individual Coverage Section, the **Company** will deliver or mail to the **First Named Insured**, at the last known mailing address set forth in Item 1. of the Declarations, written notice of such at least sixty (60) days prior to the expiration of the **Policy Period**.
6. The **Company** will mail or deliver notice to the last known mailing address of the **First Named Insured**. Notice of cancellation will state the effective date of cancellation.
7. If this **Policy** is cancelled, The **Company** will send any Premium refund due to the **First Named Insured**. If the **Company** cancels, the refund will be pro rata. If the **First Named Insured** cancels, the refund will be calculated as ninety percent (90%) of the prorated return Premium.
8. If notice is mailed, proof of mailing will be sufficient proof of notice.

# OPTIONAL EXTENDED REPORTING PERIOD

In the event of cancellation or non-renewal of this **Policy** by the **Company** or the **First Named Insured**, for reasons other than non-payment of Premium and/or Retention or non-compliance with the terms and conditions of this **Policy**, the **First Named Insured** will have the right to purchase an Optional Extended Reporting Period as follows:

1. The right to purchase the Optional Extended Reporting Period will terminate unless written notice by the **First Named Insured** of the intention to purchase it, together with payment of the additional Premium due, is received by the **Company** within sixty (60) days after the effective date of the cancellation or non-renewal;
2. An additional premium based upon the length of the Optional Extended Reporting Period will apply;
3. A **Claim** made during the Optional Extended Reporting Period will be deemed to have been made on the last day of the **Policy Period**. All terms and conditions of this **Policy** in effect on that day will apply to the **Claim**; and
4. The Optional Extended Reporting Period does not extend the **Policy Period** or change the scope of coverage provided nor does it provide an additional or renewed Limit of Liability. It applies only to **Claims** made against an **Insured** during the Optional Extended Reporting Period for **Wrongful Acts** that occur before the effective date of cancellation or the Expiration Date of the **Policy**.

# ORGANIZATIONAL CHANGES

* 1. Acquisition by Another Organization

If during the **Policy Period**:

* + 1. the **First Named Insured** consolidates, merges into, or sells all or substantially all of its assets to any other person or entity or group of persons or entities acting in concert; or
		2. any person or entity or group of persons or entities acting in concert acquires **Management Control** of the assets or voting rights of the **First Named Insured**;

(any event described in 1. or 2. above referred to herein as an “Organizational Change”)

then this **Policy** will continue in full force and effect as to **Wrongful Acts** occurring prior to the effective date of the Organizational Change. However, there will be no coverage afforded by:

* 1. the Crime Coverage Section of this **Policy** for any loss sustained after the effective date of the Organizational Change; or
	2. any Liability Coverage Section of this **Policy** for any actual or alleged **Wrongful Act** occurring after the effective date of the Organizational Change.

This **Policy** will be non-cancellable and the entire Premium will be deemed fully earned upon the effective date of the Organizational Change.

In the event of an Organizational Change, the **First Named Insured** will have the right to purchase an Optional Extended Reporting Period described in Section VII. of this General Terms and Conditions.

The **First Named Insured** will give the **Company** written notice of the Organizational Change as soon as practicable, but no later than thirty (30) days after the effective date of the Organizational Change.

* 1. Acquisition or Creation of Another Organization

If during the **Policy Period**:

* + 1. the **Insured** acquires any **Management Control** in another organization or creates another organization; and
		2. at the time of such transaction:
1. the total assets of the acquired or created organization exceed thirty-five percent (35%) of the total assets of the **Insured**  as reflected in the **Insured’s** most recent audited consolidated financial statements; or
2. solely with respect to the Employment Practices Liability Coverage Section, if purchased, the total number of employees of the acquired or created organization exceeds thirty-five percent (35%) of the total number of employees of the **Insured** immediately prior to the acquisition or creation,

then such entity will be considered a **Subsidiary** for a period of ninety (90) days after the effective date of such transaction. There will be no coverage under any Liability Coverage Section of this **Policy** in respect to any **Claim** against such entity or any of its **Insureds** first made more than ninety (90) days after the effective date of such transaction unless the **Company** has received written notice containing full details of such transaction and the **Company** has agreed to provide such coverage. The **Company**, in its sole discretion, may require additional terms, conditions, and limitations and payment of an additional Premium to provide such coverage.

However, no coverage will be available under:

1. any Liability Coverage Section of this **Policy** for **Loss**, including **Claim Expenses**, from any **Claim** made against such **Subsidiary** or any of its **Insureds** for any **Wrongful Act** committed or allegedly committed:
	* 1. before the date of the creation or acquisition of such **Subsidiary** by the **Insured**; or
		2. on or subsequent to the date of the creation or acquisition of such **Subsidiary** by the **Insured** which, together with a **Wrongful Act** occurring before the date of the creation or acquisition of such **Subsidiary**, would constitute **Related Wrongful Acts**; or
2. the Crime Coverage Section of this **Policy** for any loss sustained by any such **Subsidiary** before the date of formation or acquisition of such **Subsidiary** by the **Insured.**

# OTHER INSURANCE

1. The insurance afforded by this **Policy**, other than Employment Practices Liability Coverage Section, will apply only as excess over any other valid and collectible insurance, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is written specifically as excess insurance over the applicable Limit of Liability provided by this **Policy**. This **Policy** will specifically be excess of any other policy pursuant to which any other insurer has a duty to defend a **Claim** for which this **Policy** may be obligated to pay **Loss**. This **Policy** will not be subject to the terms and conditions of any other insurance policy.
2. With respect to the insurance afforded by the Employment Practices Liability Coverage Section, such insurance will be primary, unless written specifically to be excess over other applicable insurance.
3. With respect to all Liability Coverage Sections, in the event of a **Claim** against an **Insured** arising out of his or her service to an **Outside Entity** or a **Claim** against an **Insured** for the **Insured’s** liability with respect to a leased **Employee** or Independent Contractor **Employee**, described in the definition of **Employee** in the applicable Coverage Section and subject to all other terms and conditions herein, this **Policy** will apply specifically excess of any indemnification and any other insurance coverage available to the **Insured Person**, leased **Employee** or Independent Contractor.

# PREMIUMS AND RETENTIONS

The **First Named** **Insured** is responsible for the payment of all Premiums and Retentions; and will be the payee for any return premiums the **Company** pays.

# CHANGES

This **Policy** contains all the agreements between the **Company** and the **Insured** concerning the insurance afforded. The **First Named** **Insured** is authorized to make changes in the terms of this **Policy** with the **Company**’s consent. This **Policy**’s terms can be amended or waived only by endorsement issued by the **Company** and made a part of this **Policy**.

# REPRESENTATIONS AND SEVERABILITY

By accepting this **Policy** the **Insured** agrees:

1. The statements in the **Application** are true, accurate and complete;
2. Those statements furnished to the **Company** are representations the **First Named Insured** made on behalf of all **Insureds**;
3. Those representations are a material inducement to the **Company** to issue this **Policy**;
4. The **Company** has issued this **Policy** in reliance upon those representations; and
5. If this **Policy** is part of the renewal of a **Policy** issued by the **Company**, the **Insured’s** representations include the representations made in all previous **Applications** for previous **Policies** issued by the **Company**.

It is further agreed that with respect to any misrepresentation in the **Application** that the knowledge of any **Insured Person** will not be imputed to any other **Insured Person**; however, the knowledge of the CEO, President, CFO, or any person in a functionally equivalent position of the **Insured Entity**, will be imputed to the **Insured Entity.**

# ACTION AGAINST THE COMPANY

No action will be taken against the **Company** unless, as a condition precedent thereto, the **Insured** will have fully complied with all terms of this **Policy** nor until the amount of the **Insured's** obligation to pay will have been fully and finally determined either by judgment against them after trial or by written agreement between them, the Claimant and the **Company**. Nothing contained herein will give any person or organization any right to join the **Company** as a party to any **Claim** against the **Insured** to determine their liability, nor will the **Company** be impleaded by the **Insureds** or their legal representatives in any **Claim**.

# TRANSFER OF RIGHTS AND DUTIES

An **Insured’s** rights and duties under this **Policy** may not be transferred without the **Company’s** prior written consent except in the case of death of an individual **Named** **Insured**. If the **Insured** dies, the **Insured’s** rights and duties will be transferred to the **Insured’s** legal representative but only while acting within the scope of duties as the **Insured’s** legal representative.

# BANKRUPTCY

The bankruptcy or insolvency of an **Insured** or an **Insured**’s estate will not relieve the **Company** of its obligations under this **Policy** nor deprive the **Company** of its rights or defenses under this **Policy**.

# TERRITORY

This **Policy** extends to **Wrongful Acts** occurring, or **Claims** made, anywhere in the world, to the extent permitted by law.

# VALUATION AND CURRENCY

The territory applicable to this **Policy** is universal. If **Loss** is paid in currency other than United States of America dollars, then payment under this **Policy** will be considered to have been made in United States of America dollars at the conversion rate published in The Wall Street Journal on the date of payment.

# AUTHORIZATION AND NOTICES

The **First** **Named Insured** will act on behalf of all **Insureds** with respect to all matters as respects this **Policy** including:

1. giving of notice of **Claim**;
2. the defense or settlement of a **Claim**;
3. giving and receiving of all correspondence and information;
4. giving and receiving notice of cancellation;
5. payment of Premiums and Retentions;
6. receiving of any return Premiums;
7. receiving and accepting of any endorsements issued to form a part of this **Policy**; and
8. the exercising of any right to an Optional Extended Reporting Period.

# SUBROGATION

In the event of any payment under this **Policy**, the **Company** will be subrogated to the extent of such payment to all of the **Insureds’** rights of recovery, including any **Insureds’** rights against the **Insured Entity**. As a condition precedent to the **Company’s** payment under this **Policy**, the **Insureds** agree to execute all papers required and will take all reasonable actions to secure and preserve such rights, including the execution of such documents necessary to enable the **Company** to effectively bring suit or otherwise pursue subrogation rights in the name of the **Insureds**.

# CONFORMITY TO STATUTE

1. 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 authority (“State Amendatory Endorsement”), are hereby amended to conform to such laws. Nothing herein will be construed to restrict the terms of any State Amendatory Endorsement.
2. In the event any portion of this **Policy** will be declared or deemed invalid or unenforceable under applicable law, such invalidity or unenforceability will not affect the validity or enforceability of any other portion of this **Policy**.

# COMPLIANCE WITH ECONOMIC OR TRADE SANCTIONS

This insurance does not apply to the extent that trade or economic sanctions or other similar laws or regulations prohibit the **Company** from providing insurance.

# HEADINGS

The descriptions in the headings and subheadings of this **Policy** are solely for convenience and do not constitute any part of this **Policy**’s terms or conditions.