

# LAWYERS PROFESSIONAL LIABILITY COVERAGE FORM

## CLAIMS MADE AND REPORTED BASIS

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Throughout this document, the word “Insured” means any person or entity qualified as such under **Part I. E. Covered Persons and Entities**. The word “Company” refers to the Company providing the insurance shown on the Declarations.

Other words and phrases that appear in **bold** have special meaning. Refer to **Part III. Definitions**.

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### Part I. Insuring Agreements

#### A. Covered Services

The Company will pay on behalf of the Insured as shown in the Declarations, all sums that the Insured becomes legally obligated to pay as **Damages** and associated **Claim Expenses** arising out of a negligent act, error, omission, or **Personal Injury**, even if the **Claim** asserted is groundless, false or fraudulent, in the rendering of or failure to render **Professional Services** as a Lawyer, provided that the:

1. **Claim** is first made against the Insured during the **Policy Period**, and reported to the Company no later than thirty (30) days after the end of the **Policy Period**;
2. Negligent act, error or omission or **Personal Injury** took place in a covered territory;
3. Negligent act, error or omission or **Personal Injury** took place after the **Retroactive Date** shown in the Declarations.

#### B. Defense and Settlement

The Company will have the right and duty to defend any **Claim** against an Insured seeking **Damages** to which this Policy applies, even if any of the allegations of the **Claim** are groundless, false or fraudulent. The Company’s right and duty to defend any **Claim** shall end when the Company’s Limit of Liability has been exhausted by payment of **Damages** and/or **Claim Expenses**, or has been tendered to the Insured, or to a court of competent jurisdiction.

The Company shall not settle any **Claim** without the Insured’s written consent. If, however, the Insured refuses to consent to any settlement recommended by the Company and elects to contest the **Claim**, or continue any legal proceedings in connection with such **Claim**, then the Company’s maximum liability shall be limited to the amount for which the **Claim** could have settled, including the total amount of **Claims Expenses** incurred up to the date of the Insured's refusal. Such amounts are subject to the provisions of **Part I. C. Policy Limits**.

The Insured shall not admit any liability for or settle any **Claim** or incur any costs, charges or expenses without the written consent of the Company.

#### C. Policy Limits

Regardless of the number of persons or entities Insured or included in **Part I. E. Covered Persons and Entities**, or the number of claimants or **Claims** made against the Insured:

1. The maximum liability of the Company for **Damages** and **Claim Expenses** resulting from each **Claim** first made against the Insured during the **Policy Period** and the Extended Reporting Period, if purchased, shall not exceed the amount shown in the Declarations as each **Claim**;
2. The maximum liability of the Company for all **Damages** and **Claim Expenses** as a result of all **Claims** first made against the Insured during the **Policy Period** and the Extended Reporting Period, if purchased, shall not exceed the amount shown in the Declarations as Aggregate.

The Company shall not be obligated to pay any **Claim** for **Damages** or defend any **Claim** after the applicable Limit of Liability has been exhausted by payment of judgments, settlements, **Claim Expenses** or any combination thereof.

**Claim Expenses** are part of and not in addition to the applicable Limits of Liability. Payment of **Claim Expenses** by the Company reduces the applicable Limits of Liability.

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The inclusion of more than one Insured, or the making of **Claims** by more than one person or organization, does not increase the Company's Limit of Liability. All **Claims** arising out of a single negligent act, error or omission, or a series of related negligent acts, errors or omissions by one or more Insureds shall be treated as a single **Claim** for all purposes of this policy. All **Claims** shall be deemed first made when the earliest of such **Claims** is first made, regardless of whether such date is before or during the **Policy Period** and all such **Claims** shall be subject to the same Each Claim Limit of Liability during that **Policy Period**.

#### D. Deductible Provisions

The deductible amount stated in the Declarations shall be paid by the Insured. The deductible amount applies to each **Claim**, and includes **Damages** or **Claim Expenses**, whether or not a loss payment is made. If the deductible amount is initially paid by the Company, upon written request of the Company, the Named Insured shall reimburse the amount paid within thirty (30) days.

#### E. Covered Persons and Entities

1. Named Insured as shown in the Declarations, and if the Named Insured is an individual, his or her spouse, or domestic partner, but only with respect to the **Professional Services** rendered by or on behalf of the Named Insured;
2. any **Predecessor Firm(s)**;
3. any lawyer who was a principal, shareholder, partner, officer, director, member, manager, employee or independent contractor of any **Predecessor Firm(s)**, or who was, is or becomes a principal, shareholder, partner, officer, director, member, manager, employee or independent contractor of the Named Insured, but only while acting on behalf of the Named Insured and within the scope of their duties as a lawyer;
4. the estate, heirs, executors, administrators, and legal representatives of any Insured in the event of such Insured's death, incapacity, insolvency or bankruptcy, but only to the extent that such Insured would otherwise be provided coverage under this policy;
5. any person or professional corporation designated "of counsel" to the Named Insured or any **Predecessor Firm(s)**, but only while such person or professional corporation is/was acting on behalf of the Named Insured or any **Predecessor Firm(s)** and within the scope of their duties as a lawyer;
6. any non-lawyer who was an employee of any **Predecessor Firm(s)** or who was, is or becomes an employee of the Named Insured, but only while such employee is/was acting within the scope of his or her duties as an employee of the Named Insured or any **Predecessor Firm(s)** and;
7. any organization the Named Insured newly acquires or forms but only if and when the Company provides the Named Insured written acceptance. This provision applies to any partner, officer, director, member, manager, employee or independent contractor of such newly acquired or formed organization, subject to the above described written acceptance in the form of an endorsement issued by the Company to form a part of this policy.

A premium adjustment or revision of limits, deductible or coverage may be required by the Company as a result of any such change.

#### F. Covered Territory

This policy applies to covered **Claims** arising out of negligent acts, errors or omissions, or **Personal Injury** committed anywhere in the world. However, the policy does not provide coverage for **Claims** made against the Insured in countries where the United States of America has declared or imposed a trade embargo or sanctions, or in countries where the United States of America does not maintain diplomatic relations.

#### G. Extended Reporting Period

If the policy is not renewed for any reason or is cancelled for any reason other than for nonpayment of premium or deductible (whether cancelled by the Company or by the Named Insured), the Named Insured as shown in the Declarations, has the right to purchase, within thirty (30) days of policy termination, an extension of the coverage granted by this policy. This reporting period extension shall remain in force for a period of either twelve (12), twenty-four (24) or thirty-six (36) months after the policy terminates, but only for **Claims** resulting from negligent acts, errors or omissions, or **Personal Injury** committed before the effective date of the cancellation or nonrenewal, and otherwise covered by this policy. Increased premiums or deductibles or modifications of coverage terms or conditions upon renewal

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do not constitute cancellation or nonrenewal.

The premium for this Extended Reporting Period will not exceed one hundred percent (100%) for twelve months, one hundred fifty percent (150%) for twenty-four months or one hundred seventy-five percent (175%) for thirty-six months of the full annual premium set forth in the Declarations and any attached endorsements, and must be elected and paid within thirty (30) days after the effective date of the policy's termination. Such additional premium is deemed fully earned immediately upon the inception of the Extended Reporting Period.

The Extended Reporting Period is added by endorsement and, once endorsed, cannot be cancelled. The Extended Reporting Period does not reinstate or increase the Limits of Liability. The Company's Limits of Liability during the Extended Reporting Period are part of, and not in addition to, the Company's Limits of Liability stated in the Declarations.

#### H. Supplementary Coverages

It is agreed that any and all payments made for the following is included within, and shall not be in addition to, the Policy Limits as described in this Policy.

The Company will provide for the defense of any action (**Claim Expenses** only) brought against an Insured by any licensing board, disciplinary board, peer review committee, or similar entity alleging professional misconduct or violation of the rules of professional conduct arising out of the Insured's performance of professional services as described in the Declarations. The Company's obligation to defend an Insured under the provision is subject to a sub-Limit of Liability in an aggregate amount of \$25,000, but only for **Claims Expenses** as incurred by attorneys appointed by the Company.

This sub-Limit of Liability is the maximum amount payable under this provision for the **Policy Period**, regardless of the number of disciplinary proceedings first commenced during the **Policy Period** or the number of Insureds subject to disciplinary proceedings. There will be no deductible for payments made under this provision, and any such payments are a part of, and not in addition to, the Company's Limits of Liability as described in the Declarations.

The Company will pay reasonable expenses incurred by the Insured at the Company's request to assist in the investigation of the **Claim** or defense of the suit, including actual loss of earnings up to \$500 a day for each Insured because of time off from work, subject to an aggregate amount of \$5,000 for each individual Insured for each **Claim**, not to exceed an aggregate amount of \$10,000 per **Policy Period**. There will be no deductible for payments made under this provision, and any such payments are a part of, and not in addition to, the Company's Limits of Liability as described in the Declarations.

#### Part II. Exclusions

This policy does not apply to any **Claim** or **Claim Expenses** based upon or arising out of:

**A.** Actual dishonest, fraudulent, criminal, intentionally wrongful or malicious act, error, or omission committed by any Insured. However, this Exclusion shall not apply unless the dishonest, fraudulent, criminal, intentionally wrongful or malicious act, error, or omission is established or proven by:

1. an admission by any Insured; or
2. a finding, determination, or ruling order or judgment in a judicial, administrative or arbitration proceeding.

However, nothing in the foregoing shall exclude coverage for any other Insured who has neither ratified, nor participated in committing, nor personally acquiesced in, nor remained passive after having personal knowledge of such act or omission.

**B. Bodily Injury**, or humiliation sustained by any person; but this exclusion will not apply to mental anguish, emotional distress or humiliation caused solely by **Personal Injury**.

**C. Property Damage.**

**D.** Any **Claim** arising out of the Insured's capacity as:

1. An officer, director, partner, stockholder or employee of a business enterprise not named in the Declarations, charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust;
2. A public official or an employee of a governmental body, subdivision or agency;
3. A fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any

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regulation or order issued pursuant thereto.

- E. Any entity other than the Named Insured or any **Predecessor Firm** in which any Insured or any **Related Individual(s)** of an Insured has an ownership or controlling interest excess of ten percent (10%), whether such ownership interest or control is financial or otherwise.
- F. A **Claim** by one Insured under this policy against another Insured under this policy.
- G. Any alleged act, error, omission, **Personal Injury** or circumstance likely to give rise to a **Claim** that an Insured had knowledge of prior to the effective date of this policy. This exclusion includes, but is not limited to, any prior **Claim** or possible **Claim** referenced in the Insured's application.
- H. The actual or alleged theft, stealing, conversion, commingling, embezzlement, or misappropriation by any person of any kind of monies, funds, negotiable instruments, securities, property of any kind or assets of any kind.
- I. Any **Claim** against an Insured as the beneficiary or distributee of any trust or estate.
- J. Any obligation or liability assumed by the Insured under any contract or any oral or written agreement, unless liability would have attached in the absence of such a contract or agreement.
- K. A counterclaim to any lawsuit any Insured may file against a client to collect fees.
- L. The notarization of a signature without the physical appearance of the signator before the Insured.
- M. The Insured knowingly rendering or failing to render professional services to two or more parties of divergent, varying or opposed interests, thereby creating an actual conflict of interest.
- N. An alleged or actual violation of the Racketeer Influenced and Corrupt Organization Act, 18 U.S.C Sections 1961 et seq. ("RICO"), and any and all amendments thereto, and any rule, regulation, or order issued pursuant thereto, or alleging any violation of any similar state anti-racketeering or organized crime legislation.
- O. Actual or alleged discrimination of any kind including, but not limited to, discrimination based upon race, color, creed, age, religion, sex, marital status, national origin or disability.
- P. Recommendations, representations, or opinions concerning specific investment advice by any Insured or any person or organization referred to by any Insured in connection with portfolio or trust account management, or the performance or non performance of securities, real estate, or other investments.
- Q. **Claim** made by a **Related Individual** of any Insured.
- R. Suits brought against any Insured if such **Claim** or suit arises out of an act, error, omission or **Personal Injury** of another person or entity with whom the Insured shares common office space or common office facilities and who is not an Insured under this policy.
- S. Any violation of the Securities Exchange Act of 1933, the Securities Exchange Act of 1934, the Investment Advisors Act of 1940, The Investment Company Act of 1940, the Trust Indenture Act of 1939, The Public Utilities Holding Act of 1935; or any State Blue Sky Laws or securities laws or any rules, regulations or amendments issued in relation to such acts; or
  1. any **Claim** based upon common law principles of liability if made in connection with an actual or alleged violation of any law listed above; or
  2. any **Claim** arising out of your **Professional Services** involving, directly or indirectly, any state or municipal financing or bonds; or
  3. any **Claim** based upon or arising out of the formation, syndication, operation or administration of any limited partnership and/or joint venture.
- T. Any regulatory authority or administrative actions brought by a federal, state or local governmental entity including, but not limited to: any actions, decisions, orders or proceedings by the Federal Trade Commission, Federal Communications Commission or any other federal, state or local governmental agency.
- U. Infringement of patent.
- V. Any **Claim** or litigation against any Insured occurring prior to, or pending as of the inception date of this policy including (but not limited to), **Claims**, demands, causes of actions, legal or quasi-legal proceedings, decrees, or judgments; or any subsequent litigation or **Claims** arising from or based on substantially the same matters as alleged in the pleadings of such prior or pending litigation; or any

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act, error, omission or **Personal Injury** of any insured(s) which gave rise to such prior or pending litigation or **Claims**.

- W.**
1. Refusal to employ;
  2. Termination of employment;
  3. Coercion, demotion, performance evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination, retaliation or other employment related practices, procedures, policies, acts or omissions; or
  4. Consequential **Bodily Injury** or **Personal Injury** as a result of (1) through (3) above.

This exclusion applies whether the Insured may be held liable as an employer or in any other capacity and to any obligation to share **Damages** with or to repay someone else who must pay **Damages** because of the injury.

It is further agreed that no coverage shall apply under this policy to any **Claim** brought by or against any spouse, child, parent, brother or sister of the Insured or any other person. The Company shall not have a duty to defend any **Claim**, suit, arbitration or any other form of a trial court proceeding.

- X.** Or involving the ownership, maintenance, use (including operation, loading and unloading), or entrustment to others of any aircraft, automobile, motor vehicle, mobile vehicles or watercraft owned or operated by or rented or loaned to any insured. Use includes operation, loading and unloading.

### **PART III. Definitions**

- A. Bodily Injury** means physical or mental injury, sickness or disease sustained by a person, including death resulting from any of these at any time.
- B. Claim** means a written demand for monetary or non-monetary relief received by the Insured during the **Policy Period**, including the service of suit, or the institution of an arbitration proceeding. Additionally, **Claims** that arise from an incident, occurrence or offense first reported by the Insured during the **Policy Period** and accepted by the Company in accordance with **Part IV. A. Notice of Claim** will be considered a **Claim** first made during the **Policy Period**.
- C. Claim Expenses** means expenses incurred by the Company or the Insured with the Company's consent, in the investigation, adjustment, negotiation, arbitration, mediation and defense of covered **Claims**, whether paid by the Company or the Insured with the Company's consent, and include:
1. Attorney fees;
  2. Costs assessed against the Insured in any **Claim** defended by the Company;
  3. Interest on the full amount of any judgment that accrues after entry of the judgment and before the Company has paid, offered to pay or deposited in court that part of the judgment within the applicable Limit of Liability;
  4. The cost of appeal bonds or bonds to release attachments, but only for bond amounts within the available applicable policy limit, and only if said **Claim** is covered by the policy;
  5. Reasonable expenses incurred by the Insured at the Company's request other than:
    - a. Loss of earnings;
    - b. Salaries or other compensation paid to the Insured or any employee of the Insured.
- D. Damages** means monetary judgment, award or settlement, except those for which insurance is prohibited by law. **Damages** does not include punitive or exemplary **Damages**, fines, penalties, sanctions, taxes, awards or **Damages** that are multiples of any covered **Damages**, disputes over fees, deposits, commissions or charges for goods or services.
- E. Policy Period** means the period of time stated in the Declarations or any shorter period resulting from policy cancellation or amendment to the policy.
- F. Personal Injury** means injury, other than **Bodily Injury**, arising out of one or more of the following actual or alleged offenses by the Insured in the performance of **Professional Services** as a lawyer:
1. False arrest, detention or imprisonment;
  2. Malicious prosecution and malicious abuse of process;

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3. Wrongful entry or eviction or invasion or violation of the right of private occupancy;
  4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services;
  5. Oral or written publication of material that violates a person's right of privacy.

**G. Property Damage** means injury to tangible property, including all resulting loss of use of that property, or loss of use of tangible property that is not physically injured.

**H. Retroactive Date** means the date stated in the Declarations on or after which any alleged or actual negligent act, error or omission or **Personal Injury** must have first taken place in order to be considered for coverage under this policy.

**I. Professional Services** means only services performed for others by an Insured as an escrow agent, lawyer, notary public, administrator, conservator, executor, guardian, guardian ad litem, arbitrator, mediator, trustee, and title insurance agent.

**J. Predecessor Firm** means any lawyer, law firm, or professional legal corporation engaged in the practice of law which has undergone dissolution, and either:

1. to whose financial assets and liabilities the **Named Insured** is the majority successor in interest, provided such principals, shareholders, partners or officers were responsible for production in excess of fifty percent of the prior law firm's annual gross billings and such billings have been assigned or sent over to the **Named Insured**, or
2. at least fifty percent of the principals, shareholders, partners or officers of the prior law firm have joined the **Named Insured**.

**K. Related Individual**, whenever used in this policy, means the spouse, former spouse, children, stepchildren, former stepchildren, grandchildren, parents and siblings of an Insured and any trust or estate of which any of them is a beneficiary.

#### **PART IV. Conditions**

##### **A. Notice of Claim**

The Insured must notify the Company as soon as practicable of an incident, occurrence or offense that may reasonably be expected to result in a **Claim**. Where notice to the Company of such incidents, occurrences or offenses has been acknowledged as adequate by the Company in writing, subsequent **Claims** derived from such incidents, occurrences or offenses will be deemed as first made at the time the incident, occurrence or offense giving rise to such **Claim** was first provided. The Insured also must immediately send copies to the Company of any demands, notices, summonses or legal papers received in connection with any **Claim**, and must authorize the Company to obtain records and other information. Please send all claim information to:

Attention: **Claims Dept.**  
RSUI Group, Inc.  
945 East Paces Ferry Road, Suite 1800  
Atlanta, Georgia 30326-1160  
Or Via Email:  
[reportclaims@rsui.com](mailto:reportclaims@rsui.com)

##### **B. Prohibition of Voluntary Payments and Settlements**

With respect to any **Claim** covered under this policy, the Insured shall not, except at the Insured's own expense, make any payment, admit liability, settle **Claims**, assume any obligation, agree to arbitration or any other means of dispute resolution, waive any rights or incur any expenses without prior written approval by the Company.

##### **C. Cooperation**

The Insured shall cooperate with the Company in the conduct of the defense of a **Claim**, and upon the Company's request, submit to examination and interrogation by Company representatives, under oath if required, and attend hearings and trials, and assist in affecting settlements, securing and giving evidence, and in obtaining the attendance of witnesses.

##### **D. Notice of Cancellation and Nonrenewal**

The Named Insured may cancel this policy by mailing or delivering to the Company advance written

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notice of cancellation.

For other than nonpayment of premium or deductible, the Company will give the Named Insured sixty (60) days written notice prior to cancellation or nonrenewal of this policy by mailing or delivering the notice to the first Named Insured's last known mailing address. If the Company cancels the policy due to the Named Insured's failure to pay a premium when due, this policy may be cancelled by the Company giving not less than 10 days written notice of cancellation.

The cancellation notice will state the effective date of the cancellation and the policy will terminate on that date. If cancelled by the Company, the earned premium shall be computed pro-rata. If cancelled by the Insured, the earned premium shall be computed short rate.

#### **E. Premium and Audit**

Premiums for this coverage are computed in accordance with the Company's rules and rates. Any premium shown as advance premium may be a deposit premium only. If the premium is a deposit premium, at the close of each audit period, the Company will compute the earned premium for that period. Audit premiums are due and payable upon notice.

The Company may examine and audit the Insured's books and records at any time during the **Policy Period** and within three years after the final termination of the policy, as far as they relate to the subject matter of this policy.

The first Named Insured listed in the Declarations must keep records of information the Company will need for premium computation and must send the Company copies of the information upon request.

#### **F. Authorization**

The first Named Insured listed in the Declarations agrees to act as the Named Insured with respect to the giving and receiving of all notices, exercising of the Extended Reporting Period option, canceling of the policy, paying of all premiums and deductibles, and the receiving of any return premiums that may become due.

#### **G. Change**

This policy contains all of the agreements concerning the insurance provided. The first Named Insured shown in the Declarations is authorized to make changes in the terms of this policy with the Company's consent. The policy terms can be amended or waived only by endorsement issued by the Company and made a part of this policy.

#### **H. Subrogation**

In the event of any **Claim** under this policy, the Company shall be subrogated to all Insured's rights of recovery against any person or organization, and 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 loss to prejudice such rights.

#### **I. Other Insurance**

This policy is excess over, and will not contribute with, any other existing insurance, unless such other insurance is specifically written to be excess of this policy.

If it is determined that both this insurance and other insurance or self insurance apply to any **Claim** on the same basis, whether primary, excess or contingent, the Company will not be liable under this policy for a greater proportion of the **Damages** or **Claim Expenses** than the applicable Limit of Liability under the policy for such **Damages** bears to the total applicable Limit of Liability of all other insurance or self insurance, whether or not collectible against such **Claim**.

#### **J. Actions Against the Insurer**

No action will be taken against the Company unless, as a condition precedent, the Insured is in full compliance with all of the terms of this policy, and until the amount of the Insured's obligations to pay have been finally determined, either by judgment against the Insured, after actual trial, or by written agreement of the Insured, the claimant and the Company.

#### **K. Non-Transferability**

The Insured's rights and duties under this policy may not be transferred without the written consent of the Company.

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**L. Coverage in Bankruptcy**

Bankruptcy or insolvency or receivership of the Insured or of the Insured's estate does not relieve the Company of its obligations under this policy; however, this provision does not apply if this policy is cancelled by the Company due to nonpayment of premium or deductible.

**M. False or Fraudulent Claims**

If an Insured knowingly makes any **Claim** that is false or fraudulent, this insurance shall become void and entitlement to coverage for all **Claims** hereunder shall be forfeited.

**N. Application**

The Insured agrees that the statements in the application are personal representations, that they shall be deemed material and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the Insured and the Company, or any of its agents, relating to this insurance. The signed application, and any attachments thereto, submitted in connection with this Policy are incorporated herein and constitute a part of this Policy.