

*This Form Provides Claims-Made Coverage.
Please Read The Entire Form Completely.*

INSURANCE AGENTS AND BROKERS PROFESSIONAL LIABILITY COVERAGE FORM - CLAIMS MADE AND REPORTED BASIS

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**.

Part I. Insuring Agreement

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 or omission, **Advertising Liability** or **Personal Injury**, even if the **Claim** asserted is groundless, false or fraudulent, in the rendering of or failure to render professional services for others in the **Insured's** capacity as an **Insurance Agent and Broker**; provided that any:

1. **Claim** is first made against the Insured during the **Policy Period**, and reported to the Company no later than sixty (60) days after the end of the **Policy Period**;
2. Negligent act, error or omission, **Advertising Liability** or **Personal Injury** took place in a covered territory;
3. Negligent act, error or omission, **Advertising Liability** or **Personal Injury** took place after the **Retroactive Date** as 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. 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.

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 shown in the Declarations shall be paid by the Insured, 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, the Named Insured shall reimburse the amount paid within thirty (30) days, upon written request of the Company.

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 present or former principal, partner, officer, director, employee, leased or temporary employee, volunteer, or independent contractor of the Named Insured, but only as respects professional services rendered on behalf of the Named Insured;
3. Heirs, Executors, Administrators, and in the event of an Insured's death, incapacity or bankruptcy, legal representatives of any Insured, but only with respect to professional services rendered prior to such Insured's death, incapacity or bankruptcy;
4. Any organization the Named Insured newly acquires or forms, but only for ninety (90) days and subject to the Company's written acceptance. This provision applies to any principal, partner, officer, director, employee, leased or temporary employee, volunteer, 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, **Advertising Liability** 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 on the Declarations, has the right to purchase, within sixty (60) 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, **Advertising Liability** 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 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 sixty (60) 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 **Property Damage**, however this exclusion does not apply to **Bodily Injury** or **Property Damage Claims** or related **Claim Expenses** arising out of the professional services as described in the Declarations.
- C. Infringement of copyright, patent, trademark, trade name, trade dress, service mark, title or slogan.
- D. Any business enterprise not named in the Declarations which is owned, controlled, operated or managed by any Insured.
- E. A **Claim** by one Insured under this policy against another Insured under this policy.
- F. Any violation of the Federal Securities Act of 1933 or Securities Exchange Act of 1934 or any other Federal or State common or statutory law governing the buying, selling, trading or other transfer of securities without limitation, including any amendments thereof or additions thereto, or rules or regulations promulgated thereunder.
- G. 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. This **Exclusion** does not apply to any liability the Insured assumes under any formal written standard agency or brokerage agreement to indemnify any insurance carrier whom the Insured represents for any **Claim** or **Claims Expenses** the insurance carrier incurs solely and exclusively due to the negligent acts, errors, omissions, **Personal Injury** or **Advertising Liability** committed by an Insured, or by any other person or entity for whom the Insured is legally liable.

- H. Violation of any provisions of the Employee Retirement Income Security Act of 1974, or any amendment, regulation, ruling or order issued pursuant to that Act.
- I. Breach of express or implied warranty or guarantee.
- J. An alleged act, error, omission, **Advertising Liability** or **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, or the effective date of any policy issued by the Company to which this policy is a continuous renewal or replacement. This exclusion includes, but is not limited to any prior **Claim** or possible **Claim** referenced in the Insured's application.
- K. False advertising or misrepresentation in advertising, but only regarding intentionally false, misleading, deceptive, fraudulent or misrepresenting statements in advertising the Insured's own product or service.
- L. Liability of any Insured under any worker's compensation, unemployment compensation, employer's liability, disability, or other similar law.
- M. 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.

However, this exclusion does not apply to **Claims Expenses** incurred solely in the defense of any **Claim** made during the **Policy Period** that arises out of any **Regulatory Action** brought by any federal, state or local governmental entity provided that the **Claim** arises from the rendering or failure to render professional services as described in the Declarations. However, coverage for **Claim Expenses** is limited to an annual aggregate sub-limit amount of \$25,000.

Additionally, this **Regulatory Action** sub-limit amount for **Claims Expenses** shall reduce and is not in addition to the available Limits of Liability as stated in the Declarations. Once this **Regulatory Action** sub-limit for **Claims Expenses** is exhausted, no further coverage for **Regulatory Action** is afforded. 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.

- N. The financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance company, any Individual Practice Association, Health Maintenance Organization, Preferred Provider Organization, Dental Service Plan, Risk Retention Group, Risk Provider Group, self-insured plan, or any pool, syndicate, association or other combination formed for the purpose of providing insurance or reinsurance, or any healthcare provider or any reinsurer with which the Insured directly placed the subject risk. However, this Exclusion does not apply if, at any time the Insured placed the subject risk with any of the above-described entities, such entity or entities were rated by A.M. Best as B+ or higher, or alternatively, such entities were guaranteed by a governmental body or bodies and/or operated by a governmental body or bodies (including but not limited to assigned risk plans, Joint Underwriting Association's, fair plans), or the Insured placed the coverage with a County Mutual reinsured by carrier rated B+ or higher by A.M. Best.
- O. Commingling, conversion, misappropriation or defalcation of funds or other property, or the inability or failure to pay, collect, disburse or safeguard any funds held by an Insured.
- P. Rendering or failure to render professional services as an Actuary, Reinsurance Intermediary or Reinsurance Broker.
- Q. Establishment, ownership, operation or administration of a Health Maintenance Organization, Preferred Provider Organization, Self Insurance Program, Risk Retention and Risk Purchasing Group formed under the Federal Liability Risk Retention Act of 1981 and 1986, as amended or any amendment thereto.

R. Rendering or failure to render professional services involving the purchase of, sale of or failure to purchase or sell securities or other investments, including but not limited to the sale of mutual funds or variable annuities, viatical settlement contracts or life settlement contracts.

S. 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;

4. Consequential **Bodily Injury** or **Personal Injury** as a result of S. 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 trial court proceeding.

T. 1. The actual, alleged or threatened presence, discharge, dispersal, seepage, migration, release or escape of **Biological Contaminants, Pollutants** or asbestos;

2. The failure to discover or disclose the existence or amount of **Biological Contaminants, Pollutants** or asbestos;

3. Any supervision, instructions, recommendations, warnings or advice given or which should have been given in connection with T. 1. or 2. above;

4. Any request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify or neutralize or, in any way respond to or assess the effects of **Biological Contaminants, Pollutants** or asbestos;

5. Any **Claim** or suit by or on behalf of a governmental authority for **Damages** because of testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or, in any way, responding to, or assessing the effect of **Biological Contaminants, Pollutants** or asbestos.

U. 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. **Advertising Liability** means injury arising out of one or more of the following offenses:

1. 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;

2. Oral or written publication of material that violates a person's right of privacy;

3. Misappropriation of advertising ideas or style of doing business.

B. **Bodily Injury** means physical or mental harm, sickness or disease sustained by a person, including death resulting from any of these at any time.

C. **Biological Contaminants** means any biological irritant or contaminant including but not limited to any form of mold, mildew, mushroom, yeast, fungus, bacteria, virus, insect, allergen and any other type of biological agent, including any substance produced by, emanating from, or arising out of such **Biological Contaminants**.

D. **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**.

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- E. Claim Expense** 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 taxed 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 the part of the judgment that is 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 **Claims** are 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.
- F. Damages** means monetary judgment, award or settlement, including punitive or exemplary damages, except damages that are prohibited by law. **Damages** does not include disputes over fees, deposits, commissions or charges for goods or services.
- G. Insurance Agent and Broker** means professional services for others in any of the following capacities:
1. Excess and Surplus Lines Broker,
 2. General Agent,
 3. Insurance Agent,
 4. Insurance Broker,
 5. Insurance Claims Adjuster,
 6. Insurance Consultant,
 7. Insurance Premium Finance activities,
 8. Insurance Program Administrator,
 9. Insurance Property Appraiser,
 10. Managing General Agent,
 11. Managing Underwriting Agency,
 12. Notary Public,
 13. Wholesale Insurance Broker, and
 14. Third Party Claims Administrator.
- H. Policy Period** means the period of time stated in the Declarations, or any shorter period resulting from policy cancellation or amendment to the policy.
- I. Personal Injury** means injury, other than **Bodily Injury**, arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
 2. Malicious prosecution;
 3. Wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling or premises that a person occupies, committed by or on behalf of its owner, landlord or lessor;
 4. Oral or written publication, in any manner, 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, in any manner, of material that violates a person's right of privacy.

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- J. 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.
- K. Regulatory Action** means a request for information, civil investigation, civil proceedings or any breach or violation of any federal, state or local statutes and regulations associated with the control and use of personally identifiable financial or medical information.
- L. Retroactive Date** means the date stated in the Declarations on or after which any alleged or actual negligent act, error or omission, **Advertising Liability** or **Personal Injury** must have first taken place in order to be considered for coverage under this policy.
- M. Pollutants** means any solid, liquid, gaseous or thermal irritant, contaminant or toxin, whether live or inanimate, including but not limited to, smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, silica, lead, lead compounds or materials containing lead, asbestos, asbestos compounds or materials containing asbestos, radon, waste or any like substances. Waste includes materials to be recycled, reconditioned or reclaimed.

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

B. Prohibition of Voluntary Payments and Settlements

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

C. Cooperation

The Insured will cooperate with the Company in the conduct of a **Claim** and, upon the Company's request, submit to examination and interrogation by the Company representative, under oath if required, and will attend hearings and trials and assist in affecting settlements, securing and giving evidence, and 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 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 will be computed pro-rata. If cancelled by the Insured, the earned premium will be computed short rate.

E. Premium and Audit

Premium for this coverage is 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 this policy, as far as they relate to the subject matter of this policy.

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

F. Authorization

The first Named Insured listed in the Declarations agrees to act as the Named Insured with respect to giving and receiving of all notices, exercising the Extended Reporting Period option, canceling the policy, paying all premiums and deductibles and receiving 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 will be subrogated to all the Insureds' rights of recovery against any person or organization, and the Insured will execute and deliver instruments and papers, and do whatever else is necessary to secure such rights. The Insured will do nothing after the loss to prejudice such rights.

I. Other Insurance

This policy will be 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 **Claims**.

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 shall 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.

L. Coverage in Bankruptcy

Bankruptcy or insolvency of the Insured or of the Insured's estate does not relieve the Company of its obligations under this policy.

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.