

LEXINGTON INSURANCE COMPANY
(Wilmington, Delaware)
(A Stock Insurance Company herein called the "Company")
Administrative Offices: 200 State Street, Boston, MA 02109

Miscellaneous Professional Liability

In consideration of the payment of the premium and deductible by the Named Insured and in reliance upon the statements in the Insured's Application incorporated herein by reference, the Company agrees with the Insured subject to all of the terms, exclusions and conditions of this policy, as follows:

I. INSURING AGREEMENTS

A. COVERAGE: CLAIMS-MADE CLAUSE:

The Company will pay on behalf of the Insured all sums in excess of the Deductible that the Insured shall become legally obligated to pay as Damages and Claim Expenses for Claims first made against the Insured and reported to the Company as provided in this policy during the Policy Period as a result of a Wrongful Act by the Insured or any entity for whom the Insured is legally liable.

For this coverage to apply, all of the following conditions must be satisfied:

1. The Wrongful Act forming the basis of the Claim must take place subsequent to the Retroactive Date stated in the Declarations.
2. Prior to the Effective Date of this policy stated in the Declarations, no officer, director, principal, partner, insurance manager or risk manager of the Insured had knowledge of such Wrongful Act or circumstance likely to give rise to a Claim.
3. Claim must first be made against the Insured during the Policy Period.
4. The Insured must report the Claim to the Company, in writing, as soon as practicable. Any Claim so reported will be deemed reported during the Policy Period if so reported no later than within the sixty (60) day period next succeeding the expiration of the Policy Period.

B. TERRITORY:

The insurance afforded by this policy applies to Wrongful Acts that take place in and result in a Claim brought within:

1. the United States of America, its territories or possessions or Puerto Rico; and
2. elsewhere in the world.

C. DEFENSE PROVISIONS:

1. When any Claim against the Insured for which coverage is provided under this policy is made or brought within the United States of America, its territories or possessions, or Puerto Rico, the Company has the right to investigate such Claim, and the duty to defend any such Claim with defense counsel of the Company's choice, even if such Claim is groundless, false or fraudulent. The Company's obligation to defend or to continue to defend any Claim as provided in this subparagraph 1) shall no longer exist after the applicable limit of the Company's liability has been exhausted by payment of Claim Expenses or Damages, or both.
2. When any Claim against the Insured for which coverage is provided under this policy is made or brought outside the areas described in subparagraph 1) above, the Company shall not be obligated to assume charge of the investigation, defense or settlement of any such Claim but the Company shall have the right and shall be given the opportunity to associate with the Insured in the investigation and defense of any such Claim. The Insured shall, under the Company's supervision, make or cause to be made such investigation and defense as is reasonably necessary. Subject to prior written authorization by the Company, the Insured may also effect settlement. The Company shall reimburse the Insured for Damages and the reasonable and necessary costs of investigating and defending any such Claim such as (1) fees charged by any lawyer selected by the Insured to defend the Claim, and (2) all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a decision regarding a Claim as authorized by the Company. For purposes of computing the amount of the Limits of Liability and Deductible amount under this policy, such reasonable costs shall be construed as Claim Expenses.

D. SETTLEMENT PROVISIONS:

The Company will not settle or compromise any Claim without the consent of the Insured. If, however, the Insured refuses to consent to a settlement or compromise recommended by the Company and elects to contest such Claim or continue legal proceedings in connection with such Claim, then the Company's liability for the Claim shall not exceed the amount for which the Claim could have been so settled plus Claim Expenses incurred up to the date of such refusal subject to the applicable limit of liability under this policy.

E. CLAIM EXPENSES:

Claim Expenses shall be paid by the Company and such payments reduce the available limit of liability. The Insured must first pay any applicable Deductible amounts.

II. EXCLUSIONS

This Policy does not provide coverage and the Company will not pay Claim Expenses or Damages for:

- A. any Claim arising from any dishonest, fraudulent, or criminal conduct committed intentionally by or at the direction of any Insured; however, this exclusion shall not apply to the Named Insured or to any Insured who did not commit, participate in or have knowledge of such conduct;

- B. any Claim made by any Insured against any other Insured;
- C. any Claim based upon or arising out of Wrongful Termination of any employee of the Insured; Discrimination involving any employee of the Insured; or Sexual Harassment of any employee of the Insured;
- D. any Claim made against an Insured based upon or arising out of any Insured's involvement as a partner, officer, director, stockholder, employer or employee of any business enterprise not named in the Declarations;
- E. any Claim made by or on behalf of any business enterprise that wholly or partly owns the Insured or which to any extent controls, operates or manages an Insured, or that is wholly owned or in which an Insured has a greater than 25% ownership, or which is controlled, operated or managed by an Insured;
- F. any Claim based upon or arising out of the manufacture of any goods or products sold by the Insured, any subsidiary of the Insured or any entity which wholly or partly owns, operates or manages the Insured or any subsidiary of such entity, or by any person under license from the Insured;
- G. any Claim based upon or arising out of express warranties or guarantees;
- H. any Claim based upon or arising out of liability of others assumed by any Insured under any contract or agreement; except this exclusion does not apply to the liability of others assumed under any written contract or agreement provided such liability is caused by a Wrongful Act;
- I. without limiting the application of exclusion L hereto, any Claim based upon or arising out of the manufacture, mining, use, sale, installation, removal, distribution of, or exposure to asbestos, materials or products containing asbestos or asbestos fibers or dust, or any obligation of any Insured to indemnify any party because of Damages arising out of such liability;
- J. punitive or exemplary Damages, fines or penalties;
- K. any Claim based upon or arising out of a Pollution Condition in connection with any real property or facility which is or was at any time owned, operated, rented or occupied by the Insured or by any entity that wholly or partly owns, operates, manages or otherwise controls the Insured, or any entity that is wholly or partly owned, operated, managed or otherwise controlled by the Insured;
- L. any Claim for Bodily Injury or Personal Injury sustained by any employee of any Insured while engaged in employment by any Insured, or by any person whose right to assert a Claim against the Insured arises by reason of any employment, blood, marital or other relationship with the employee;
- M. any obligation for which an Insured or any other party must pay under any unemployment, Workers Compensation, disability benefits, or other similar laws;
- N. any Claim based upon or arising out of nuclear reaction, radiation or contamination, under any circumstances and regardless of cause, within or originating from a Nuclear Facility.

- O. any Claim based upon or arising out of the gaining in fact of any personal profit or advantages to which the Insured is not legally entitled, or any disputes involving the Insured's fees or charges;
- P. any Claim based upon or arising out of or in any way involving the Employee Retirement Income Security Act of 1974, amendments thereto and regulations promulgated or adopted thereunder, or similar provisions of federal, state, provincial, local laws or common law or any of their amendments;
- Q. any Claim based upon or arising out of any actual or alleged violation of the Securities Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, or any state Blue Sky or securities law or similar state or federal statute, including any regulation or order issued pursuant to any of the foregoing statutes;
- R. any Claim based upon or arising out of Bodily Injury, Property Damage or Personal Injury;
- S. any Claim based upon or arising out of any actual or alleged infringement of any patent, copyright, trademark, service mark, trade dress or trade name;
- T. any Claim based upon or arising out of any actual or alleged violation of the Interstate Commerce Act of 1887, The Sherman Antitrust Act of 1890, The Clayton Act of 1914, The Robinson-Patman Act of 1938, The Cellar-Kefauver Act of 1950, The Competition Act, the Federal Trade Commission Act of 1914, amendments thereto, rules or regulations thereunder and amendments thereto, or similar provisions of any federal, state, or local statutory law or common law designed to prevent monopoly, preclude price fixing, or otherwise protect competition.

III. DEFINITIONS

All words or phrases appearing in bold face print in this policy shall have the following meanings:

- A. **Bodily Injury** means **Bodily Injury**, sickness, disease, mental anguish or emotional distress sustained by a person, including death resulting therefrom.
- B. **Claim** means any demand against the Insured for money or services, including but not limited to, the service of suit or institution of arbitration proceedings.
- C. **Claim Expenses** means;
 - 1. fees charged by any lawyer designated by the Company;
 - 2. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim if authorized by the Company. Claim Expenses shall not include the salaries of any employee of the Company.
- D. **Damages** means any amount which an Insured is legally obligated to pay for any Claim to which this insurance applies and shall include judgments and settlements, provided always that Damages shall not include the return or withdrawal of professional fees,

sanctions, fines or penalties imposed by law or other matters that may be deemed uninsurable under the law pursuant to which this policy shall be construed.

- E. Discrimination means termination of an employment relationship or a demotion or a failure or refusal to hire or promote any individual because of race, color, religion, age, sex, disability, pregnancy or national origin.
- F. Insured means:
 - 1. the Named Insured listed in Item 1. of the Declarations;
 - 2. any person who is or was a partner, officer, director, stockholder or employee of the Named Insured but only while rendering Professional Services on behalf of the Named Insured;
 - 3. the heirs, executors, administrators, and legal representatives of each Insured as defined in 1. and 2. above, in the event of death, incapacity or bankruptcy but only as respects liability arising out of Professional Services rendered on behalf of the Named Insured prior to such Insured's death, incapacity or bankruptcy;
 - 4. a former partner, officer, director or employee of the Named Insured while rendering Professional Services on behalf of the Named Insured;
 - 5. contract or leased personnel rendering Professional Services on behalf of the Named Insured;
 - 6. joint ventures in which the Named Insured is named as a co-venturer, but only as respects the Insured's legal liability arising out of the Insured's participation in such joint venture.
- G. Nuclear Facility means the site at which a nuclear reactor is located or where nuclear waste or material is disposed of or stored.
- H. 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 entry into, or eviction of a person from a room, dwelling, or premises that the person occupies;
 - 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.
- I. Policy Period means the period from the effective date of this policy stated in Item 2. of the Declarations to the expiration date or earlier termination date, if any, of this policy.

- J. Pollution Condition means the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any watercourse or body of water, provided such conditions are not naturally present in the environment.
- K. Professional Services means those services described in Item 6 of the Declarations performed by the Named Insured for others for a fee.
- L. Property Damage means:
1. physical injury to or destruction of tangible property, including all resulting loss of use of that property, or
 2. clean-up costs; or
 3. loss of use of tangible property that has not been physically injured or destroyed.
- M. Sexual Harassment means unwelcome sexual advances and/or requests for sexual favors and/or other verbal or physical conduct of a sexual nature that (1) are made a condition of employment and/or (2) are used as a basis for employment decisions and/or (3) create a work environment that interferes with performance.
- N. Subsidiary means any entity, in which more than 50% of the outstanding securities or voting rights representing the present right to vote for the election of directors in such entity is owned or controlled, directly or indirectly, in any combination, by the Named Insured.
- O. Wrongful Act means any actual or alleged error, omission, neglect, misstatement or misleading statement, or breach of duty unintentionally committed by any Insured, or a person for whom the Named Insured is legally liable, solely in the rendering of Professional Services.
- P. Wrongful Termination means termination of an employment relationship in a manner which is against the law and wrongful or in breach of an implied agreement to continue employment.

IV. LIMITS OF LIABILITY AND DEDUCTIBLE

A. LIMIT OF LIABILITY-EACH CLAIM:

The Limit of Liability shall apply in excess of the Deductible. The liability of the Company for each covered Claim shall not exceed the amount stated in the Declarations for Each Claim. This limit is the maximum amount of Claim Expenses or Damages, or both, that the Company will pay on each covered Claim.

B. LIMIT OF LIABILITY- ANNUAL AGGREGATE:

Subject to Limit of Annual Liability - Each Claim, the liability of the Company shall in no event exceed the amount stated in the Declarations as Annual Aggregate as a result

of all covered Claims. This limit is the total amount of Claim Expenses or Damages or both that the Company will pay under this policy for all covered Claims including those reported as provided for in Condition C., Extended Reporting Period below.

Once the Limits of Liability have been exhausted, the Company will not defend, pay Damages or Claim Expenses for any Claim.

C. **MULTIPLE INSURED:**

The number of Insureds covered by this policy shall not operate to increase the Limits of Liability as specified above.

D. **MULTIPLE CLAIMS:**

Two or more covered Claims arising out of a Wrongful Act or any series of related Wrongful Acts will be considered a single Claim. This policy shall only apply if the first or earliest Claim arising from such Wrongful Act(s) is made during the Policy Period. These provisions apply regardless of the number of Insureds involved in such a Claim, the number of Claims made, or the number of people or organizations that make the Claims.

The number of Claims made or the number of people or organizations that make Claims shall not operate to increase the Limits of Liability as specified above.

E. **DEDUCTIBLE - EACH CLAIM:**

The Deductible amount stated in the Declarations applies to each Claim and shall be paid by the Insured. The Deductible shall be applied to the payment of Damages or Claim Expenses, or both.

The Company may advance payment of part or all of the Deductible amount and, upon notification of such payment made, the Insured must promptly reimburse the Company for the Deductible amounts advanced by the Company.

V. CONDITIONS - CLAIMS

A. **INSURED'S DUTIES WHEN THERE IS A CLAIM:**

As a condition precedent to the right of coverage under this policy, the Insured must do the following:

1. if a Claim to which this policy applies is made against the Insured, the Insured must give written notice, as soon as practicable, and as otherwise required by this policy, to:

Lexington Insurance Company
200 State Street
Boston, Massachusetts 02109
Attn: Claim Department

2. The Insured must cooperate with the Company. The Company may require that the Insured submit to examination under oath, if required, produce and make available all records, documents and other materials which the Company deems relevant to the Claim. With respect to any Claim as described in subparagraph 1) of Section C., Defense Provisions, of this policy:
 - (a) the Insured must also, at the Company's request, attend hearings, depositions and trials;
 - (b) in the course of investigation or defense, provide the Company with written statements as requested by the Company or the Insured's attendance at meetings with the Company; and
 - (c) the Insured must assist the Company in effecting settlement, securing and providing evidence and obtaining the attendance of witnesses, all without charge to the Company.
3. If the Insured has the right to either accept or reject arbitration of any Claim, the Insured shall exercise such right only with the written consent of the Company.
4. Except and to the extent otherwise provided in subparagraph 2) of Section C., Defense Provisions, of this policy, the Insured must not make any payment, admit any liability, settle any Claims or assume any obligations without the prior written consent of the Company.
5. The Insured must do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the Insured may have.
6. The Insured shall refrain from discussing the facts and circumstances of any Claim with anyone other than legal counsel or representatives of the Company.

B. REPORTING OF POSSIBLE CLAIM:

Such insurance as is provided by this policy will apply to a specific incident, circumstance or situation ("Possible Claim") other than a Claim that the Insured first becomes aware of during the Policy Period of this policy and which possible Claim reasonably may lead to or form the basis of a Claim for which this policy would otherwise provide coverage. The Insured must give written notice to the Company of any such possible Claim as soon as practicable but not later than the end of the Policy Period.

The written report of a possible Claim must include all available information about the possible Claim.

This report must include:

1. the potential claimant's name and address;
2. a description of the Professional Services provided or that should have been provided;

3. an explanation of the type of Claim that is anticipated.

If all of the information is not so provided or is, in the sole judgment of the Company, deemed inadequate, the Company shall inform the Insured that the report is inadequate and the Insured shall have sixty (60) days to provide the required information. If the required information is not provided within the sixty (60) day period, the Company shall inform the Insured that any Claim made after the Policy Period of this policy relating to the report will not be considered for coverage under this policy.

Any Claim that may subsequently be made against the Insured arising out of such possible Claim shall be considered a Claim first made against the Insured during the Policy Period of this policy and shall be subject to all terms and conditions of this policy.

The Insured shall comply with all six subparagraphs in Condition A. above, Insured's Duties When There Is A Claim. Until Claim is made against the Insured, any Claim Expenses incurred by the Company to investigate or monitor such possible Claim shall not be considered an obligation under Section IV. Paragraph E., Deductible - Each Claim.

C. EXTENDED REPORTING PERIOD:

If this policy shall be canceled or nonrenewed by the Company or the Named Insured for reasons other than the Named Insured's non-payment of premiums or Deductibles when due or non-compliance with the terms and conditions of this policy, then the Named Insured upon payment of an additional premium specified in Item 8 of the Declarations shall have the option to extend such insurance as is afforded by this policy. This extension will apply only to Claims first made against the Insured during the specified number of months in Item 8 of the Declarations following immediately upon the effective date of such cancellation or expiration, but only by reason of a Wrongful Act which happens subsequent to the Retroactive Date and prior to the effective date of such cancellation or expiration, which is otherwise covered by this insurance. This extension of coverage for Claims made subsequent to expiration of the Policy Period, if purchased, must be endorsed here and shall hereinafter be referred to as the Extended Reporting Period.

If however, this insurance is immediately succeeded by similar claims-made insurance coverage for which the Retroactive Date is the same as or earlier than that shown in Item 7 of the Declarations, the succeeding insurance shall be deemed to be a renewal hereof and, in consequence, the Named Insured shall have no right to an Extended Reporting Period.

The quotation of a different premium and/or Deductible amount and/or limit of liability for renewal does not constitute a cancellation or refusal to renew for the purpose of this option.

As a condition precedent to the Named Insured's right to purchase the Extended Reporting Period, the Named Insured must have satisfied all conditions of this policy and must have tendered all premiums and Deductibles due.

The Named Insured's right to purchase the Extended Reporting Period must be exercised by notice in writing not later than sixty (60) days after the cancellation or expiration date of this policy and must include tender of the entire premium for the Extended Reporting Period. If such notice and tender are not so given to the Company, the Named Insured shall not at a later date be able to exercise such option.

At the commencement of any Extended Reporting Period, the entire premium therefor shall be considered earned, and in the event the Named Insured terminates the Extended Reporting Period before its term, for any reason, the Company shall not be liable to return to the Named Insured any portion of the premium paid for the Extended Reporting Period.

The fact that the insurance afforded by this policy may be extended by virtue of the Extended Reporting Period provision shall not in any way reinstate the Annual Aggregate limit or otherwise increase the Limits of Liability set forth in the Declarations.

D. TRANSFER OF RIGHTS OF RECOVERY:

If there is a payment made by the Company, the Company shall be subrogated to all the Insured's rights of recovery against any person or organization as respects any payment made by the Company for Damages or Claim Expenses. The Insured shall cooperate with the Company and do whatever is necessary to secure these rights. The Insured shall do nothing after a Claim to waive or prejudice such rights. The Company agrees to waive this right of subrogation against the client of the Insured to the extent that the Insured had, prior to Claim, a written agreement to waive such rights.

VI. OTHER CONDITIONS

A. ACQUISITIONS, MERGERS AND MATERIAL CHANGES:

In the event that, after the effective date of this policy, the Named Insured (i) acquires any other entity or acquires substantially all the assets of another entity, or (ii) merges with another entity such that the Named Insured is the surviving entity, or (iii) creates or acquires a Subsidiary or (iv) in the sole judgment of the Company materially changes its business as described in the Application, then and in each such case no coverage shall be afforded under this policy for assets acquired, or the entity merged with, or the Subsidiary or such changed business activities, unless and until:

1. the Named Insured provides written notice of such transaction or event or change to the Company not more than thirty (30) days after the effective date of such transaction, or event or change, and
2. the Named Insured provides the Company with such information in connection therewith as the Company may deem necessary, and
3. the Named Insured accepts any special terms, conditions, exclusions, or additional premium charge required by the Company, and
4. the Company at its sole discretion specifically agrees in writing to provide such coverage.

If the Company does agree to provide such coverage, it will not include any Wrongful Act committed or allegedly committed, with respect to any entity, assets, Subsidiary, or changed business activities referred to in subparagraph (1) above, prior to the effective date of such acquisition, merger, creation, or change, or any Wrongful Act or interrelated Wrongful Acts committed or allegedly committed prior to the effective date of such acquisition, merger, creation, or change.

If (i) the Named Insured merges into or consolidates with another entity, or (ii) another entity or person or group of entities and/or persons in concert acquire securities or voting rights which result in ownership or voting control by the other entity or person(s) of more than 50% of the outstanding securities representing the present right to vote for election of directors of the Named Insured, coverage under this policy shall continue until termination of this policy, but only with respect to Claims for Wrongful Acts committed, attempted, or allegedly committed by the Insureds prior to such merger, consolidation or acquisition. The Named Insured shall give written notice of such merger, consolidation or acquisition as soon as practicable, together with such information as the Company may require.

For purposes of this Condition, an entity shall mean any corporation, business trust, partnership, or other form of organization, including a Named Insured.

B. HOW OTHER INSURANCE APPLIES:

This insurance shall be excess over other valid insurance, whether collectable or not, available to the Insured unless such other insurance is written as specific excess over the limits provided by this policy.

C. CHANGES MADE TO THIS POLICY:

The terms and conditions of this policy cannot be waived or changed except by specific written endorsement issued by the Company and made part of the policy.

D. ASSIGNMENT OF THE INSURED'S INTEREST:

The interest of the Insured under this policy is not assignable to any other person or organization.

E. CANCELLATION:

This policy may be canceled by the Named Insured by returning the policy to the Company or its authorized representatives. The Named Insured can also cancel this policy by written notice to the Company stating at what future date cancellation is to be effective. If the Named Insured cancels, earned premium shall be computed using the customary short rate table or pro-rata of the Annual Minimum Premium, whichever is greater.

This policy can be canceled by the Company by written notice to the Named Insured, at the address last known to the Company. The Company will provide written notice at least thirty (30) days before cancellation is to be effective.

There are exceptions to the length of the notice that must be provided to the Named Insured. The Named Insured will only be entitled to at least ten (10) days notice if the Company cancels:

1. because the Insured has failed to pay a premium when due; or
2. because the Insured has failed to pay applicable Deductible amounts due.

If the Company cancels, earned premium will be computed pro-rata, except that if the Company cancels for the reason specified in 1. or 2. above, earned premium will be computed in the same manner provided above when the Named Insured cancels.

The mailing of any notice of cancellation shall be sufficient proof of notice.

The effective date of cancellation terminates the Policy Period. Return of unearned premium is not a condition of cancellation. Unearned premium will be returned by the Company as soon as practicable.

F. BANKRUPTCY:

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

G. APPLICATION:

The statements in the Application are the Insured's representations and are deemed material. This policy is issued based upon the truth and accuracy of such representations. Upon the binding of coverage, the Application shall be attached and become part of this policy.

H. AUDIT:

The Company may examine and audit the Insured's books and records at any time during the Policy Period and within three (3) years after the final termination of this policy, as far as they relate to this policy.

I. ACTION AGAINST THE COMPANY:

No action shall be maintained against the Company by the Insured to recover for any loss under this policy unless, as a condition precedent thereto:

1. the Insured has fully complied with all the terms and conditions of this policy; and
2. the amount of such loss has been fixed or rendered certain;
 - a. by final judgment against the Insured after trial of the issues; or
 - b. the time to appeal such judgment has expired without an appeal being taken; or

- c. if appeal is taken, after the appeal has been determined; or
- d. the Claim is settled in accordance with the terms and conditions of this policy.

In no event shall any action brought by anyone be maintained against the Company unless such action is brought within twenty-four (24) months from the time the right to bring action first becomes available.

J. FALSE OR FRAUDULENT CLAIMS:

If the Insured refers any Claim knowing such Claim to be false or fraudulent, this policy shall become void and all insurance coverage hereunder shall be forfeited.

K. SERVICE OF SUIT

In the event of failure of the Company to pay any amount claimed to be due hereunder, the Company, at the request of the Insured, will submit to the jurisdiction of a court of competent jurisdiction within the United States. Nothing in this Condition constitutes or should be understood to constitute a waiver of the Company's rights to commence an action in any court of competent jurisdiction in the United States to remove an action to a United States District Court or to seek a transfer of a case to another court as permitted by the laws of the United States or of any state in the United States. It is further agreed that service of process in such suit may be made upon Counsel, Legal Department, Lexington Insurance Company, 200 State Street, Boston, Massachusetts, 02109 or his or her representative, and that in any suit instituted against the Company upon this policy, the Company will abide by the final decision of such court or of any appellate court in the event of an appeal.

Further, pursuant to any statute of any state, territory, or district of the United States which makes provision therefor, the Company hereby designates the Superintendent, Commissioner or Director of Insurance, or other officer specified for that purpose in the statute, or his or her successor or successors in office as its true and lawful attorney upon whom may be served any lawful process in any action, suit, or proceeding instituted by or on behalf of the Insured or any beneficiary hereunder arising out of this policy of insurance and hereby designates the above named Counsel as the person to whom the said officer is authorized to send such process or a true copy thereof.

L. ARBITRATION

Notwithstanding the Service of Suit Condition above, in the event of a disagreement as to the interpretation of this policy, it is mutually agreed that such dispute shall be submitted to binding arbitration before a panel of three (3) Arbitrators, consisting of two (2) party-nominated (non-impartial) Arbitrators and a third (impartial) arbitrator (hereinafter "umpire") as the sole and exclusive remedy.

The party desiring arbitration of a dispute shall notify the other party, said notice including the name, address and occupation of the Arbitrator nominated by the demanding party. The other party shall within 30 days following receipt of the

demand, notify in writing the demanding party of the name, address and occupation of the Arbitrator nominated by it. The two (2) Arbitrators so selected shall, within 30 days of the appointment of the second Arbitrator, select an umpire. If the Arbitrators are unable to agree upon an umpire, each Arbitrator shall submit to the other Arbitrator a list of three (3) proposed individuals, from which list each Arbitrator shall choose one (1) individual. The names of the two (2) individuals so chosen shall be subject to a draw, whereby the individual drawn shall serve as umpire.

The parties shall submit their cases to the panel by written and oral evidence at a hearing, time and place selected by the umpire. Said hearings shall be held within thirty (30) days of the selection of the umpire. The panel shall be relieved of all judicial formality, shall not be obligated to adhere to the strict rules of law or of evidence, shall seek to enforce the intent of the parties hereto and may refer to, but are not limited to, relevant legal principles. The decision of at least two (2) of the three(3) panel members shall be binding and final and not subject to appeal except for grounds of fraud or gross misconduct by the Arbitrators. The award will be issued within 30 days of the close of the hearings. Each party shall bear the expenses of its designated Arbitrator and shall jointly share with the other the expense of the umpire and of the arbitration proceeding.

The arbitration proceeding shall take place in or in the vicinity of Boston, Massachusetts. The procedural rules applicable to this arbitration, shall, except as provided otherwise herein, be in accordance with the Commercial Rules of the American Arbitration Association.

IN WITNESS WHEREOF, the Company has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned in the Declarations by one of its duly authorized representatives.

Secretary

President