



## LEGAL PROFESSIONAL LIABILITY CLAIMS-MADE FORM

### A. DEFINITIONS

Whenever used in this policy, the term:

1. **Claim** means any demand received by **you** for money or services: **(a)** arising out of **your** acts, errors or omissions in providing **Professional Services**; or **(b)** for **Personal Injury** arising out of **your** performance of **Professional Services**.

2. **Claim Expenses** means:

a. fees charged and expenses incurred by attorneys designated by **us** to represent **you**;

b. all other fees, costs and expenses incurred at **our** request in the investigation of an **Early Reported Incident** or the investigation, adjustment or defense of a **Claim**.

**Claim Expenses** do not include salaries, compensation, overhead or incidental expenses of **our** employees, **you**, or **your** employees or agents.

3. **Damages** means a monetary judgment, monetary award or monetary settlement which **you** are legally obligated to pay, but does not include punitive or exemplary damages, fines, penalties, court imposed monetary sanctions, or return or restitution of legal fees, costs and expenses.

4. **Early Reported Incident** means an act, error, or omission in providing **Professional Services** which is not the subject of a written demand received by **you** for money or services and which is reported to **us** in writing during the **Policy Period** in accordance with Section H., No. 1. (Claim or Incident Reporting Requirements) of this policy.

5. **Named Insured** means the person or entity designated in the Declarations as the Named Insured.

6. Our, Us, We means the insurance company whose name appears on the Declarations of this policy.

7. **Personal Injury** means:

a. false arrest, detention or imprisonment;

b. wrongful entry, eviction or invasion of right of private occupancy;

c. defamation, libel and slander;

d. publication or utterance in violation of an individual's right of privacy.

e. malicious prosecution;

f. abuse of process.

8. **Policy Period** means the period from the effective date and time of this policy to the policy expiration date and time as set forth in the Declarations, unless the policy is terminated earlier, in which event the policy period shall end on the date of such earlier termination.

9. **Predecessor Firm** means any law firm to whose financial assets and liabilities the **Named Insured** is the majority successor in interest and which **you** designate as a **Predecessor Firm** in **your** application for this coverage.

10. **Professional Services** means services **you** perform for a client in **your** capacity as:

a. a lawyer;

b. a mediator or arbitrator;

c. a notary public; or

d. as an administrator, conservator, executor, guardian, trustee, receiver, or in any similar fiduciary capacity, provided that such services are connected with and incidental to **your** profession as a lawyer.

11. **You, Your or Insured** means:

- a. the **Named Insured** and any **Predecessor Firm**;
- b. any past or present partner, principal, shareholder, member, officer, director, "of counsel," or employed lawyer of the **Named Insured** or a **Predecessor Firm**, but only while rendering **Professional Services** in the course and scope of his or her duties on the behalf of the **Named Insured** or a **Predecessor Firm**;
- c. any past or present nonlawyer employee of the **Named Insured** or a **Predecessor Firm**, but only while assisting in providing **Professional Services** under the supervision of a lawyer and in the course and scope of his or her duties on behalf of the **Named Insured** or a **Predecessor Firm**; or
- d. any heir, executor, administrator, assign or legal representative of any **Insured** in the event of such **Insured's** death, incapacity or bankruptcy.

**B. WHAT IS COVERED**

Subject to all terms and conditions of this policy, **we** will pay on **your** behalf all **Damages** and **Claim Expenses** arising out of a **Claim** or **Early Reported Incident** which **you** first become aware of and **you** report to **us** in writing during the **Policy Period**.

**C. DEFENSE AND SETTLEMENT**

**We** will provide for the defense of **Claims** against **you** seeking **Damages** that are covered by this policy even if the allegations against **you** are groundless, false, or fraudulent. When **we** have paid **our** Limits of Liability, **our** obligation to defend **you** ends. **We** have no right or duty to defend **Claims** seeking **Damages** not covered by this policy.

**We** will not settle any **Claim** without **your** consent. However, **you** must communicate to **us**, within a reasonable period of time, **your** consent or objection to any **Claim** settlement which **we** propose to make. If **you** object to any **Claim** settlement **we** propose to make, **you** must take full responsibility for, and pay for, further defense and settlement of the **Claim**. **Our** obligation to **you** for a **Claim**

settlement **we** propose to make but to which **you** object will be limited to the amount of the **Claim** settlement **we** propose to make and the **Claim Expenses** incurred by **us** through the time **we** receive **your** objection to the proposed settlement.

**We** welcome **your** input in selecting defense counsel; however **we** retain the exclusive right to make that selection.

**D. DEFENSE OF DISCIPLINARY ACTIONS**

**We** will provide for the defense of any action (**Claim Expenses** only) brought against **you** by a bar association, licensing board, disciplinary board, peer review committee, or similar entity alleging professional misconduct or violations of the rules of professional conduct arising out of **your** performance of **Professional Services**. **Our** obligation to defend **you** under this provision is subject to a Limit of Liability of \$10,000 per policy period for all **Claim Expenses** incurred by lawyers appointed by **us**. There will be no deductible for payments made under this provision, and any such payments will not reduce the Limits of Liability as stated in the Declarations.

**E. SUPPLEMENTARY PAYMENTS**

**We** will reimburse **you** for actual loss of earnings and reasonable expenses incurred at **our** request for attendance at trial or court-ordered hearing, arbitration or mediation. **Our** obligation to reimburse **you** under this Supplementary Payments provision is limited to \$250 per day, \$5,000 per **Claim**, and \$20,000 in the aggregate. There will be no deductible for payments made under this provision, and any such payments will not reduce the Limits of Liability available to pay **Claim Expenses** or **Damages**.

**F. LIMITS OF LIABILITY AND DEDUCTIBLE**

- 1. For each **Claim**, the limit shown in the Declarations as **Per Claim** is the maximum amount **we** are obligated to pay for the combined total of all covered **Damages** and **Claim Expenses** arising out of or in connection with the same or related acts, errors, or omissions. This limitation applies regardless of the number of persons covered by this policy.

2. Subject to the **Per Claim** limitation above, the maximum amount **we** are obligated to pay for the combined total of all covered **Damages** and **Claim Expenses** arising out of any and all **Claims** will not exceed the amount shown in the Declarations as **Aggregate**.
3. **Claim Expenses** **we** pay reduce the Limits of Liability available to pay **Damages**.
4. From the amount of **Damages** and **Claims Expenses** **we** pay, **we** will subtract:
  - a. for each **Claim** that was first an **Early Reported Incident** during the policy period, 50% of the amount specified in the Declaration as Deductible; and
  - b. for all other **Claims** **you** report during the **Policy Period**, the amount specified in the Declarations as Deductible.
5. **You shall pay all Claim Expenses** and **Damages** up to the amount of the deductible. The deductible amount shall be payable by **you** as **Claim Expenses** are incurred or as **Damages** are paid. Payment of the deductible, or portions thereof, shall be made by the **Named Insured** within thirty (30) days of demand for payment by **us**.
  - e. a real estate title insurance agent or real estate title abstractor, unless the Title Agent Endorsement has been added to this policy.
2. Bodily injury, sickness, disease, disability, disfigurement or death; or injury to or destruction of any tangible property, including the loss of use thereof.
3. Any **Claim made by or against any business enterprise not named in the Declarations**:
  - a. in which **you** control or maintain a pecuniary interest; or
  - b. which arises out of **your** acts, errors, or omissions in **your** capacity as an officer, director, partner or employee.

**You** will not be deemed to maintain a pecuniary interest in an enterprise by virtue of **your** ownership of stocks, bonds or other financial instruments which total, individually or collectively, ten percent (10%) or less of the financial instruments of the enterprise.

4. Any **Claim** against **you** brought by **your** current or former partner, director, officer, stockholder, member, employee, or independent contractor, except **Claims** arising out of an attorney-client relationship between **you** and **your** current or former partner, director, officer, stockholder, member, employee or independent contractor. This policy does not apply to any **claim** by an **Insured** against another **Insured**.
5. Any **Claim arising out of your** notarized certification or acknowledgement of a signature without the physical appearance before **you** of the person who is or claims to be the person so signing.
6. Any **Claim** arising out of acts, errors, omissions or **Personal Injuries** which occurred prior to the effective date of this policy if, on or prior to such date, **you** knew or had a reasonable basis to believe either that a professional duty had been breached or that a **Claim** would be made.
7. Any **Claim arising out of any criminal, dishonest, intentional, fraudulent or malicious act, error, or omission; however,**

## G. EXCLUSIONS

This insurance does not apply to:

1. **Your** acts, errors or omissions while acting in the capacity of:
  - a. a securities, real estate or insurance broker, agent, dealer or trader;
  - b. an investment advisor or accountant;
  - c. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments. This exclusion does not apply if **you** are deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan;
  - d. a public official or an employee of a governmental or quasi-governmental body, subdivision or agency; or

**we** will provide for the defense of **Claims** alleging **Personal Injury** arising out of **your** performance of **Professional Services**. This exclusion will not apply to any **Insured** who did not personally participate in or acquiesce to the committing of such act, error, or omission, had no knowledge or reason to believe such an act, error, or omission was being committed, did not remain passive after learning of the act, error or omission, and who immediately notified us after obtaining personal knowledge of such act, error or omission.

8. Any **Claim** alleging that **you** are liable for the cost of actual, alleged or threatened discharge, dispersal, seepage, migration, release or escape of Pollutants at any time. This includes any loss, cost or expense arising out of any requested, demanded, ordered or voluntary, testing for, monitoring, cleaning up, removing, containing, treating, detoxifying or neutralizing or in any way responding to or assessing the effects of Pollutants. Pollutants means any solid, liquid, gaseous or thermal irritant or contaminant, including smoke, vapor, soot, fumes, acid, alkalis, chemicals and waste. Waste includes materials to be recycled, reconditioned or reclaimed.
9. Liability of others which **you** assume under any contract or agreement.
10. Any **Claim** arising out of the diminution of the value of any asset in **your** care, custody or control, or out of the misappropriation of or failure to give an account of any asset in **your** care, custody, or control, including the commingling of client funds.
11. Any **Claim** asserted against **you** as the beneficiary or distributee of a trust or estate.

## H. ADDITIONAL TERMS AND CONDITIONS

### 1. Claim or Incident Reporting Requirements

If **you** become aware of a **Claim** or wish to report an **Early Reported Incident**, **you** must:

- a. report it immediately to **us** in writing, giving **us** all details including the specific act, error or omission; the injury or damage which has or may result from such act, error or omission; the circumstances by which **you** first became aware of the act, error or omission; and, the names, addresses and telephone numbers of all persons who may have knowledge or relevant information;
- b. preserve all documents and other forms of evidence relating to the **Claim** or **Early Reported Incident**;
- c. promptly send **us** all documents relating to the **Claim** or **Early Reported Incident** when requested by **us**;
- d. cooperate with **us** and defense counsel. If **we** ask, **you** must assist in the investigation, defense and settlement of a **Claim** and enforcement of contribution or indemnification actions against others;
- e. attend hearings and trials if requested by **us** or defense counsel;
- f. assist in securing and giving evidence.

**You must not;**

- (1) make any offer of settlement or payments;
- (2) admit liability;
- (3) incur any expense; or
- (4) assume any obligation

arising out of or in any way connected with a **Claim** without **our** written consent.

### 2. Automatic Extended Claims Reporting Period

This policy will also provide coverage for **Claims** made against **you** during the **Policy Period** and which **you** report to **us** in writing within thirty (30) days following the expiration of this policy, provided that the following conditions have been met:

- a. the **Claim** was reported to **us** no later than thirty (30) days from the date the **Claim** was first made against **you**;
- b. prior to cancellation, nonrenewal or expiration of this policy, **you** were in compliance with all the terms and conditions of this policy, including payment of all premiums and deductibles when due;
- c. **your** license or right to practice law has not been revoked, suspended, or surrendered; and
- d. **you** made no material misrepresentation in obtaining the coverage provided by this policy.

This automatic extended **Claims** reporting period applies only to **Claims** arising out of **Professional Services** rendered prior to the expiration or termination of this policy, and does not extend the **Policy Period**.

### 3. Multiple Claims

Two or more **Claims** arising out of the same or related act, error or omission will be treated as a single **Claim** and subject to the per claim Limits of Liability stated in the Declarations of the policy in effect at the time the first related **Claim** was reported to **us**.

### 4. Other Insurance

This policy is excess over any other insurance, whether collectible or not, available to an **Insured** and applicable to a **Claim**, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise. This provision will not apply to other insurance written specifically as excess of this policy's limits.

### 5. No Stacking of Coverages

If two or more policies of insurance issued by **us** provide coverage to an **Insured** for the same **Claim** or **Claims**, the maximum amount **we** are obligated to pay per claim and in the aggregate on behalf of the **Insured** under all such policies shall

not exceed the highest applicable Limit of Liability which remains available to pay **Claims** under any one policy.

### 6. Subrogation

In the event of any payment pursuant to this policy, **we** shall be subrogated to the extent of such payment to all of the rights of the **Insured** to recovery thereof, and the **Insured** shall execute all papers required and shall do everything that may be necessary to preserve, secure and pursue such rights, including the execution of such documents as may be necessary to enable **us** to bring suit in the name of the **Insured**. The **Insured** shall do nothing to prejudice such rights.

### 7. No Action Against Us

No action shall lie against **us** unless, as a condition precedent thereto, **you** have fully complied with all the terms of this policy.

### 8. Policy territory

The coverage provided by this policy applies to acts, errors, omissions or **Personal Injuries** occurring anywhere in the world, provided that the **Claim** is made or suit is instituted against **you** within the United States of America, its territories or possessions, or Canada. **We** may, at our option, elect at any time to investigate, settle or defend **Claims** brought anywhere other than the United States of America, its territories or possessions, or Canada.

### 9. Integration

By acceptance of this policy, **you** acknowledge and agree that:

- a. the representations contained in the application for this policy, including all supplements, attachments and replies to underwriters' inquiries, are true, correct and complete;
- b. this policy was issued in reliance upon **your** Application; and
- c. **your** Application, the Declarations, the policy and endorsements form the complete agreement between **you** and **us**.

## 10. Changes to the Policy

This policy can only be changed by our issuing an endorsement or substitute Declarations.

## 11. Extended Claims Reporting Options

**a. Extended Claims Reporting Endorsement.** If you or we cancel or do not renew this policy, you may have the option to purchase an Extended Claims Reporting Endorsement that would extend the period of time during which you may report **Claims** under this policy. The Extended Claims Reporting Endorsement is subject to this policy's terms and conditions and applies only to **Claims** arising out of **Professional Services** rendered prior to the expiration or termination of this policy. The Extended Claims Reporting Endorsement will not extend the **Policy Period**.

Your right to purchase an Extended Claims Reporting Endorsement is conditioned on the following:

- (1) prior to cancellation, nonrenewal or expiration of this policy, you were in compliance with all the terms and conditions of this policy, including payment of all premiums and deductibles when due;
- (2) you agree that the additional premium paid for an Extended Claims Reporting Endorsement is one hundred percent (100%) earned upon receipt and nonrefundable;
- (3) your license or right to practice law has not been revoked, suspended or surrendered; and
- (4) you made no material misrepresentation in obtaining the coverage provided by this policy.

If you have complied with the above requirements, you have the option to purchase an Extended Claims Reporting Endorsement. You must exercise this option and pay the additional premium within thirty (30) days following the cancellation, nonrenewal or expiration of this policy.

**b. Named Insured Option.** The additional premium required to purchase an Extended Claims Reporting Endorsement on behalf of the **Named Insured** shall be calculated as follows:

- (1) One hundred percent (100%) of the **Named Insured's** last annual premium for a one-year extended reporting period;
- (2) One hundred eighty-five percent (185%) of the **Named Insured's** last annual premium for a three-year extended reporting period;
- (3) Two hundred twenty-five percent (225%) of the **Named Insured's** last annual premium for a five-year extended reporting period; and
- (4) Three hundred percent (300%) of the **Named Insured's** last annual premium for an unlimited extended reporting period.

**c. Individual Retiree Option.** Upon the retirement from the practice of law, any lawyer who qualifies as an **Insured** shall be entitled to an Extended Claims Reporting Endorsement with an unlimited reporting period at no additional premium. An **Insured's** right to the insurance of such an endorsement is conditioned on the following:

- (1) the **Insured** is at least fifty-five (55) years of age at the time of retirement;
- (2) the **Insured** was employed by the **Named Insured** during the **Policy Period** and had been insured by us for five or more consecutive **Policy Periods**;
- (3) the **Insured** notifies us of his or her retirement and requests the issuance of an Extended Claims Reporting Endorsement within thirty (30) days following the cancellation, nonrenewal or expiration of this policy; and
- (4) the conditions described above in Subsection 11.a. have been met.

d. **Individual Death or Permanent Disability Option.** Any lawyer who qualifies as an **Insured** and who dies or becomes permanently disabled, shall be entitled to an Extended Claims Reporting Endorsement with an unlimited reporting period at no additional premium. Such **Insured's** right to the issuance of an Extended Claims Reporting Endorsement is conditioned on the following:

- (1) the **Insured** was employed by the **Named Insured** during the **Policy Period** and suffered death or disability during the **Policy Period**;
- (2) in the event of disability, the **Insured** is totally and continuously disabled from the practice of law a minimum of six months prior to the election of this option;
- (3) satisfactory written evidence of death or permanent disability is provided to **us** within ninety (90) days following the death or disability;
- (4) the **Insured** or **Insured's** representative notifies **us** of the death or disability and requests issuance of an Extended Claims Reporting Endorsement within thirty (30)

days following the cancellation, nonrenewal or expiration of this policy; and

- (5) the conditions described above in Subsection **11.a.** have been met.

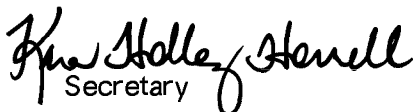
## 12. Cancellation

Either **you** or **we** can cancel this policy by notifying the other in writing.

If **you** cancel, the return premium will be calculated using a customary short rate penalty or ten percent (10%) of the estimated premium for the remainder of the **Policy Period** as stated in the Declarations. If **we** cancel, a written notice of cancellation will be sent to **you** at the address shown in the Declarations and the return premium will be calculated on a pro rata basis. The notice will state when, but not less than ten (10) days thereafter, the cancellation will be effective. **Our** mailing of the notice to the address of the Contact Person stated in the Declarations will be sufficient proof of notice. The effective date of cancellation as stated therein will become the end of the **Policy Period**.

13. **Our** failure to insist on strict compliance with any of the terms, provisions, or conditions to coverage or the failure to exercise any right or privilege shall not operate or be construed as a waiver of any provisions, conditions, privileges or rights.

**In Witness Whereof, we** have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by **our** authorized representative.

  
Secretary

  
President