



Lawyers Professional Liability Insurance Policy

THIS IS A CLAIMS MADE POLICY WHICH APPLIES ONLY TO CLAIMS FIRST MADE DURING THE POLICY PERIOD OR ANY EXTENDED REPORTING PERIOD, AND REPORTED IN ACCORDANCE WITH SECTION IV.I. OF THE POLICY. THE LIMIT OF LIABILITY AVAILABLE TO PAY DAMAGES WILL BE REDUCED AND MAY BE EXHAUSTED BY CLAIMS EXPENSES AND CLAIMS EXPENSES WILL BE APPLIED AGAINST THE RETENTION AMOUNT. IN NO EVENT WILL THE INSURER BE LIABLE FOR CLAIMS EXPENSES OR DAMAGES IN EXCESS OF THE APPLICABLE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

I. INSURING AGREEMENTS

A. COVERAGE

The **Insurer** will pay on behalf of an **Insured**, subject to the Limits of Liability shown in the Declarations, all amounts in excess of the Retention shown in the Declarations, that an **Insured** becomes legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** arising out a **Wrongful Act**, other than a **Non-Profit Director or Officer Wrongful Act**, that is first made during the **Policy Period** or any **Extended Reporting Period**. It is a condition precedent to coverage under this Policy that the **Wrongful Act** upon which the **Claim** is based occurred:

1. during the **Policy Period**; or
2. on or after the **Retroactive Date** and prior to the **Policy Period**, provided that all of the following three conditions are met:
 - (a) the **Insured** did not notify any prior insurer of such **Wrongful Act** or **Related Act or Omission**; and
 - (b) prior to the inception date of the first policy issued by the **Insurer** if continuously renewed, no **Insured** had any basis (1) to believe that any **Insured** had breached a professional duty; or (2) to foresee that any such **Wrongful Act** or **Related Act or Omission** might reasonably be expected to be the basis of a **Claim** against any **Insured**; and
 - (c) there is no policy that provides insurance to the **Insured** for such liability or **Claim**.

Subject to the Limits of Liability, the **Insurer** shall have the right and duty to defend any **Claim** seeking **Damages** that are covered by this Policy and made against an **Insured** even if any of the allegations of the **Claim** are groundless, false or fraudulent.

B. ADDITIONAL COVERAGES

1. Reimbursement for Lost Earnings

The **Insurer** shall reimburse each **Insured** up to \$500 for personal earnings actually lost each day or part of a day such **Insured**, at the **Insurer's** express request, attends a trial, hearing or arbitration arising from a **Claim**, subject to a maximum amount payable of \$5,000 per **Claim** for all **Insureds**. The maximum aggregate amount payable under this provision, regardless of the number of **Claims**, the number of **Insureds**, or the number of days attended, shall be \$20,000. Any payment made by the **Insurer** under this provision shall be in addition to the applicable Limit of Liability and shall not be subject to the Retention.

This coverage shall not apply in the event of a **Disciplinary Proceeding**.

2. Disciplinary Proceedings Coverage

The **Insurer** will pay on behalf of an **Insured**, reasonable fees, costs and expenses incurred in responding to a **Disciplinary Proceeding** both initiated against the **Insured** and reported to the **Insurer** during the **Policy Period** or any Extended Reporting Period. The maximum aggregate amount payable for all **Disciplinary Proceedings** covered under this Policy, regardless of the number of **Insureds**, shall be \$20,000 total. Any payment made by the **Insurer** under this provision shall be in addition to the applicable Limit of Liability and shall not be subject to the Retention.

3. Non-Profit Director and Officer Coverage

The **Insurer** will reimburse an individual **Insured** lawyer, subject to the Limit of Liability, all amounts that such **Insured** becomes legally obligated to pay as **Damages** and **Claim Expenses** because of a **Claim** arising out of a **Non-Profit Director or Officer Wrongful Act** that is first made during the **Policy Period** or any **Extended Reporting Period**.

The coverage provided under this Section I.B.3 is excess of, and shall not contribute with, any other insurance plan or program of insurance or self-insurance carried by the **Non-Profit Organization**, and any contribution and indemnification to which the individual **Insured** lawyer is entitled to from such **Non-Profit Organization**.

The most the **Insurer** shall pay for **Claims** for which coverage is provided under this Section I.B.3. shall be an amount equal to the Limit of Liability under the **Non-Profit Organization's** Directors and Officers Liability Insurance, or the Limit of under this provision shall be part of, and not in addition to the Limit of Liability.

It will be a condition precedent to coverage under this Section I.B.3. that:

- (a) such individual **Insured** lawyer is serving as a director, officer or committee member of the **Non-Profit Organization** with the express consent or at the request of the **Named Insured**;

- (b) such **Non-Profit Organization** will have, in full force and effect during the **Policy Period** or any Extended Reporting Period, Directors and Officers Liability Insurance with Limits of Liability of at least \$500,000 per claim and in the aggregate for all claims; and
- (c) no more than ten percent (10%) of the **Named Insured's** annual gross revenues are derived directly or indirectly from **Legal Services** performed by any **Insured** for the **Non-Profit Organization**.

In the event that a **Wrongful Act** or **Related Act** or **Omission** gives rise to a **Claim** or multiple **Claims** under both this Section I.B.3. and Insuring Agreement I.A. of the Policy, then only one per Claim Limit of Liability and one Retention shall apply to all such **Claims**.

II. DEFINITIONS

A. **APPLICATION** means:

- 1. the application and all prior applications submitted to the **Insurer**; or
- 2. any application submitted to any competitor of the **Insurer**, which is provided to the **Insurer** for the purposes of procuring coverage hereunder, and which shall be treated as if it were submitted directly to the **Insurer**;

any and all materials and information submitted to the **Insurer** in connection with such applications, and all publicly available material that is created by the **Insured** about the **Insured** that the **Insurer** obtained prior to the Inception Date of the **Policy**, all of which are deemed to be on file with the **Insurer** and are deemed to be attached to, and form a part of, this **Policy**, as if physically attached.

B. **BODILY INJURY** means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; including any mental injury, mental anguish, mental tension, emotional distress, pain or suffering or shock sustained by any person, whether or not resulting from injury to the body, sickness, disease or death of any person.

C. **CLAIM** means:

- 1. any written notice or demand for monetary relief or **Legal Services**;
- 2. any civil proceeding in a court of law;
- 3. any administrative proceeding, other than a **Disciplinary Proceeding**; or
- 4. a request to toll or waive a statute of limitations;

made to or against any **Insured** seeking to hold such **Insured** responsible for damages for a **Wrongful Act**.

A **Claim** does not include criminal proceedings of any type, or any proceeding that seeks injunctive, declaratory, equitable or non-pecuniary relief or remedies of any type.

D. **CLAIM EXPENSES** means:

- 1. reasonable fees, costs and expenses charged by attorneys retained or approved by the **Insurer** for a **Claim** brought against an **Insured**;

2. reasonable and necessary fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim** including, but not limited to, premiums for any appeal bond, attachment bond or similar bond but without any obligation of the **Insurer** to apply for or furnish such bond.

Claim Expenses shall not include:

1. salaries, loss of earnings, reimbursement for the **Insured's** time or attendance required in any investigation or defense;
2. other remuneration by or to any **Insured**.

The determination by the **Insurer** as to the reasonableness of **Claim Expenses** shall be conclusive on all **Insureds**.

E. **DAMAGES** means the monetary portion of any judgment, award or settlement, including pre- and post- judgment interest. **Damages** shall not include:

1. criminal or civil fines, taxes, penalties (statutory or otherwise), fees or sanctions;
2. punitive, exemplary or the multiplied portion of multiple damages;
3. matters deemed uninsurable by law;
4. the return or restitution of legal fees, costs and expenses, no matter how claimed; or
5. any form of equitable or non-monetary relief.

F. **DISCIPLINARY PROCEEDING** means any proceeding initiated by a regulatory or disciplinary official or agency to investigate charges made against an **Insured** alleging professional misconduct in rendering or failing to render **Legal Services**.

G. **EXTENDED REPORTING PERIOD** means the extended reporting period elected by an **Insured**, pursuant to the terms and conditions described in Part IV – Conditions, Subsection G. of the Policy.

H. **IMMEDIATE FAMILY** means:

1. the **Insured**;
2. the **Insured's** spouse;
3. the **Insured's** parents, adoptive parents, or step-parents;
4. the **Insured's** siblings or step-siblings;
5. the **Insured's** children, adoptive children, or step-children.

I. **INSURED** means:

1. the **Named Insured**;
2. any **Predecessor Firm**;

3. any lawyer or professional corporation listed in the **Application**, on the day the **Policy Period** incepts until such time as the lawyer or professional corporation ceases to be a member of the **Named Insured** subject to paragraph 5. below, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured**;
 4. any lawyer or professional corporation who becomes a partner, officer, director, stockholder or shareholder or employee of the **Named Insured** during the **Policy Period** until such time as the lawyer or professional corporation ceases to be a member of the **Named Insured** subject to paragraph 5. below, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured**;
 5. any lawyer or professional corporation who is a former partner, officer, director, stockholder or shareholder or employee of the **Named Insured** or **Predecessor Firm** but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured** or **Predecessor Firm**;
 6. any person or entity who is designated by the **Named Insured** as counsel or of counsel in the **Application**, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured**;
 7. any other person who is employed or retained by the **Named Insured** as a legal secretary, paralegal, contract attorney or other legal office staff member, but only in rendering or failing to render **Legal Services** on behalf of the **Named Insured** and also only within the scope of such employment or retention agreement; and
 8. the estate, heirs, executors, administrators, assigns 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.
- J. **INSURER** means the insurance company shown in the Declarations.
- K. **LEGAL SERVICES** means those services performed on behalf of the **Named Insured** for others by an **Insured** as a licensed lawyer in good standing, arbitrator, mediator, title agent, notary public, administrator, conservator, receiver, executor, guardian, trustee, escrow agent, or in any other fiduciary capacity, but only where such services were performed in the ordinary course of the **Insured's** activities as a lawyer. **Legal Services** also includes services rendered by an **Insured** as a: (a) member of a formal accreditation, ethics, peer review or licensing board, standards review board, bar association, or any similar board or committee, or; (b) author, publisher or presenter of legal research or legal articles and papers, but only if the compensation received by the **Insured** annually from such services is less than \$5,000. **Legal Services** do not include services rendered as a real estate agent or broker or as an insurance agent or broker.
- L. **NAMED INSURED** means the entity named in Item 1 of the Declarations.
- M. **NON-PROFIT DIRECTOR OR OFFICER WRONGFUL ACT** means an actual or alleged act, error or omission by an individual **Insured** lawyer while serving in his or her capacity as a director, officer or committee member of a **Non-Profit Organization**.

- N. **NON-PROFIT ORGANIZATION** means a corporation or organization, other than an **Insured** entity, which is exempt from taxation under Section 501(c)(3) of the U.S. Internal Revenue Code, as the same may be amended from time to time.
- O. **NOTICE** means providing the following information to the **Insurer**, by an **Insured**, in writing:
1. a description of the **Wrongful Act** and the date it occurred;
 2. the identities of the claimants or potential claimants;
 3. the identities of the alleged or potentially responsible **Insured(s)**,
 4. the alleged consequences or **Damages** which could result; and
 5. the date, and a description of how, the **Insured(s)** first became aware of the **Wrongful Act**.
- P. **PERSONAL INJURY** means libel, slander, violation of a right of privacy, false arrest, detention, imprisonment, wrongful entry, eviction, malicious prosecution or abuse of process, when insurable under the law pursuant to which this Policy shall be construed.
- Q. **POLICY PERIOD** means the period of time between the Inception Date to the Expiration Date as shown in Item 2 of the Declaration, or from the Inception Date to any earlier cancellation or termination date, if applicable.
- R. **PREDECESSOR FIRM** means any individual or entity engaged in **Legal Services** to whose financial assets and liabilities the **Named Insured** is the majority successor-in-interest.
- S. **RELATED ACT OR OMISSION** means all acts or omissions based on, arising out of, directly or indirectly resulting from, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events.
- T. **RETROACTIVE DATE** means the date set forth in Item 7 of the Declarations.
- U. **TOTALLY OR PERMANENTLY DISABLED** means the **Insured** is wholly prevented from rendering **Legal Services**, provided that the disability has continued for at least six (6) months, is reasonably expected to be continuous and permanent and the disability did not result from intentionally self-inflicted injury, attempted suicide, alcohol or drug abuse.
- V. **WRONGFUL ACT** means:
1. an actual or alleged act, error or omission by an **Insured**, solely in the performance of or failure to perform **Legal Services**;
 2. an actual or alleged **Personal Injury** committed by any **Insured**, solely in the performance of or failure to perform **Legal Services**; or

3. a **Non-Profit Director and Officer Wrongful Act.**

III. EXCLUSIONS

- A. This Policy shall not apply to any **Claim** brought by or on behalf of, or in the name or right of, any **Insured**;

provided, however, that this Exclusion shall not apply to any **Claim** which arises out of **Professional Services** rendered by one **Insured** to another where an attorney-client relationship exists between such **Insureds**.

- B. This Policy shall not apply to any **Claim** or **Disciplinary Proceeding** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving, in whole or in part:

1. any intentional, criminal, fraudulent, malicious or dishonest act or omission by or at the direction of an **Insured**;

provided, however, that this Exclusion shall not apply unless there has been a finding, admission, or final adjudication, in a proceeding constituting the **Claim** or in a proceeding separate from or collateral to the **Claim**.

2. any act whatsoever of an **Insured** in connection with a trust or estate when an **Insured** is a beneficiary or distributee of the trust or estate;

3. the **Insured's** capacity or status as:

(a) an officer, director, partner, trustee, shareholder, manager or employee of a business enterprise, charitable organization or pension, welfare, profit sharing, mutual or investment fund or trust, except for such coverage provided under this Policy under Section I.B.3. for **Non-Profit Director or Officer Wrongful Acts**; or

(b) a public official, or an employee of a governmental body, subdivision, or agency unless the **Insured** is privately retained solely to render **Legal Services** to the governmental body, subdivision or agency and the remuneration for the **Legal Services** is paid directly or indirectly to the **Named Insured**.

4. any actual or alleged **Wrongful Acts** of an **Insured**, whether or not such **Legal Services** are performed with or without compensation, for any business enterprise, whether for profit or not-for-profit, in which any **Insured**, or a member of an **Insured's Immediate Family**, has a "Material Interest."

For purposes of this Exclusion, a "Material Interest" shall mean the right of an **Insured** or a member of an **Insured's Immediate Family** directly or indirectly to:

- (a) own 10% or more of an interest in an entity;
(b) vote 10% or more of the issued and outstanding voting stock in an incorporated entity;
(c) elect 10% or more of the directors of an incorporated entity;

- (d) receive 10% or more of the profits of an unincorporated entity; or
 - (e) act as general partner of a limited partnership, managing general partner of a general partnership, or comparable positions in any other business enterprise.
- 5. the alleged rendering of investment advice, including advice given by any **Insured** to make any investment or to refrain from doing so.
 - 6. any alleged violations by an **Insured** of the Employment Retirement Income Security Act of 1974, its amendments, or any regulation or orders promulgated pursuant thereto, or of any similar provisions of federal, state or local law or regulation;
 - 7. liability assumed by an **Insured** under an indemnity, hold harmless or liquidated damages provision or agreement, or similar provisions or agreements;

provided, however, that this Exclusion shall not apply if such liability would have attached to the **Insured** by law in the absence of such provision or agreement;
 - 8. the notarized certification or acknowledgement of signature without the physical appearance before such notary public of the person who is or claims to be the person signing said instrument;
 - 9. **Bodily Injury**, and injury to, or destruction of, any tangible property, including the loss of use resulting therefrom;

provided however, that the exclusion of **Bodily Injury** does not apply to that portion of a **Claim** for mental injury, mental anguish, mental tension, or emotional distress caused by:
 - (a) **Personal Injury**; or
 - (b) a **Non-Profit Director and Officer Wrongful Act**;
 - 10. the loss of value of any asset in the **Insured's** care, custody or control, misappropriation, conversion, embezzlement, failure to give an accounting, or commingling of client funds.

IV. CONDITIONS

A. LIMIT OF LIABILITY

Regardless of the number of **Insureds**, number of **Claims** or number of claimants who make a **Claim** against the **Insureds**, the **Insurer's** liability is limited as follows:

- 1. Subject to the maximum aggregate Limit of Liability, the amount set forth in ITEM 3(a) of the Declarations shall be the maximum Limit of Liability of the **Insurer** for all **Damages** and **Claim Expenses**, in excess of the applicable Retention set forth in ITEM 4 of the Declarations, resulting from each **Claim** to which this Policy applies.

2. The amount set forth in ITEM 3(b) of the Declarations shall be the maximum aggregate Limit of Liability of the **Insurer** for all **Damages** and **Claim Expenses** resulting from all **Claims** to which this Policy applies.
3. **Claim Expenses** are part of and not in addition to the Limit of Liability. The Limit of Liability shall first be applied to **Claim Expenses** with the remainder, if any, being the amount available to pay as **Damages**.
4. The **Insurer** shall not be obligated to pay any **Damages** or **Claim Expenses** or to defend or continue to defend any **Claim** after the Limit of Liability set forth in ITEM 3(b) has been exhausted. In such case, the **Insurer** shall have the right to withdraw from the further investigation or defense of any pending **Claim** by tendering control of such investigation or defense to the **Named Insured** and the **Named Insured** agrees, as a condition to the issuance of this Policy, to accept such tender and proceed solely at its own cost and expense.

B. RETENTION

The Retention amount stated in Item 4 of the Declarations shall apply to all **Damages** and **Claim Expenses** and shall apply to each and every **Claim**. It is the **Named Insured's** responsibility to pay **Damages** or **Claim Expenses** up to the amount of the Retention. The **Insurer** shall only be liable to pay, subject to the Limit of Liability provisions stated in this Section, for **Damages** and **Claim Expenses** in excess of such Retention and such Retention shall not be insured under this Policy.

Solely at the option of the **Insurer**, the **Insurer** may advance all or some portion of the Retention amount in the event that the **Named Insured** fails to do so in a timely manner. In such event, the **Named Insured** shall pay back the Retention to the **Insurer** no later than fifteen (15) days after demand by the **Insurer**.

C. RELATED ACTS

All **Claims** based upon or arising out of the same **Wrongful Act** or **Related Act** or **Omission** shall be considered a single **Claim** and shall be considered first made at the time the earliest **Claim** arising out of such a **Related Act** or **Omission** was first made. All **Damages** and **Claims Expenses** from such **Claims** shall be subject to one limit of liability.

D. DEFENSE AND INVESTIGATION

The **Insurer** shall have the right and duty to defend any **Claim** seeking **Damages** that are covered by this Policy made against an **Insured** even if any of the allegations of the **Claim** are groundless, false or fraudulent. The **Insurer** shall have the right to select defense counsel for the investigation, defense or settlement of the **Claim** and the **Insurer** shall pay all reasonable **Claim Expenses** arising from the **Claim**.

The **Insurer** shall have the right to conduct such investigation or negotiation of any **Claim** as it deems expedient. The **Insurer** shall not be obligated to pay any **Damages** or **Claim Expenses**, or to defend or continue to defend any **Claim** after the **Insurer's** limit of liability has been exhausted by payment, or by deposit in a court having jurisdiction of sums reflecting the remaining applicable Limit of Liability of the Policy.

E. **CONSENT TO SETTLE**

The **Insurer** shall not settle any **Claim** without the consent of the **Insured**, which consent shall not be unreasonably withheld. If, however, the **Insured** refuses to consent to any settlement recommended by the **Insurer** and acceptable to the claimant, then the **Insurer's** liability for **Damages** and **Claim Expenses** relating to that **Claim** shall not exceed the amount for which the **Claim** could have been settled plus all **Claim Expenses** incurred up to the time the **Insurer** made its recommendation.

If the **Insured** refuses to settle, once the total **Claim Expenses** equal the amount for which the **Claim** could have been settled plus all **Claim Expenses** incurred up to the time the **Insurer** made its recommendation, the **Insurer** shall have the right to withdraw from the further investigation and defense thereof by tendering control of such investigation or defense to the **Insured** and the **Insured** agrees, as a condition of the issuance of this Policy, to accept such tender and proceed solely at its own cost and expense. If the **Named Insured** has not paid premiums or Retentions which are due, the **Insurer** has the right, but not the obligation, to settle any **Claim** without the consent of the **Insured**.

F. **MULTIPLE POLICIES**

If this Policy and any other policy issued by **Insurer** including any **Extended Reporting Period** coverage afforded by such policy or policies, provides coverage for the same **Claim** against the **Insured**, the maximum limit of liability under all the policies shall not exceed the highest remaining per **Claim** limit of liability under any one policy.

G. **EXTENDED REPORTING PERIOD OPTIONS**

1. **AUTOMATIC EXTENDED REPORTING PERIOD**

In the event of cancellation or refusal to renew this Policy by the **Insurer** or the **Named Insured**, and if this Policy has been in force for at least six (6) months, or if it has been in force for fewer than six (6) months and the **Insurer** consents, the **Named Insured** shall have the right to a period of sixty (60) days immediately following the effective date of such cancellation or non-renewal, in which to give notice to the **Insurer** of **Claims** first made against the **Insured** during such sixty (60) day period for any **Wrongful Acts** committed prior to the effective date of such cancellation or non-renewal and otherwise covered by this Policy.

2. **OPTIONAL EXTENDED REPORTING PERIOD**

In the event of cancellation or refusal to renew this Policy by the **Insurer** or the **Named Insured**, the **Named Insured** has the right upon notification to the **Insurer** of its intent to purchase an Optional Extended Reporting Period Endorsement, and payment to the **Insurer** of an additional premium as set forth below within sixty (60) days of the cancellation or non-renewal, to extend the period for reporting **Claims** first made against an **Insured** after the termination of the **Policy Period** for any **Wrongful Acts** committed prior to the termination of the **Policy Period** and otherwise covered by this Policy. For purposes of determining the availability of an Extended Reporting Period Endorsement, any change in the premium terms or terms on renewal shall not constitute a refusal to renew.

The **Named Insured** may select from the following Optional Extended Reporting Period options:

- (a) a one-year Optional Extended Reporting Period for an additional premium of 100% of the Annual Premium set forth in Item 6 of the Declarations;
- (b) a two-year Optional Extended Reporting Period for an additional premium of 150% of the Annual Premium set forth in Item 6 of the Declarations;
- (c) a three-year Optional Extended Reporting Period for an additional premium of 185% of the Annual Premium set forth in Item 6 of the Declarations;
- (d) a five-year Optional Extended Reporting Period for an additional premium of 210% of the Annual Premium set forth in Item 6 of the Declarations;
- (e) an unlimited Optional Extended Reporting Period for an additional premium of 300% of the Annual Premium set forth in Item 6 of the Declarations.

3. **NON-PRACTICING EXTENDED REPORTING PERIOD**

If an individual **Insured** lawyer, other than a contract attorney, which is listed on the **Application** for this Policy and insured hereunder as of the Inception Date of this Policy, retires or otherwise ceases the private practice of law during the **Policy Period**, then such **Insured** has the right, upon notification to the **Insurer**, to purchase a Non-Practicing Extended Reporting Period Endorsement. Unless the **Insured** qualifies for a waiver of premium under Paragraph G.4. below, such **Insured** must make payment to the **Insurer** of an additional premium as set forth below within sixty (60) days of the **Insured's** date of retirement or cessation of the private practice of law. The Non-Practicing Extended Reporting Period will extend the period for reporting **Claims** first made against such **Insured** after the termination of the **Policy Period** for any actual or alleged **Wrongful Act** occurring prior to the **Insured's** date of retirement or cessation of the private practice of law and otherwise covered by this Policy. If an individual **Insured** lawyer shall resume the practice of law at any time for any reason, the Non-Practicing Extended Reporting Period elected by such **Insured** shall no longer be effective.

Coverage for any **Claim** first made during a Non-Practicing Extended Reporting Period shall be excess over and shall not contribute with any other insurance in effect on or after the effective date of the Non-Practicing Extended Reporting Period, which covers the **Insured** for such **Claim**.

The additional premium for a Non-Practicing Extended Reported Period shall be calculated using the per individual **Insured** lawyer rate in effect upon the Inception Date of this Policy, based on the number of lawyers with the **Named Insured** at the Inception Date of this Policy, as stated on the **Application** or most recent Renewal Application, multiplied by the percentage set forth below which corresponds to the number of years elected for the Non-Practicing Extended Reporting Period.

The **Insured** may select from the following Non-Practicing Extended Reporting Period options:

- (a) a one-year Non-Practicing Extended Reporting Period for an additional premium of 100% of the Annual Premium set forth in Item 6 of the Declarations;
- (b) a two-year Non-Practicing Extended Reporting Period for an additional premium of 150% of the Annual Premium set forth in Item 6 of the Declarations;
- (c) a three-year Non-Practicing Extended Reporting Period for an additional premium of 185% of the Annual Premium set forth in Item 6 of the Declarations;
- (d) a five-year Non-Practicing Extended Reporting Period for an additional premium of 210% of the Annual Premium set forth in Item 6 of the Declarations;
- (e) an unlimited Non-Practicing Extended Reporting Period for an additional premium of 300% of the Annual Premium set forth in Item 6 of the Declarations.

4. **WAIVER OF PREMIUM FOR NON-PRACTICING EXTENDED REPORTING PERIOD**

(a) Waiver Upon Death

If an individual **Insured** lawyer, as described in Section IV.G.3. above, dies during the **Policy Period**, such **Insured** shall be provided with a Non-Practicing Extended Reporting Period Endorsement, commencing after the termination of the **Policy Period**, at no additional premium, until the executor or administrator of the estate of such individual **Insured** lawyer is discharged, provided always that the death did not result from an intentionally self-inflicted injury, suicide or alcohol or drug abuse. Written notification and written proof of death of the **Insured** must be provided within sixty (60) days of the date of death or prior to the end of the **Policy Period**, whichever is earlier. Such Non-Practicing Extended Reporting Period shall extend the period for reporting **Claims** first made against such **Insured** after the termination of the **Policy Period** for any actual or alleged **Wrongful Act** occurring prior to the **Insured's** date of death and otherwise covered by this Policy.

(b) Waiver Upon Disability

If an individual **Insured** lawyer, as described in Section IV.G.3. above, becomes **Totally and Permanently Disabled** during the **Policy Period**, such **Insured** shall be provided with a Non-Practicing Extended Reporting Period Endorsement, commencing after the termination of the **Policy Period**, at no additional premium, until the **Insured** is no longer **Totally and Permanently Disabled**. It shall be a condition precedent to the Non-Practicing Extended Reporting Period that the **Named Insured** has had continuous coverage with the **Insurer** for at least three (3)

consecutive prior full years, the **Insured** or his or her legal guardian provides written notice of the disability to the **Insurer** within sixty (60) days or prior to the termination of the **Policy Period**, whichever is earlier, and the **Insured** or the **Insured's** legal guardian provides a physician's written certification of the disability, including the date it began. Such Non- Practicing Extended Reporting Period shall extend the period for reporting **Claims** first made against such **Insured** after the termination of the **Policy Period** for any actual or alleged **Wrongful Act** occurring prior to the **Insured's** date of **Total and Permanent Disability** and otherwise covered by this Policy.

(c) Waiver For Continuous Coverage

If an individual **Insured** lawyer, as described in Section IV.G.3. above, retires or otherwise ceases the private practice of law during the **Policy Period**, then such **Insured** has the right, upon notification to the **Insurer**, to elect an unlimited Non-Practicing Extended Reporting Period Endorsement, commencing after the termination of the **Policy Period**, at no additional premium. A condition precedent to the Non-Practicing Extended Reporting Period shall be that the **Named Insured** has had continuous coverage with the **Insurer** for at least three (3) consecutive prior full years. The **Insured** must provide written notice of the his or her request to elect the Non-Practicing Extended Reporting Period within sixty (60) days of the **Insured's** date of retirement or cessation of the private practice of law. Such Non-Practicing Extended Reporting Period shall extend the period for reporting **Claims** first made against such **Insured** after the termination of the **Policy Period** for any actual or alleged **Wrongful Act** occurring prior to the **Insured's** date of retirement or cessation of the private practice of law and otherwise covered by this Policy.

5. **CONDITIONS APPLICABLE TO ALL EXTENDED REPORTING PERIOD OPTIONS**

- (a) The right to any of the Extended Reporting Period Endorsement options is not available to any **Insured** if:
- (i) cancellation or nonrenewal by the **Insurer** is due to either: nonpayment of premium, Retention or other money due to the **Insurer**; or misrepresentation in the **Application**; or the failure to comply with the terms and conditions of this Policy; or
 - (ii) the **Insured's** right or license to practice law is suspended, surrendered or revoked.
- (b) The Limit of Liability available for any Extended Reporting Period is part of, and not in addition to, the Limit of Liability shown in Item 3 of the Declarations of the Policy.
- (c) The Retention, as shown on the Declarations, which is applicable to **Claims** first made during any Extended Reporting Period, will apply separately to each and every **Claim**. The Retention will be waived for **Claims** first made during a Non-Practicing Extended Reporting Period in

the event that an individual **Insured** lawyer qualifies for a Non-Practicing Extended Reporting Period based on: (i) the death of the **Insured**; (ii) or becoming **Totally and Permanently Disabled**.

- (d) None of the Extended Reporting Period options are cancelable or renewable. Any additional premium, if applicable, for the Extended Reporting Period Endorsement is fully earned at the inception of the Extended Reporting Period.

H. **POLICY TERRITORY**

The coverage afforded by this Policy applies to any **Wrongful Acts** that occur anywhere in the world, and **Claims** brought anywhere in the world.

I. **NOTICE TO THE INSURER**

1. Notice of any actual or potential **Claim** shall be made to the **Insurer** at noticeofloss@darwinpro.com. All other notices shall be made to the **Insurer** at the address shown in Item 5 of the Declarations.

2. **NOTICE OF AN ACTUAL CLAIM**

The **Insured**, as a condition precedent to this Policy, shall, as soon as practicable and no later than sixty (60) days after the termination of the **Policy Period**, provide **Notice** to the **Insurer** of any **Claim** made against an **Insured** during the **Policy Period**. The **Insured** shall provide the **Insurer** with **Notice** of any **Claim** made against an **Insured** during an **Extended Reporting Period** as soon as practicable and no later than the termination of the **Extended Reporting Period**. In the event suit is brought against the **Insured**, the **Insured** shall immediately forward to the **Insurer** every demand, notice, summons or other process received directly or by an **Insured's** representative.

3. **NOTICE OF A POTENTIAL CLAIM**

If during the **Policy Period** any **Insured** becomes aware of any **Wrongful Act** that may reasonably be expected to be the basis of a **Claim** against an **Insured**, and the **Insured**, as soon as practicable and no later than the termination of the **Policy Period**, provides **Notice** to the **Insurer** of such **Wrongful Act**, and the reasons for anticipating a **Claim**, then the **Insurer** will treat any such **Claim** that is subsequently made against the **Insured** and promptly reported to the **Insurer** to have been made and reported at the time such **Notice** was given.

4. **FRAUDULENT CLAIM**

If any **Insured** shall commit fraud in proffering any **Claim** with regard to amount or otherwise, this Policy shall become void from the inception as to such **Insured**.

J. **ASSISTANCE AND COOPERATION OF THE INSURED**

All **Insureds** shall cooperate with the **Insurer**, including providing all information requested by the **Insurer** regarding any **Claim**, and cooperating fully with the **Insurer** in

the defense, investigation and settlement of any **Claim**. Upon the **Insurer's** request, all **Insureds** shall submit to examination by a representative of the **Insurer**, under oath if required. In addition, upon the **Insurer's** request, all **Insureds** shall attend hearings, depositions and trials, and shall assist in effecting settlements, securing and giving evidence, obtaining the attendance of witnesses, and in the conduct of suits, all without charge to the **Insurer**.

The **Insured** shall follow the **Insurer's** direction regarding whether to accept or reject a demand for arbitration of any **Claim** and shall not voluntarily agree to arbitrate a **Claim** without the **Insurer's** written consent. No **Insured** shall, except at the **Insured's** own cost, make any payment, make any admission, admit liability, waive any rights, settle any **Claim**, assume any obligation or incur any expense without the prior written consent of the **Insurer**.

K. **PROTECTION FOR THE INNOCENT INSUREDS**

Whenever coverage under this Policy would be excluded, suspended or lost because of Part III – Exclusions, paragraph B.1., the **Insurer** agrees that such insurance as would otherwise be afforded under this Policy shall be applicable with respect to any **Insured** who did not acquiesce in or remain passive after having knowledge of such conduct.

L. **SUBROGATION**

The **Insurer** shall be subrogated to all **Insureds'** rights of recovery against any person or organization. All **Insureds** shall assist the **Insurer** in effecting any rights of indemnity, contribution and apportionment available to any **Insured**, including the execution of such documents as are necessary to enable the **Insurer** to pursue claims in the **Insureds'** names and shall provide all other assistance and cooperation which the **Insurer** may reasonably require. All **Insureds** shall cooperate with the **Insurer** and do nothing to jeopardize, prejudice or terminate in any way such rights.

The **Insurer** shall not exercise any such rights against any **Insured** except as provided herein. Notwithstanding the foregoing, however, the **Insurer** reserves the right to exercise any rights of subrogation against any **Insured** with respect to any **Claim** brought about or contributed to by the intentional, criminal, fraudulent, malicious or dishonest act or omission of such **Insured**.

M. **CANCELLATION; NO OBLIGATION TO RENEW**

1. This Policy shall terminate upon the Expiration Date set forth in Item 2 of the Declarations, or upon any earlier cancellation.
2. This Policy may be canceled by the **Named Insured** by mailing advance written notice to the **Insurer** stating when such cancellation shall take effect. If canceled by the **Named Insured**, the **Insurer** shall retain the earned premium, which shall be computed in accordance with the customary short rate table and procedure.
3. This Policy may be canceled by the **Insurer** by written notice mailed to the **Named Insured** at its last known address at least sixty (60) days before the effective date of such cancellation, if for reasons other than nonpayment of premium. The **Insurer** may cancel this Policy for nonpayment of premium by written notice mailed to the **Named Insured** at its last known address at least ten

(10) days before the effective date of such cancellation. The notice will state the reason for and the effective date of the cancellation. If the Policy is canceled by the **Insurer**, the **Insurer** shall retain the earned premium, which shall be computed on a pro rata basis.

4. Premium adjustment may be made at the time cancellation is effected or as soon as practicable thereafter. Failure to pay any premium adjustment at, on, or around the time of the effective date of cancellation shall not alter the effectiveness of cancellation.
5. The **Insurer** will not be required to renew this Policy upon its expiration. If the **Insurer** elects not to renew this Policy, the **Insurer** will deliver or mail written notice, to the **Named Insured** at its last known address, to that effect, at least sixty (60) days before the Expiration Date set forth in Item 2 of the Declarations. Such notice shall state the specific reason(s) for non-renewal.

N. **CHANGE IN RISK**

1. If, during the **Policy Period**, any of the following events occur:
 - (a) the merger into or acquisition of the **Named Insured** by another entity such that the **Named Insured** is not the surviving entity, or the acquisition of substantially all of the assets of the **Named Insured**;
 - (b) the dissolution of, or appointment of a receiver, conservator, trustee, liquidator or rehabilitator or similar official for the **Named Insured**;

the **Named Insured** shall report the event to the **Insurer** immediately.

Coverage under this Policy will continue in full force and effect with respect to **Claims** for **Wrongful Acts** committed before such event, but coverage will cease with respect to **Claims** for **Wrongful Acts** committed on or after such event. After any such event, this Policy may not be canceled by the **Insured** and the entire premium for this Policy will be deemed fully earned.

2. If, during the **Policy Period**, the number of lawyers or professional corporations performing **Legal Services** on behalf of the **Named Insured** increases by 50% or more, the **Named Insured** shall immediately notify the **Insurer** in writing. The **Insurer** shall have the right to modify the terms and conditions of the Policy, including premium, as it determines in its sole discretion is appropriate.

O. **OTHER INSURANCE**

Subject to Part I – Insuring Agreement, A – Coverage, and Part IV – Conditions, Subsection A – Limit of Liability, this insurance will apply only as excess insurance over any other valid insurance. This Policy is written as specific excess of coverage available under any extended reporting period.

P. **ASSIGNMENT**

Neither this Policy nor any **Insured's** interest under this Policy may be assigned.

Q. ACTION AGAINST THE INSURER

No action shall lie against the **Insurer** unless, as a condition precedent thereto, all **Insureds** have fully complied with all the terms of this Policy and not until the amount of all **Insured's** obligations to pay have been fully and finally determined either by judgment against all **Insureds** after actual trial or by written agreement of the **Named Insured**, the claimant and the **Insurer**.

Nothing contained in this Policy shall give any person or organization any right to join the **Insurer** as a defendant in the action against any **Insured**.

R. APPLICATION

By acceptance of this Policy, all **Insureds** affirm or reaffirm as of the Inception Date of this Policy that:

1. the statements in the **Application** are true and accurate and are specifically incorporated herein, and are all **Insureds'** agreements, personal representations and warranties;
2. all such communicated information shall be deemed material to the **Insurer's** issuance of this Policy;
3. this Policy is issued in reliance upon the truth and accuracy of such representations;
4. this Policy embodies all agreements existing between the **Insureds** and the **Insurer**, or any of its agents, relating to this insurance; and
5. if any representation is false or misleading, this Policy shall be void from the inception.

S. ENTIRE AGREEMENT

No change or modification of this Policy shall be effective except when made by a written endorsement to this Policy signed by an authorized representative of the **Insurer**. No representations by any person shall have any force or effect except as included in such endorsement.

T. WAIVER

The **Insurer's** failure to insist on strict compliance with any terms, provisions or conditions to coverage of this Policy or the failure to exercise any right or privilege shall not operate or be construed as a waiver thereof or of any subsequent breach thereof or a waiver of any other terms, provisions, conditions, privileges or rights.

U. DEFINED TERMS

Terms used in the Policy in bold faced type are defined herein.

In Witness Whereof, the Insurer has caused this Policy to be executed by its authorized officers, but this Policy will not be valid unless countersigned on the Declarations page by a duly authorized representative of the Insurer.

