

THIS IS A CLAIMS MADE AND REPORTED POLICY WITH DEFENSE EXPENSES INCLUDED IN THE LIMIT OF LIABILITY.

**Westport Insurance Corporation
A Missouri Corporation
Jefferson City, Missouri
(Hereinafter referred to as the "Company")**

THIS IS A CLAIMS-MADE POLICY. PLEASE READ IT CAREFULLY.

Mailing Address: Westport Insurance Corporation, 525 W. Van Buren., Suite 500, Chicago, Illinois 60607

PROFESSIONALS PREMIERSM FOR LAWYERS

In consideration of the payment of the premium, in reliance upon the statements in the application, its attachments and any materials submitted therewith, and subject to the Declarations and the terms and conditions of this POLICY (including any endorsements hereto), the Company agrees with the NAMED INSURED as follows:

I. INSURING AGREEMENTS

- A. The Company shall pay on behalf of any INSURED all LOSS in excess of the deductible which any INSURED becomes legally obligated to pay as a result of CLAIMS first made against any INSURED during the POLICY PERIOD and reported to the Company in writing during the POLICY PERIOD or within sixty (60) days thereafter, by reason of any WRONGFUL ACT occurring on or after the RETROACTIVE DATE, if any.
- B. If, during the current POLICY PERIOD, any INSURED first becomes aware of a POTENTIAL CLAIM and gives written notice of such POTENTIAL CLAIM to the Company either during the current POLICY PERIOD, or during the POLICY PERIOD of any subsequent policy issued to the NAMED INSURED as a result of continuous and uninterrupted coverage with the Company, any CLAIMS subsequently made against any INSURED arising from the POTENTIAL CLAIM shall be considered to have been first made during the POLICY PERIOD the INSURED first became aware of a POTENTIAL CLAIM.
- C. If, during the current POLICY PERIOD, any INSURED provides written notice to the Company of a POTENTIAL CLAIM which any INSURED first became aware of during the period of a prior policy issued by the Company to the NAMED INSURED, which policy was renewed continuously and without interruption through the inception of this POLICY, then any CLAIMS subsequently made against any INSURED arising from the POTENTIAL CLAIM shall be considered to have been first made and reported during the policy period of the policy in effect when any INSURED first became aware of such POTENTIAL CLAIM subject to the terms, conditions and limits of liability of the policy in effect at such time.

- D. The Company shall reimburse the INSURED up to \$15,000 per POLICY PERIOD, for reasonable fees, costs and expenses incurred in defending a DISCIPLINARY PROCEEDING based on a GRIEVANCE first made against any INSURED during the POLICY PERIOD, and reported to the Company in writing during the POLICY PERIOD or within sixty (60) days thereafter. This coverage applies only to such fees, costs and expenses. It does not apply to any fines or monetary awards of any kind, judgments or settlements relating to, or directly or indirectly resulting from the institution or disposition of DISCIPLINARY PROCEEDINGS. The deductible shall not apply to this Insuring Agreement I.D. However, any payments made by the Company under this Insuring Agreement I.D. shall be included within the applicable limit of liability and not in addition thereto.

II. DEFINITIONS

As respects such insurance as is afforded by this POLICY, the following definitions shall apply:

- A. **"CLAIM" MEANS** a written demand made upon any INSURED for LOSS, including, but not limited to, service of suit or institution of arbitration proceedings or administrative proceedings against any INSURED;
- B. **"CLAIMS EXPENSES" MEANS:**
1. fees charged by any lawyer, designated by the Company or required by law, to defend the INSUREDS; and
 2. if authorized by the Company, all other fees, costs and expenses resulting from the investigation, adjustment, defense or appeal of any CLAIM, including but not limited to:
 - a. all costs taxed against any INSURED and all interest which accrues after the entry of any judgment and before the Company has tendered or deposited, in court or otherwise, such judgment amount for which any INSURED is liable; and
 - b. premiums on appeal bonds, in an amount not to exceed the Company's Limits of Liability, which are required for the appeal of a covered CLAIM. The Company shall have no obligation to apply for, guarantee or furnish any such bonds.
- "CLAIMS EXPENSES" shall not include salaries and expenses of regular employees or officials of the Company or the NAMED INSURED;
- C. **"DISCIPLINARY PROCEEDING" MEANS** any proceeding by a disciplinary official or agency to investigate charges alleging professional misconduct;
- D. **"GRIEVANCE" MEANS:**
1. any charges filed by a client, former client or third party with a disciplinary official or agency alleging professional misconduct of an INSURED in rendering or failing to render PROFESSIONAL SERVICES as a lawyer; or
 2. any investigation commenced or action brought by a bar association, disciplinary board or any other similar entity alleging violations of the rules of professional responsibility, or any other action to limit, suspend or revoke an INSURED'S license to practice law.

"GRIEVANCE" shall not include charges or actions filed with a regulatory agency or official, including, without limitation, the Securities Exchange Commission or the Internal Revenue Service.

E. "INSURED" MEANS:

1. the NAMED INSURED;
2. any lawyer who is a past or present partner, officer, director, stockholder, shareholder, employee or "of counsel" of the NAMED INSURED, but only as respects PROFESSIONAL SERVICES rendered on behalf of the NAMED INSURED;
3. any lawyer listed in the Prior Acts Schedule who is a partner, officer, director, stockholder, shareholder or employee of the NAMED INSURED at the time the CLAIM is made, but only as respects PROFESSIONAL SERVICES rendered by such individual while associated with a PRIOR FIRM;
4. any employee or independent contractor of the NAMED INSURED, but only as respects PROFESSIONAL SERVICES rendered on behalf of the NAMED INSURED;
5. any lawyer who has retired from the NAMED INSURED, but only as respects PROFESSIONAL SERVICES rendered on behalf of the NAMED INSURED; and
6. the heirs, executors, administrators and legal representatives of any INSURED, but only in their capacity as such in the event of any INSURED'S death, incapacity or bankruptcy, and only for CLAIMS based on PROFESSIONAL SERVICES rendered prior to such INSURED'S death, incapacity or bankruptcy, and only to the extent that such INSURED would otherwise be covered by this POLICY.

F. "LOSS" MEANS the monetary and compensatory portion of any judgment, award or settlement, provided always that LOSS shall not include:

1. civil or criminal fines, penalties, fees or sanctions;
2. punitive or exemplary damages;
3. the multiplied portion of any multiple damages;
4. the return by any INSURED of any fees or remuneration paid to any INSURED; or
5. any form of non-monetary relief.

G. "NAMED INSURED" MEANS the person or entity listed in the Declarations and PREDECESSOR FIRM thereof.

H. "OWNED BUSINESS ENTERPRISE" MEANS:

1. a publicly traded company where 5% or more of its issued and outstanding voting stock is or was owned or controlled by any INSURED or combination of INSUREDS;

2. a privately held company where 25% or more of the equity is or was held by any INSURED or combination of INSUREDS;
- I. **"PERSONAL INJURY" MEANS** false arrest, detention, imprisonment, wrongful entry, eviction or other invasion of private occupancy, or abusive litigation abuse of process, libel, slander, defamation and violations of the right of privacy arising out of the performance of PROFESSIONAL SERVICES;
- J. **"POLICY" MEANS** the insuring agreement issued by the Company to the NAMED INSURED and listed in the Declarations, along with all attached endorsements.
- K. **"POLICY PERIOD" MEANS** the period stated in the Declarations, unless terminated earlier pursuant to Section IV. CONDITIONS, H.4;
- L. **"POTENTIAL CLAIM" MEANS:**
1. any act, error, omission, circumstance or PERSONAL INJURY which might reasonably be expected to give rise to a CLAIM against any INSURED under the POLICY; or
 2. any breach of duty to a client or third party which might reasonably result in a CLAIM against an INSURED.
- M. **"PREDECESSOR" MEANS** any legal entity listed in the Declarations to whose financial assets and liabilities the firm listed as the NAMED INSURED in the Declarations is the majority successor in interest;
- N. **"PRIOR FIRM" MEANS** any law firm or professional corporation engaged in the private practice of law for which any lawyer listed in the application was a partner, officer, director, stockholder, shareholder or employee prior to such lawyer joining the NAMED INSURED;
- O. **"PROFESSIONAL SERVICES" MEANS** services rendered to others in the INSURED'S capacity as a lawyer, and arising out of the conduct of the INSURED'S profession as a lawyer, or as a lawyer acting in the capacity of an Arbitrator, Mediator or other neutral, Notary Public or a director or officer of any bar association, its governing board or any of its committees or as a member of a formal accreditation, ethics, peer review or similar professional board or committee relating to the practice of law, or as an Author, Publisher, or Presenter of legal research papers or materials, but only where direct compensation per publication or presentation is less than \$10,000. When an INSURED acts as a title agent, administrator, conservator, executor, guardian, trustee, escrow agent, receiver or other court-appointed fiduciary, the INSURED'S wrongful acts in such capacity shall be deemed to be the rendition of PROFESSIONAL SERVICES for others in the INSURED'S capacity as a lawyer;
- P. **"RETROACTIVE DATE" MEANS** the date, as specified in the Declarations or in any endorsement attached hereto, on or after which any WRONGFUL ACT must have occurred in order for CLAIMS arising therefrom to be covered under this POLICY. CLAIMS arising from any WRONGFUL ACT occurring prior to this date are not covered by this POLICY;

- Q. **"TOTALLY AND PERMANENTLY DISABLED" MEANS** the INSURED is wholly prevented from working in his or her profession and the disability has continued for at least six (6) months, and an independent medical examiner opines that the disability will be continuous and permanent, and the disability did not result from self-inflicted injury, attempted suicide or alcohol or drug abuse.
- R. **"WRONGFUL ACT" MEANS** any act, error, omission, circumstance, PERSONAL INJURY or breach of duty in the rendition of PROFESSIONAL SERVICES for others.

III. EXCLUSIONS

This POLICY shall not apply to any CLAIM based upon, arising out of, attributable to, or directly or indirectly resulting from:

- A. bodily injury to, or sickness, disease or death of any person. This exclusion does not apply to mental illness, emotional distress or humiliation directly arising from the rendition of PROFESSIONAL SERVICES;
- B. injury to, or destruction of tangible property or loss of use thereof, unless directly arising from the rendition of legal services. Tangible property includes but is not limited to any item of physical property on which data or programs are recorded, electronic data processing media, data, electronic data, programs and electronic computer programs;
- C. the certification or acknowledgment by any INSURED, in his or her capacity as a Notary Public, of a signature on a document which the INSURED did not witness being placed on the document;
- D. any CLAIM made by any INSURED under this POLICY against any other INSURED under this POLICY unless such CLAIM arises out of PROFESSIONAL SERVICES by an INSURED rendered to such other INSURED as a client;
- E. any INSURED'S capacity as the beneficiary or distributee of any trust or estate;
- F. any intentional, criminal, dishonest, malicious or fraudulent act, error, omission or PERSONAL INJURY committed by an INSURED. This exclusion does not apply to any INSURED who is not so adjudged. This exclusion also does not apply to any insured who did not commit, know or acquiesce in such WRONGFUL ACT which is the basis of the claim;
- G. any WRONGFUL ACT occurring prior to the initial effective date of this POLICY if any member of the management committee or other governing body knew or could have reasonably foreseen that such WRONGFUL ACT might be the basis of a CLAIM;
- H. any violation or breach by an INSURED of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act, the Fair Labor Standards Act, the National Labor Relations Act, the Worker Adjustment and Retraining Notification Act, the Consolidated Omnibus Budget Reconciliation Act, the Occupational Safety and Health Act, the amendments thereto, the rules and regulations promulgated thereunder, or any similar provision of any federal, state or local statute, regulation or ordinance or common law. This exclusion shall not apply if any INSURED is liable solely by reason of legal services rendered to clients;

- I. any INSURED'S activities as an officer, director, partner, manager or employee of any company, corporation, operation, organization, partnership or association other than the NAMED INSURED or PRIOR FIRM unless indicated as an additional INSURED or the activities are deemed to be the rendition of PROFESSIONAL SERVICES in the INSURED'S capacity as a lawyer;
- J. any PROFESSIONAL SERVICES rendered or that should have been rendered to or on behalf of a OWNED BUSINESS ENTERPRISE.

IV. CONDITIONS

A. TERRITORY.

This POLICY applies to WRONGFUL ACT(S) that occur anywhere in the world, but only if a CLAIM is made or brought in the United States of America, its territories or possessions or Canada.

B. REPORTING AND NOTICE.

As a condition precedent to coverage under this POLICY, if a CLAIM is made against any INSURED, or if any INSURED becomes aware of any CLAIM, the INSURED(S) shall, as soon as practicable, but no later than sixty (60) days after termination of the POLICY PERIOD, provide written notice to the Company.

If, during the POLICY PERIOD, any INSURED first becomes aware of a POTENTIAL CLAIM and gives written notice of such POTENTIAL CLAIM to the Company during the POLICY PERIOD, any CLAIMS subsequently made against any INSURED arising from the POTENTIAL CLAIM shall be considered to have been made during the POLICY PERIOD the INSURED first became aware of the POTENTIAL CLAIM.

The INSURED(S) shall include within any notice of CLAIM or POTENTIAL CLAIM a description of the CLAIM or POTENTIAL CLAIM, the alleged WRONGFUL ACT including date(s) it was committed, a summary of the facts upon which the CLAIM or POTENTIAL CLAIM is based, the alleged or potential damage that may result, the names of actual or potential claimants, the names of INSURED(S) against whom the CLAIM was or may be made, and the date and circumstances by which the INSURED(S) first became aware of the CLAIM or POTENTIAL CLAIM.

Notice to the Company under the POLICY shall be given by prepaid express courier, certified U.S. Mail - return receipt requested or confirmed facsimile to:

Westport Insurance Corporation
525 Van Buren, Suite 500
Chicago, Illinois 60607
877-880-1590 (fax)
Attention: Professional Liability Division

Except as provided in Section IV. CONDITIONS, H., any notice shall be effective on the date of receipt by the Company at the above address.

C. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

As respects such insurance as is afforded by this POLICY, the Company shall:

1. have the right and duty to defend any CLAIM for LOSS against any INSURED covered by Insuring Agreement I.A., even if such CLAIM is groundless, false or fraudulent, and shall have the right to make such investigation, negotiation and settlement, subject to Section IV. CONDITIONS, C.2. below, of any CLAIM as it deems expedient;
2. have the right and duty to select counsel and arbitrators and to defend any CLAIM for LOSS against any INSURED covered by Insuring Agreement I.A., even if such CLAIM is groundless, false or fraudulent. The NAMED INSURED shall not incur any CLAIMS EXPENSES in connection with any CLAIM without the written consent of the Company, but such consent shall not be unreasonably withheld.
3. not admit or assume any liability, or settle any CLAIM without the written consent of the NAMED INSURED, which consent shall not be unreasonably withheld. If, however, the NAMED INSURED refuses to consent to a settlement recommended by the Company and elects to contest the CLAIM or continue legal proceedings in connection with such CLAIM, the Company's liability for the CLAIM shall not exceed the amount which would have been paid if the CLAIM could have been settled, including CLAIMS EXPENSES incurred up to the date of such refusal, or the applicable limit of liability, whichever is less;
4. reimburse up to \$500 to each INSURED for each day for earnings actually lost as a result of his or her attendance at the Company's request at trial, court-imposed hearing or arbitration proceeding involving a CLAIM, but the total amount so payable for all Insured(s) shall not exceed \$15,000 per CLAIM. The deductible shall not apply to this Section IV.C.4. However, any payments made by the Company under this Section IV.C.4. shall be included within the applicable limit of liability and not in addition thereto.

The Company shall not be obligated to pay any LOSS or CLAIMS EXPENSES or defend or continue to defend any CLAIM after the "Per Claim Limit of Liability" or "Aggregate Limit of Liability" under this POLICY has been exhausted by payment of LOSS and/or CLAIMS EXPENSES, or the deposit in a court having jurisdiction of sums exhausting the "Per Claim Limit of Liability" or "Aggregate Limit of Liability."

Except for reasonable fees, costs and expenses incurred in responding to a DISCIPLINARY PROCEEDING, no INSURED shall, without the prior written consent of the Company, incur any CLAIMS EXPENSES, make any admission or payment, admit liability, settle or attempt to settle any CLAIMS, assume any obligation, agree to arbitration or any similar means of resolution of any dispute, or waive any rights.

If an INSURED is entitled to independent counsel (in those instances where the Company agrees to defend a CLAIM, and the Company reserves its rights to deny coverage on grounds which create a conflict of interests between an INSURED and the Company, and the INSURED does not waive the conflict), then the INSURED may select independent counsel. Such counsel shall have at least five (5) years of experience in the defense of similar CLAIMS, and maintain error and omissions insurance coverage. The INSURED and independent counsel shall provide full information, documentation and cooperation with respect to the defense, investigation and settlement of any CLAIM. The Company shall be liable only for reasonable and necessary defense costs at rates customarily paid by the Company for the defense of similar CLAIMS in the area where the CLAIM is being defended.

D. LIMITS OF LIABILITY

All limits of liability shall apply in excess of the deductible. Amounts paid by the Company for all CLAIMS EXPENSES and amounts paid in satisfaction of CLAIMS are subject to the applicable limit of liability.

All CLAIMS EXPENSES shall first be subtracted from the applicable "Per Claim Limit of Liability," with the remainder, if any, being the amount available to pay LOSS. The liability of the Company for the combined total of all LOSS and CLAIMS EXPENSES for a covered CLAIM shall not exceed the amount stated in the Declarations as "Per Claim Limit of Liability".

The liability of the Company for the combined total of all LOSS and CLAIMS EXPENSES for all covered CLAIMS shall not exceed the amount stated in the Declarations as "Aggregate Limit of Liability".

E. DEDUCTIBLE

The deductible, as stated in the Declarations, shall apply to each CLAIM and shall be paid by the NAMED INSURED. The deductible shall be first applied to all CLAIMS EXPENSES with the remainder, if any, being applied to LOSS. CLAIMS EXPENSES shall be included within the deductible and the limit of liability and not in addition thereto. Payment of the deductible shall be made by the NAMED INSURED within thirty (30) days of receipt of demand by the Company.

F. OTHER INSURANCE

Except as provided in the Exclusions, if there is other insurance applicable to a CLAIM covered by the POLICY, the POLICY shall be deemed excess insurance over and above the applicable limits of liability of all such other insurance unless such other insurance is specifically written as excess insurance over the limits of liability provided in the POLICY.

G. CHANGES IN RISK

If, during the POLICY PERIOD, the NAMED INSURED merges with or acquires any other law firm or group of attorneys who practiced together at another law firm, the NAMED INSURED must promptly give the Company notice. If the number of attorneys increases by more than 10% or the percentage of practice devoted one specialty increases by more than 5%, in its sole discretion, the Company will be entitled to impose additional coverage terms or charge additional premium as required.

H. TERMINATION

The POLICY shall terminate at the earliest of the following:

1. if the POLICY is terminated for failure to pay a premium when due, upon the effective date of cancellation stated in a written notice of termination from the Company to the NAMED INSURED, provided such notice is received by the NAMED INSURED at least ten (10) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the POLICY PERIOD. Any earned premium shall be computed in accordance with the customary short rate amount and procedure;
2. if the POLICY is terminated for any reason other than the reason stated in Section IV. CONDITIONS, H.1., upon the effective date of cancellation stated in a written notice of termination from the Company to the NAMED INSURED, provided such notice is received by the NAMED INSURED at least sixty (60) days prior to the effective date of cancellation. The mailing of such notice shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the POLICY PERIOD. Any earned premium shall be computed pro rata;
3. upon the receipt by the Company of the POLICY surrendered by the NAMED INSURED. Any earned premium shall be computed in accordance with the customary short rate amount and procedure;
4. upon the transmittal to the Company of written notice of termination from the NAMED INSURED stating when thereafter such termination shall be effective. Any earned premium shall be computed in accordance with the customary short rate amount and procedure;
5. upon the effective date of termination stated in the written notice of the Company of their intent not to renew the Policy in accordance with applicable law; or
6. upon expiration of the POLICY PERIOD as set forth in the Declarations.

In the event of any termination of coverage except as provided in this section H.1. above, there is an Automatic Sixty (60) Day Extended Claim Reporting Period commencing upon policy termination.

Not later than thirty (30) days after the termination of coverage, the Company will mail or deliver to the NAMED INSURED written notice of the Automatic Sixty (60) Day Extended Reporting Period and the availability of, premium for, and importance of purchasing one of the additional Extended Reporting Period options offered. If the policy has been cancelled by the Company because the NAMED INSURED has failed to pay a premium when due, and if the policy has been in effect for less than one year, the Notice will be sent as above, but indicating that no additional Extended Reporting Period options are available to purchase, due to cancellation for non-payment.

I. EXTENDED REPORTING PERIOD

If the Company or the NAMED INSURED shall cancel or non-renew the POLICY, the NAMED INSURED shall have the right to extend the time for reporting CLAIMS made against any INSURED under the POLICY per the following schedule. The additional premium for the Extended Reporting Period shall be:

<u>Extended Reporting Period</u>	<u>Additional Premium</u>
12 months	100% of the last annual premium of this POLICY
24 months	150% of the last annual premium of this POLICY
36 months	185% of the last annual premium of this POLICY
Unlimited	300% of the last annual premium of this POLICY

If the NAMED INSURED exercises the Extended Reporting Period option, the coverage shall apply only to CLAIMS for WRONGFUL ACTS which occurred prior to the end of the POLICY PERIOD and on or after the RETROACTIVE DATE, if any, which are otherwise covered by the POLICY and which are first made against any INSURED and reported to the Company during the Extended Reporting Period.

This right to purchase the Extended Reporting Endorsement is subject to the following conditions:

1. the POLICY was cancelled or non-renewed for reasons other than non-payment of premium;
2. any deductible amounts due the Company have been paid;
3. the INSURED(S) have complied with all of the terms and conditions of the POLICY; and
4. the NAMED INSURED must send written notice to the Company of the intention to purchase the Extended Reporting Endorsement accompanied by the additional premium. Written notice and premium payment must be received by the Company no later than sixty (60) days after the termination date of the POLICY PERIOD.

Separate or new limits do not apply to the Extended Reporting Period. This option to extend the reporting period does not extend the POLICY PERIOD. The purchase of the Extended Reporting Period shall not in any way increase the limit of liability stated in the Declarations. If the Extended Reporting Period option is exercised, then such period shall be part of and not in addition to the last POLICY PERIOD. Any CLAIM made during the Extended Reporting Period shall be deemed to have been made during the immediately preceding POLICY PERIOD. The entire premium for this option shall be deemed fully earned at the commencement of the Extended Reporting Period.

J. NON-PRACTICING EXTENDED REPORTING PERIOD OPTIONS

1. Subject to the conditions stated below, any individual partner, officer, director, stockholder, shareholder or employee of the NAMED INSURED who, during the POLICY PERIOD, retires or otherwise ceases the private practice of his or her profession, shall have the right to extend the time for reporting CLAIMS first made against this INSURED per the following schedule. The additional premium for the Non-Practicing Extended Reporting Period shall be:

<u>Extended Reporting Period</u>	<u>Additional Premium</u>
12 months	100% of per lawyer annual premium of this POLICY
24 months	150% of per lawyer annual premium of this POLICY
36 months	185% of per lawyer annual premium of this POLICY
Unlimited	300% of per lawyer annual premium of this POLICY

If an INSURED exercises the Non-Practicing Extended Reporting Period option, the coverage shall apply only to CLAIMS for WRONGFUL ACTS which occurred prior to the end of the POLICY PERIOD and on or after the RETROACTIVE DATE, if any, which are otherwise covered by the POLICY and which are first made against this INSURED and reported to the Company during the Non-Practicing Extended Reporting Period.

This right to purchase the Non-Practicing Extended Reporting Endorsement is subject to the following conditions:

- a. the POLICY was not cancelled or non-renewed for non-payment of premium;
- b. the INSURED exercising the Non-Practicing Extended Reporting Period option has complied with all terms and conditions of the POLICY;
- c. the license of the INSURED exercising the Non-Practicing Extended Reporting Period option to practice his or her profession has not been revoked, suspended or surrendered at the request of any disciplinary or regulatory authority for reasons other than the INSURED exercising the Non-Practicing Extended Reporting Period option becoming TOTALLY AND PERMANENTLY DISABLED, by the time that the right could be exercised; and
- d. the INSURED exercising the Non-Practicing Extended Reporting Period option must send written notice to the Company of the intention to purchase the Non-Practicing Extended Reporting Endorsement accompanied by the additional premium. The Company must receive written notice and premium payment no later than sixty (60) days after the termination date of the POLICY PERIOD.

Separate or new limits do not apply to the Non-Practicing Extended Reporting Period. This option to extend the reporting period does not extend the POLICY PERIOD. If the Non-Practicing Extended Reporting Period option is exercised, then such period shall be part of and not in addition to the last POLICY PERIOD. The purchase of the Non-Practicing Extended Reporting Period shall not in any way increase the limit of liability stated in the Declarations. Any CLAIM made during the Non-Practicing Extended Reporting Period shall be deemed to have been made during the immediately preceding POLICY PERIOD. The entire premium for this option shall be deemed fully earned at the commencement of the Non-Practicing Extended Reporting Period.

2. If an INSURED dies during the POLICY PERIOD as a result of reasons other than self-inflicted injury, suicide, or alcohol or drug abuse, then the period for reporting CLAIMS is extended at no additional premium until the executor or administrator of the estate is discharged, provided that the estate, heir or administrator gives written notification and written proof of the date of death to the Company within sixty (60) days of the death of the INSURED.
3. If an INSURED becomes TOTALLY AND PERMANENTLY DISABLED during the POLICY PERIOD, and has been continuously insured by the Company for at least two (2) consecutive years, then the period for reporting CLAIMS is extended at no additional premium until the death of the INSURED or until the INSURED is no longer TOTALLY AND PERMANENTLY DISABLED, provided that:
 - a. the INSURED or the INSURED'S legal guardian provides written notice of the disability to the Company no later than sixty (60) days after the termination date of the POLICY PERIOD;
 - b. the INSURED or the INSURED'S legal guardian provides a physician's written certification of the disability including the date the disability commenced; and
 - c. the INSURED agrees to submit to a medical examination at the Company's expense by any physician(s) designated by the Company.

K. COOPERATION

1. All INSUREDS shall cooperate with the Company in providing information requested by the Company regarding any CLAIM or GRIEVANCE reported under the POLICY. All INSUREDS shall cooperate with the Company in the investigation of any GRIEVANCE and in the defense, investigation and settlement of any CLAIM. Upon the Company's request, the INSURED(S) shall submit to examination or questioning under oath, attend hearings, depositions and trials and assist in effecting settlements, securing and giving evidence and obtaining the attendance of witnesses in the conduct of suits.
2. All INSUREDS shall assist the Company in effecting any rights of indemnity, contribution or apportionment available to any INSURED or the Company, including the execution of such documents as are necessary to enable the Company to pursue claims in the INSUREDS' names, and shall provide all other assistance and cooperation which the Company may reasonably require.

L. SUBROGATION

The Company shall be subrogated to all INSUREDS' rights of recovery against any person or organization. The INSURED(S) shall execute all papers required by the Company and shall do everything that may be necessary to preserve, secure and pursue such rights for the Company, including the execution of such documents as may be necessary to enable the Company to bring suit in the name of the INSURED(S). All INSUREDS shall cooperate with the Company and do nothing to jeopardize, prejudice or terminate such rights.

M. ACTION AGAINST THE COMPANY

No action shall lie against the Company unless, as a condition precedent thereto, all INSUREDS shall have fully complied with all the terms and conditions of the POLICY, and not until the amount of all INSUREDS' obligations to pay has been finally determined either by judgment against all INSUREDS after actual trial or by written agreement of the NAMED INSURED, the claimant and the Company.

Nothing contained in the POLICY shall give any person or organization any right to join the Company as a co-defendant in any action against any INSURED to determine any INSURED'S liability.

N. CHANGES

No change or modification of this POLICY shall be effective except when made by a written endorsement to this POLICY which is signed by an authorized representative of the Company.

O. MULTIPLE INSUREDS, CLAIMS AND CLAIMANTS

The inclusion of more than one INSURED in any CLAIM or the making of CLAIMS by more than one person or organization shall not increase the limits of liability or the deductible. Two or more CLAIMS arising out of a single WRONGFUL ACT or a series of related or continuing WRONGFUL ACTS, shall be a single CLAIM. All such CLAIMS whenever made shall be considered first made on the date on which the earliest CLAIM was first made arising out of such WRONGFUL ACT and all such CLAIMS are subject to one "Per Claim Limit of Liability" and deductible.

P. NO ASSIGNMENT

Neither this POLICY nor any INSURED'S interest in this POLICY may be transferred or assigned.

Q. APPLICABLE LAWS

Any terms of the POLICY which are in conflict with any laws and regulations governing the POLICY are hereby amended to conform to such laws and regulations.

R. WAIVER

The Company's failure to insist on strict compliance with any of the terms, provisions or conditions to coverage of the 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.

S. LIBERALIZATION

If the Company adopts any revision that would broaden coverage under this POLICY without additional premium at any time during the POLICY PERIOD, the broadened coverage will immediately apply to this POLICY except that it will not apply to CLAIMS that were first made against the INSURED prior to the effective date of such revision.

T. ENTIRE AGREEMENT

By acceptance of this POLICY, all INSUREDS reaffirm as of the effective date of this POLICY that (a) the statements in the application(s) and all information communicated by the INSUREDS to the Company, and all INSUREDS' agreements and representations, are true and accurate (b) this POLICY is issued in reliance upon the truth and accuracy of such representations which are material to the Company's issuance of this POLICY and (c) this POLICY embodies all agreements between all INSUREDS and the Company or any of its agents relating to this insurance. No representations by any person shall have any force or effect, except as included within this written agreement. Notwithstanding any provision in the policy or application, the application should not be considered part of the policy.

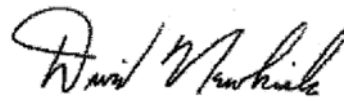
No knowledge or information possessed by any INSURED will be imputed to any other INSURED except for material facts or information known to the persons who signed the application(s). In the event that any of the representations are untrue or inaccurate, this POLICY will be void respecting any INSURED who knew or should have known of such untruths or inaccuracies or to whom such knowledge is imputed.

This POLICY is not valid unless completed by the attachment of the Declarations signed by an authorized representative.

WESTPORT INSURANCE CORPORATION



President



Secretary