

LAWYERS PROFESSIONAL LIABILITY INSURANCE

THIS IS A CLAIMS MADE AND REPORTED POLICY. ALL EXPENSES TO DEFEND YOU OR ADJUST LOSSES ARE DEDUCTED FROM THE AGGREGATE LIMIT AVAILABLE TO PAY A CLAIM.

PLEASE READ IT **CAREFULLY**

In consideration of the undertaking of the "Named Insured" to pay, when due, the premium and the "Deductible" as described herein and as stated in the Declarations, and in reliance upon the statements in the application, which are made a part of this policy and subject to the Limits of Liability as shown in the Declarations, and subject to all of the terms of this insurance, the Insurer shown on the Declarations Page agrees with the "Named Insured" as follows:

I. COVERAGE

A. Professional Liability and Claims Made and Reported Agreement: The Insurer shall pay on behalf of the "Insured" those sums in excess of the "Deductible" and up to the Limits of Liability stated in the Declarations which the "Insured" shall become legally obligated to pay as "Damages" as a result of a "Claim" first made against the "Insured" and reported to the Insurer during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, if purchased, for any "Wrongful Act" by the "Insured"; provided that:

1. the "Insured" did not give written notice to any prior insurer of any such "Wrongful Act" or of a "Claim" arising therefrom;
2. all "Wrongful Acts" alleged in such "Claim" occurred on or after the Retroactive Date stated on the Declarations; and
3. there is no other policy, whether primary, contributory, excess or otherwise, which provides insurance for such "Wrongful Act" or "Claim", unless the available Limits of Liability of such policy are insufficient to pay "Damages" on account of such "Wrongful Act" or "Claim", in which event this policy will apply only as excess over any such Limits of Liability.

The amount we will pay for the sum of "Damages" and "Claims Expenses" is limited as described in LIMITS OF LIABILITY (SECTION V) and any obligation we may have to defend ends when we have used up the Aggregate Limit of Insurance in the payment of any combination of judgements, settlements or "Claims Expenses" as described in LIMITS OF LIABILITY (SECTION V), or after the Aggregate Limit of Insurance has been "tendered" for any settlement or judgement.

B. Consent to Settle, Defense: As part of and subject to the Limits of Liability, the Insurer shall have the right to appoint defense counsel and the duty to defend any "Claim" against the "Insured" to which this insurance applies, even if any of the allegations of the "Claim" are groundless, false, or fraudulent. However, the Insurer shall have no duty to defend any "Claim", and may withdraw from the defense of any "Claim", after the applicable Limits of Liability have been exhausted by judgments, settlements or "Claim Expenses".

In the event that a conflict of interest between the Insurer and the "Insureds" as to the defense of any "Claim" requires the Insurer to provide the "Insureds" in such "Claim" with independent counsel selected by such "Insureds", the Insurer shall not be liable to pay independent counsel's fees at hourly rates which exceed the rates that the Insurer pays to panel counsel to defend cases venued in the same geographic area.

The Insurer will have the right to make any investigation it deems necessary and, with the written consent of the "Insured", make any settlement of a "Claim" covered by the this policy. If the "Insured" refuses to consent to a settlement or compromise recommended by the Insurer, whether within or in excess of the "Deductible", and acceptable to the Claimant, and elects to contest, or continue to contest the "Claim", then the Insurer's liability under this policy will not exceed the amount for which the Insurer would have been liable for "Damages" and "Claim Expenses" if the "Claim" had been so settled or compromised. The Insurer will have no liability for "Damages" and "Claim Expenses" incurred thereafter and will have the right to withdraw from the further investigation or defense thereof by giving control of such investigation or defense to the "Insured".

C. Supplemental Coverages

The Insurer will pay, in addition to the limits of liability:

1. Up to \$500 per day to each "Insured" when such "Insured's" attendance is required at a trial, hearing or arbitration proceeding related to a covered "Claim" under this policy, subject to a \$5,000 maximum in the aggregate for all "Insureds". No "Deductible" will apply to such coverage.
2. Up to \$10,000 under the policy for expenditures incurred in the investigation and defense of any and all "Disciplinary Proceedings" brought against the "Insureds" and reported to the Insurer in writing during the "Policy Period" and prior to any response by the "Insureds" in such "Disciplinary Proceeding"; provided that the "Disciplinary Proceeding" arises out of an otherwise covered "Wrongful Act". This provision will not apply to any amount assessed as a penalty or fine as a result of such "Disciplinary Proceedings".
3. Interest only on that part of a judgment which does not exceed the applicable Limit of Liability which accrues after the entry of judgment and before the Insurer has paid or deposited in court that part of the judgment that does not exceed the applicable Limit of Liability.

II. DEFINITIONS

Whenever used in this policy:

- A. "**Bodily Injury**" means injury to the body, sickness or disease sustained by any person, including death resulting from such injuries; or 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.
- B. "**Claim**" means a written demand received by the "Insured" for money or seeking a remedy alleging a "Wrongful Act", including but not limited to the service of suit, the receipt of a subpoena requiring the "Insured" to appear and give deposition testimony, the institution of arbitration, mediation or other formal alternative dispute resolution proceeding.
- C. "**Claim Expenses**" means any fees charged by any lawyer designated by the insurer, or by the "Insured" with the prior written consent of the Insurer, and any investigation costs, expert fees or filing fees.

"Claim Expenses" does not include salary charges of regular employees or officials of the "Named Insured" or any supervisory counsel retained by the "Named Insured". The determination of the Insurer as to the reasonableness of the "Claim Expenses" shall be conclusive on the "Insured". Those "Claim Expenses" which are the responsibility of the "Insured" per the terms of their "Deductible" shall be payable as they are incurred until the "Deductible" is satisfied.

- D. "Damages"** means monetary judgments, awards or settlements, but does not include:
1. fines, penalties or sanctions, whether imposed by law or otherwise; or
 2. punitive or exemplary damages or the multiple portion of any multiplied damage award; or
 3. amounts for which the "Insured" is not financially liable or for which there is no legal recourse to the "Insured"; or
 4. restitution, reduction, return or set-off of fees, other compensation or expenses charged by, or paid to, the "Insured"; or
 5. the cost of equitable, non-pecuniary or injunctive relief; or
 6. relief which may be deemed uninsurable under the applicable law.
- E. "Deductible"** means the amount stated on the Declarations, which shall apply to each "Claim" insurable hereunder.
- F. "Disciplinary Proceeding"** means a proceeding brought against the "Insured" by a state or other regulatory or disciplinary official or agency to investigate charges of professional misconduct in the performance of "Legal Services".
- G. "Domestic Partner"** has the meaning prescribed under applicable state law, or in the absence of such law, means two (2) persons, both of whom are mentally competent and at least eighteen (18) years of age and neither of whom is married or related to each other by blood, who have a common residence that they have shared for a period of two (2) years or more and are registered as domestic partners in a local registry, if one exists.
- H. "Insured"** means:
1. the "Named Insured" and any "Predecessor Firm", but only with respect to "Legal Services" performed on behalf of the "Named Insured" or such "Predecessor Firm", and:
 - a. the owner, if the "Named Insured" is an individual;
 - b. any officer, director or shareholder of the "Named Insured" or any "Predecessor Firm", if such entity is a corporation;
 - c. any manager, member or principal of the "Named Insured" or any "Predecessor Firm", if such entity is a limited liability company;
 - d. any partner of the "Named Insured" or any "Predecessor Firm", if such entity is a general or limited partnership;but only while providing "Legal Services" on behalf of the "Named Insured" or such "Predecessor Firm";
 2. any present or former attorney employed by the "Named Insured" or any "Predecessor Firm", but only while providing "Legal Services" on behalf of the "Named Insured" or such "Predecessor Firm";
 3. any present or former non-attorney employee of the "Named Insured" or any "Predecessor Firm", but only while providing "Legal Services" on behalf of the "Named Insured" or such "Predecessor Firm" under the direction of an attorney employed by the "Named Insured" or any "Predecessor Firm";
 4. any of counsel of the "Named Insured" or any "Predecessor Firm", but only while providing "Legal Services" on behalf of the "Named Insured" or such "Predecessor Firm";
 5. a lawful spouse or "Domestic Partner" of any person identified in **1.**, **2.**, **3.** or **4.** above, but only as to a "Claim" against such spouse or "Domestic Partner" for a "Wrongful Act" actually or allegedly committed by the "Insured" to whom the spouse is married or with whom the "Domestic Partner" resides, provided that the same counsel represents such "Insured" and his or her spouse or "Domestic Partner" in such "Claim"; and
 6. the estate, heirs, executors, administrators, assigns and legal representatives of each "Insured" in the event of such "Insured's" death, incapacity, insolvency or bankruptcy.

- I. **"Legal Services"** means those services performed by an "Insured" on behalf of the "Named Insured" or a "Predecessor Firm" as:
1. an attorney, arbitrator, mediator, hearing representative, personal representative or notary public;
 2. a member, officer or director of a bar association, ethics, peer review, formal accreditation board or similar board or committee;
 3. a presenter or author of legal research papers but only when authored or presented privately for a client or the fees generated from such work are not greater than five thousand dollars (\$5,000); or
 4. an administrator, conservator, receiver, executor, guardian, guardian ad litem or trustee or in any other fiduciary capacity if such services are ordinarily rendered by an attorney.
- J. **"Named Insured"** means the entity or person(s) described on the Declarations and any "Subsidiary", provided that coverage is extended for such "Subsidiary" by endorsement.
- K. **"Personal Injury"** means any of the following, if actually or allegedly committed in the course of or related to providing advertising activities conducted by or on behalf of the "Named Insured":
1. false arrest, detention or imprisonment;
 2. abuse of process or malicious prosecution;
 3. libel, slander or other defamation; or
 4. invasion of the right of privacy, wrongful entry or eviction;
- including any form of "Bodily Injury" actually or allegedly resulting from any of the foregoing.
- L. **"Policy Period"** means the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.
- M. **"Predecessor Firm"** means:
1. any sole practitioner who becomes an "Insured" and whose financial assets and liabilities have been assumed by the "Named Insured"; or
 2. any law firm or professional legal organization engaged in the private practice of law which dissolved, of which 50% or more of the owners, shareholders, partners, members or principals have become "Insureds" and of which the "Named Insured" assumes at least 50% of the financial assets and liabilities.
- N. **"Related Wrongful Acts"** means "Wrongful Acts" that have as a common nexus any circumstance, situation, event, document, representation, lawsuit, transaction, casualty or decision or any series of circumstances, situations, events, documents, representations, lawsuits, transactions, casualties or decisions.
- O. **"Subsidiary"** means any corporation or limited liability company during any time in which the "Named Insured" owns, directly or indirectly through one or more of his, her or its "Subsidiaries", more than fifty percent (50%) of the outstanding stock or other interest representing the present right to vote, designate or select a majority of the board of directors of a corporation or the management board of a limited liability company.
- P. **"Tendered"** means the actual payment or offer to pay the Limit of Liability or balance thereof.
- Q. **"Wrongful Act"** means any actual or alleged negligent act, error, breach of duty or omission; but solely if committed by an "Insured" in performing "Legal Services" while duly licensed to provide such services.

III. EXCLUSIONS

This policy does not apply to any "Claim" made against any "Insured":

- A.** based upon or arising out of any actual or alleged dishonest, fraudulent, criminal, malicious, intentional or willful "Wrongful Act" committed by any "Insured", including but not limited to "Claims" of abuse of process or malicious prosecution; provided, however, that the Insurer will defend any "Claim" alleging any such conduct until there is a judgment, final adjudication or admission adverse to such "Insured" establishing that such "Insured" committed such conduct, at which time such "Insured" shall repay the Insurer for any "Claim Expenses" paid by the Insurer paid on behalf of such "Insured" in such "Claim"; for the purpose of applying this exclusion, an admission adverse to an "Insured" shall include a plea of nolo contendere or no contest by such "Insured" in a criminal proceeding arising out of the same, or essentially the same, material facts as such "Claim";

Innocent Insured Provision: If coverage under this Policy would be excluded as to any "Insured" under Exclusion A., the Insurer agrees that such insurance as would otherwise be afforded under this policy shall apply with respect to each and every "Insured" who did not participate in committing one or more of the acts described in such exclusion.

- B.** based upon or arising out of any actual or alleged "Bodily Injury", or physical injury to, destruction of, or loss of use of any tangible property;
- C.** by, on behalf of, or in the right of:
1. any "Insured", except if such "Claim" results from "Legal Services" rendered by the "Named Insured" to such "Insured" in an attorney-client relationship;
 2. any Trustee in Bankruptcy, Receiver, Liquidator or successor to any "Insured";
 3. any corporation, partnership, association, trust, fund (including but not limited to any pension, welfare, profit sharing, mutual or investment fund) or any other organization if any "Insured" is an officer, director, trustee or partner of such organization, or if the "Insured" controls, operates or manages any such organization, either individually or in a fiduciary capacity; or
 4. any third party organization if the "Insureds", whether collectively or individually, and/or members of the immediate family of the "Insureds" own(s) or control(s) ten-percent (10%) or more of the issued and outstanding shares, units or other portions of the capital of the third-party organization;
- D.** based upon or arising out of any litigation, proceeding, administrative action or hearing brought prior to or pending as of the effective date of the first Professional Liability Insurance Policy issued by the Insurer to the "Insured" and continuously renewed and maintained in effect to the inception date of this policy as well as any future litigation, proceeding, administrative action or hearing based upon any such pending or prior litigation, proceeding, administrative action or hearing or derived from the essential facts or circumstances underlying or alleged in any such pending or prior litigation, proceeding, administrative action or hearing;
- E.** based upon or arising out of an "Insured's" capacity as:
1. an officer, director, partner, shareholder or employee of any entity other than the "Named Insured" or its "Predecessor Firm"; provided, however this paragraph shall not apply to an "Insured's" capacity as a member, officer or director of a bar association, ethics, peer review, formal accreditation board or similar board or committee;
 2. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments and similar state provisions, except if such "Insured" is deemed a fiduciary solely by virtue of "Legal Services" rendered to an employee benefit plan;

3. a public official or employee of a government entity, unless the status as such is due only to the “Legal Services” an “Insured” renders to such entity under contract; or
 4. a beneficiary or distributee of any trust or estate;
- F. based upon or arising out of liability assumed by the “Insured” in a contract or agreement, but this exclusion shall not apply to liability of the “Insured” which would exist in the absence of such contract or agreement;
- G. based upon or arising out of the alleged breach of any express or implied warranty or guarantee;
- H. based upon or arising out of:
1. refusal to employ any person;
 2. termination of employment of any person; or
 3. employment-related practices, acts or omissions, including but not limited to coercion, demotion, evaluation, reassignment, discipline, defamation, discrimination, harassment, or humiliation;
- I. based upon or arising out of:
1. the promotion, sale or solicitation of securities, real estate, or other investments by any “Insured”, including but not limited to any services as a registered representative; or
 2. any recommendations, representations, opinions concerning investment or financial advice by any “Insured” or any person or entity referred by any “Insured” in connection with investment or financial advice;
- J. based upon or arising out of:
1. nuclear reaction, radiation or contamination, regardless of cause;
 2. asbestos or asbestos related material(s), including but not limited to goods or products composed in whole or in part of asbestos or asbestos related material(s);
 3. any actual or alleged or threatened discharge, dispersal, seepage, migration, release, growth, infestation, spread or escape of mold(s), mildew(s), fungi and/or spore(s); or any materials, goods or products containing, harboring or nurturing any such mold(s), mildew(s), fungi and/or spore(s);
 4. the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon the land, the atmosphere or any watercourse or body of water, including but not limited to an aquifer or groundwater; or
 5. performing, supervising or managing the removal, containment or abatement services of any matter identified in **J.1.**, **2.**, **3.** or **4.** above;
- provided, however, this exclusion shall not apply to a “Claim” for a “Wrongful Act” in providing “Legal Services” to a client concerning **J.1.**, **2.**, **3.**, **4.** or **5.** above; or
- K. based upon or arising out of the notarization or acknowledgment of a signature without the physical appearance before an “Insured” as notary public of the person who is or claims to be the person signing such instrument.
- L. **Plaintiff’s Class Action / Mass Tort Practices Exclusion** - it is agreed that this policy does not apply to any “Claim” made against any “Insured” based upon or arising out of any “Legal Services” rendered by any “Insured” in connection with the investigation or prosecution of any actual, purported or alleged class action or mass tort lawsuit of any kind, nature or character.

IV. TERRITORY

This policy applies to acts or omissions committed by an "Insured" in the United States of America, its territories and possessions, Puerto Rico or Canada in which the "Claim" is made or suit is brought against the "Insured" in the United States of America, its territories and possessions.

V. LIMITS OF LIABILITY

- A. Subject to the aggregate Limit of Liability described in Section **V., B.**, the liability of the Insurer for all "Claim Expenses" and "Damages" for each "Claim" first made against the "Insured" and reported during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, if purchased, shall not exceed the amount stated on of the Declarations as the Limit of Liability each "Claim".
- B. The total liability of the Insurer for all "Claim Expenses" and "Damages" for all "Claims" first made against the "Insured" and reported during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, if purchased, shall not exceed the amount stated on the Declarations as the aggregate Limit of Liability all "Claims".

If two or more policies of Lawyers Professional Liability Insurance is issued by the Insurer covering any "Insured", apply to the same "Claim" or "Claims" for which the "Insureds" are jointly and severally liable, then Insurer will be liable only for the proportion that the limit bears to the total liability of the "Claims Expenses" and "Damages" for each policy issued; up to the limits shown on the Declarations of each policy.

- C. The Limits of Liability for "Claims" first made against the "Insured" and reported during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, if purchased, shall be part of, and not in addition to the Limits of Liability as stated in the Declarations and as stated above. If any "Insured" has purchased or does purchase other insurance covering "Claims" first made during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, the coverage provided under this policy for such "Claims" shall apply in excess of such insurance.
- D. **Deductibles:** The "Deductible" amount stated on the Declarations shall be applicable to all "Claim Expenses" and "Damages" for each and every "Claim". A single "Deductible" shall apply to "Claims" alleging, based upon, arising out of or attributable to the same "Wrongful Act" or "Related Wrongful Acts". As a condition precedent to payment of any "Claim Expenses" or "Damages" by the Insurer hereunder, the "Insureds" will pay the applicable "Deductibles", which the "Insureds" shall pay within sixty (60) days of written demand therefrom by the Insurer.

The "Insureds" shall be entitled to a reduced per "Claim" "Deductible" of fifty percent (50%) of the amount stated in the "Deductible" section of the Declarations if a "Claim" is first made during the "Policy Period", Automatic Extended Reporting Period or the Optional Extended Reporting Period, if purchased, and the "Insureds" agree, at the Insurer's written request and pursuant to such terms as the Insurer requires, to submit such "Claim" to mediation or arbitration and the "Claim" is thereafter resolved through the mediation or arbitration process. The right to elect arbitration or mediation shall be at the "Insured's" sole option excepting mandatory mediation as required by law, provided that no such "Claim" shall be submitted to arbitration or mediation without the prior written consent of the Insurer. In the case of mediation, the maximum dollar amount that the "Deductible" will be reduced under this provision is \$2,500 and, in the case of arbitration, the maximum dollar amount that the "Deductible" will be reduced under this provision is \$10,000.

- E. **Multiple Insureds, Claims and Claimants:** The inclusion in a "Claim" of more than one "Insured" shall not operate to increase the Insurer's Limits of Liability. All "Claims" alleging, based upon, arising

out of or attributable to the same "Wrongful Act" or "Related Wrongful Acts" shall be treated as a single "Claim", regardless of whether made against one or more than one "Insured", and such single "Claim" shall be subject to the applicable per "Claim" and Aggregate Limits of Liability and the applicable "Deductibles" set forth in the policy. All "Claims" arising out of the same "Wrongful Act" or "Related Wrongful Acts", whenever made, shall be considered made when the earliest such "Claim" was first made or deemed to be first made.

VI. CLAIMS

A. Notice of "Claims": As a condition precedent to coverage under this policy, the "Insured" shall provide written notice of any "Claim" made against any "Insured" as soon as practicable, but in no event later than the earlier of: (1) thirty (30) days following receipt of written notice of the "Claim", or (2) the later of the expiration date of this policy, the Automatic Extended Reporting Period or the Optional Extended Reporting Period, if elected hereunder.

In the event suit is brought against any "Insured", the "Insured" shall immediately forward to the Insurer every demand, notice, summons, complaint or other process or any threat of an intention to hold the "Insured" responsible for any "Wrongful Act" received directly by the "Insured" or by the "Insured's" representatives. Written notice of any "Claim" against any "Insured", as well as of each demand on or suit against the "Insured", shall be delivered to the Insurer at:

Meadowbrook Insurance Group, Inc. and any Subsidiaries
P.O. Box 163340
Columbus, Ohio 43216
Ph: (800) 878-7389
Fax: (614) 895-7040
csu@centurysurety.com

B. Notice of Potential Claims: If during the "Policy Period" any "Insured" first becomes aware or has reasonable grounds to suspect that an "Insured" has committed or may have committed a specific "Wrongful Act" for which coverage is otherwise provided hereunder, and provided the "Insured" during the "Policy Period" gives notice to the Insurer of:

1. the specific "Wrongful Act";
2. the injury or damage which has resulted or may result from such "Wrongful Act"; and
3. the circumstances by which the "Insured" first became aware of or suspected such "Wrongful Act",

then any "Claim" that may subsequently be made against any "Insured" arising out of such "Wrongful Act" shall be deemed for the purposes of this insurance to have been made during the "Policy Period".

C. Assistance and Cooperation of the "Insured": The "Insureds" shall cooperate with the Insurer and upon the Insurer' request shall (1) provide to the Insurer copies of documents and such other things held by or available to the "Insureds" which relate to any "Claim" or to the "Wrongful Act", transactions or other events which shall have given rise to such "Claim", (2) submit to examination and interrogation by a representative of the Insurer, under oath if required, (3) attend hearings, depositions and trials, (4) assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and other proceedings, as well as in the giving of a written statement or statements to the Insurer's representatives and meeting with such representatives for the purpose of investigation and/or defense.

The "Insured" shall further cooperate with the Insurer and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which any "Insured" may have. The "Insured" shall exercise the right to either reject or demand the arbitration of any "Claim" made against the "Insured" in accordance with the written instructions of the Insurer. The "Insured" shall not, except at the "Insured's" own cost, make any payment, admit any liability, settle any "Claims", or assume any obligation, provided, however, the "Insured" shall have the right to make any settlement of any "Claim" covered by the terms of this policy subject to the condition that the aggregate amount of such settlement and of the "Claim Expenses" incurred in connection with such "Claim" shall not exceed the "Deductible" amount stated in the Declarations.

- D. False or Fraudulent Claims:** If any "Insured" shall knowingly submit a false "Claim" or commit fraud in proffering any "Claim" under this policy, as regards amount or otherwise as to any material fact, the insurance provided under this policy shall become void as to such "Insured" from the date such false or fraudulent "Claim" is proffered, without regard to whether The Insurer has actually relied upon or been damaged by such "Claim".

VII. AUTOMATIC AND OPTIONAL EXTENDED REPORTING PERIOD

- A.** If the "Insured" or the Insurer shall cancel or refuse to renew this policy, then the "Named Insured" shall automatically receive an extension of the insurance afforded by this policy, subject otherwise to its terms, Limits of Liability, exclusions and conditions, to apply to "Claims" first made against the "Insured" during the sixty (60) days immediately following the effective date of such nonrenewal or cancellation, but only with respect to a "Wrongful Act" committed before such effective date and otherwise covered by this insurance. The extension shall be endorsed hereto, and shall be referred to as the "Automatic Extended Reporting Period." If the "Named Insured" is a solo practice and loses his or her license, then this Automatic Extended Reporting Period will not be available.
- B.** If the "Insured" or the Insurer shall cancel or refuse to renew this policy, then the "Named Insured", upon payment of an additional premium as set forth herein, shall have the option to extend this insurance afforded by this policy, subject otherwise to its terms, Limits of Liability, exclusions and conditions, to apply to "Claims" first made against the "Insured" during the period stated in Extended Reporting Period section of the Declarations immediately following the expiration of the Automatic Extended Reporting Period or, if the Automatic Extended Reporting Period is not available, immediately following the effective date of such nonrenewal or cancellation, but only with respect to a "Wrongful Act" committed before the effective date of such nonrenewal or cancellation and otherwise covered by this insurance. The extension shall be endorsed hereto, if purchased, and shall be referred to as the "Optional Extended Reporting Period." The premium for the Optional Extended Reporting Period, if elected, shall be that percentage stated in the Extended Reporting Period section of the Declarations of the full annual premium for this policy. If the "Named Insured" has a solo practice and the sole professional loses his or her license, then the "Insured" will not be eligible to purchase this Optional Extended Reporting Period.
- C.** The "Named Insured's" option to elect the Optional Extended Reporting Period must be exercised by notice in writing to the Insurer not later than thirty (30) days after the effective date of the nonrenewal or cancellation of this policy. If the premium for the Optional Extended Reporting Period is not paid within thirty (30) days of the effective date of the nonrenewal or cancellation of this policy, the option to elect the Optional Reported Period shall be void.
- D.** At the commencement of the Optional Extended Reporting Period, the entire premium shall be deemed earned, and in the event the "Named Insured" terminates the Optional Extended Reporting Period for any reason, the Insurer shall not be liable to return to the "Named Insured" any portion of the premium for the Optional Extended Reporting Period.

- E. As a condition precedent to the “Named Insured’s” option to elect the Optional Extended Reporting Period, any and all premiums and “Deductibles” that are due must have been paid and the “Named Insured” must have complied with all other terms and conditions of this policy. If such conditions precedent are not satisfied or if the notice required under this Section VII., C. is not timely given to the Insurer, the “Named Insured” shall not at a later date be able to exercise such option.
- F. If the cancellation or nonrenewal of this policy is due to the nonpayment of premium or fraud on the part of an “Insured”, or if any “Insured’s” license, right to practice its profession or conduct its business is revoked, suspended by or surrendered at the request of any regulating authority, no Automatic Extended Reporting Period or Optional Extended Reporting Period shall be available.
- G. The fact that the period during which “Claims” must first be made against the “Insured” and reported to the Insurer under this policy is extended by virtue of the Automatic Extended Reporting Period, the Optional Extended Reporting Period or the Extended Reporting Periods set forth in Section VII. I., J. or K. below shall not in any way increase the Limits of Liability of this policy.
- H. The offer by the Insurer of terms, conditions or premium different from that of the expiring policy shall not constitute nonrenewal for the purpose of this Section VII.
- I. **Death:** If an “Insured” dies during the policy from a cause other than suicide, the period for reporting a “Claim” against that “Insured” will automatically be extended until the executor or administrator of the “Insured’s” estate is discharged or for twenty-four (24) months from the expiration of this policy, whichever is less.
- J. **Retirement:** If any “Insured”, except those under Section II. Definitions, H., “Insured” paragraphs 5. or 6., retires from the practice of law during the “Policy Period” and has been insured by the Insurer for three (3) consecutive years prior to inception of this policy and is at least fifty-five (55) years of age, then such “Insured” will be provided an unlimited Extended Reporting Period without additional charge, subject otherwise to the policy’s terms, Limits of Liability, exclusions and conditions, to apply to “Claims” first made against the “Insured” during the period indicated in the Extended Reporting Period section of the Declarations immediately following the date of such retirement, but only with respect to a “Wrongful Act” committed before the date of such retirement and otherwise covered by this insurance; provided that there is no other insurance in effect on or after such “Insured’s” date of such retirement which cover such “Insured” for such “Claim”. Such other insurance shall render this coverage inapplicable, even though the Limits of Liability of such other insurance may be inadequate to pay all “Claim Expenses” and “Damages” and/or the “Deductible” amount and “Deductible” provisions of such other insurance may be different from those of this policy. The “Insured” must notify us in writing, within thirty (30) days of retirement, that this coverage is desired.
- K. **Disability:** If an “Insured” has been insured by the Insurer for three (3) consecutive years prior to inception of this policy and becomes “Totally and Permanently Disabled” during the policy, upon written notice to the Insurer the “Named Insured” will be entitled to an unlimited Extended Claim Reporting Period at no additional premium charge with respect to such “Totally and Permanently Disabled” “Insured”. For the purpose of this provision, “Totally and Permanently Disabled” means that the “Insured” is unable to render “Legal Services” for a period of greater than six consecutive months and the disability is expected to be permanent. This provision shall not apply to any self-inflicted injury, attempted suicide or misuse or abuse of any substance. As a condition precedent to such coverage, such “Insured” must: (1) provide the Insurer with written proof that such “Insured” is “Totally and Permanently Disabled”, including the date it happened certified by such “Insured’s” attending physician; and (2) agree to submit to medical examination(s) by any physician(s) the Insurer may designate, if requested.

VIII. CONDITIONS

A. Subrogation: In the event of any payment under this policy, the Insurer shall be subrogated to all the "Insured's" rights of recovery therefore against any person or organization. The "Insured" shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights and the "Insured" shall do nothing to prejudice such rights.

Any amount recovered upon the exercise of such rights of subrogation shall be applied as follows: (1) to the repayment of expenses incurred toward subrogation; (2) to "Damages" and/or "Claim Expenses" paid by the "Insured" in excess of the Limits of Liability hereunder; (3) to "Damages" and/or "Claim Expenses" paid by the Insurer; (4) to "Damages" and "Claim Expenses" paid by the "Insured" in excess of the "Deductible"; and (5) to repayment of the "Deductible".

B. Action Against the Insurer: No action shall lie against the Insurer unless, as a condition precedent thereto, the "Insured" shall have fully complied with all the terms of this policy, nor until the amount of the obligation of the "Insured" to pay shall have been fully and finally determined either by judgment against the "Insured" after actual trial or by written agreement of the "Insured", the Claimant and the Insurer. In the event any person or organization or the legal representative thereof has secured a judgment against an "Insured" and such judgment remains unsatisfied after the expiration of thirty (30) days from the service of notice of entry of the judgment upon the attorney for the "Insured", or upon the "Insured", and upon the Insurer, then an action may, except during a stay or limited stay of execution against the "Insured" on such judgment, be maintained against the Insurer under this policy for the amount of such judgment to the extent of the insurance afforded by this policy. Nothing contained in this policy shall give any person or organization the right to join the Insurer as a party in any action against any "Insured" to determine the "Insured's" liability. Bankruptcy or insolvency of any "Insured" or of the "Insured's" estate shall not relieve the Insurer of any of its obligations hereunder.

C. Application: By acceptance of this policy, the "Insured" agrees that the statements in the application submitted for this insurance and any prior application submitted by the "Insured" for Lawyers Professional Liability Insurance from the Insurer of which this policy is a renewal are their personal representations, that all such applications are made a part of this policy, that the statements in such applications are deemed material and that this policy is issued in reliance upon such representations. The "Insured" further agrees that this policy embodies all agreements existing between the "Insured" and the Insurer, or any of its agents, relating to this insurance.

D. Other Insurance: This insurance shall be in excess of the amount of the applicable "Deductible" of this policy and any other valid insurance available to the "Insured" whether such insurance is collectible or uncollectible only because the Limits of Liability thereof shall have been exhausted, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this policy.

E. Changes: Notice to any agent or knowledge possessed by any agent or other person acting on behalf of the Insurer shall not affect a waiver or a change in any part of this policy or estop the Insurer from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by written endorsement issued to form a part of this policy.

F. Assignment: Assignment of interest under this policy shall not bind the Insurer unless its consent is endorsed in writing hereon.

G. Cancellation: This policy may be canceled by the "Named Insured" by mailing or delivering prior written notice to the Insurer or by surrender of this policy to the Insurer. If this policy is canceled by the "Named Insured", the Insurer shall retain the customary short rate proportion of the premium hereon. This policy may also be canceled by or on behalf of the Insurer by delivering to the "Named

Insured” or by mailing to the “Named Insured” by registered, certified or other first class mail, at the address of the “Named Insured” as stated in the Declarations, written notice stating when not less than sixty (60) days after the date of such notice the cancellation shall be effective. The proof of mailing of such notice as aforesaid shall be sufficient proof of notice. If this policy is canceled by or on behalf of the Insurer, the Insurer shall retain the pro-rata proportion of the premium hereon. The Insurer may cancel this policy on twenty (20) days notice for nonpayment of premium due.

- H. Conformity to Statute:** Any terms of this policy which are in conflict with the terms of any applicable laws construing this policy are hereby amended to conform to such laws.
- I. “Named Insured” Authorization:** By acceptance of this policy, the “Named Insured” as stated in the Declarations agrees to act on behalf of all “Insureds” with respect to the payment or return of premium, the receipt and acceptance of any endorsements, the cancellation of the policy, the negotiation of renewal, and the giving and receiving of any notice provided for by the terms and conditions of this policy.
- J. Firm Changes:** Any of the following changes that occur during the “Policy Period” must be immediately reported to the Company:
1. the addition or deletion of each “Insured” attorney within 60 days of such addition or deletion, or the end of the “policy year”, whichever is sooner. This provision will be waived so long as the addition or deletion of attorneys results in less than a thirty-four percent (34%) overall change in the number of attorneys in the “Named Insured”.
 2. prior to joining the firm, any lawyer being brought into the “Named Insured” during the “Policy Period” has had a Claim for malpractice asserted against him or her or has been the subject of any disciplinary proceeding, or such lawyer is aware of a circumstance that might lead to a “Claim” asserted in the future.

In the event of any such changes, the Insurer has the right, at its sole option and discretion, to demand a premium adjustment or such other changes in the terms of the policy as the Insurer may deem necessary.

In the event that the “Named Insured” consolidates with or merges into another firm such that the “Named Insured” is not the surviving entity, or sells all or substantially all of its assets to any other person or entity or group of persons and/or entities acting in concert, the “Named Insured” agrees to notify the Insurer in writing within forty-five (45) days thereafter. The policy shall continue in force for the “Policy Period”, but there shall be no coverage under the policy for any “Wrongful Act” occurring after the effective date of such consolidation, merger or acquisition unless, after receipt of such notice, the Insurer agrees in writing to extend coverage therefor and the “Named Insured” pays any additional premium the Insurer may charge for such extension of coverage.

- L. Liberalization:** If the Insurer adopts any revision that would broaden coverage under this policy form without additional premium at any time during the “Policy Period”, the broadened coverage will apply to this policy with respect to any “Claim” first made after the date of the Insurer’s adoption of such policy form revision.

IN WITNESS WHEREOF, the Insurer has caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations Page by a duly authorized representative of the Insurer.