



**united
national
group®**

**LAWYERS DEFENSE PLAN
PROFESSIONAL LIABILITY INSURANCE FOR LAW FIRMS**

THIS IS A CLAIMS MADE POLICY – PLEASE READ CAREFULLY.

In consideration of the payment of the premium and in reliance upon the statements in the application attached hereto and made a part hereof, and subject to all of the terms of the policy, the Company designated in the Declarations (hereinafter “the Company”) agrees with the Named Insured as stated in the Declarations (hereinafter “Named Insured”) as follows:

INSURING AGREEMENTS

I. COVERAGE – PROFESSIONAL LIABILITY

The Company will pay on behalf of the INSURED all sums in excess of the deductible that the INSURED becomes legally obligated to pay as DAMAGES as a result of any CLAIM first made against the INSURED during the POLICY PERIOD, and reported to the Company in writing during the POLICY PERIOD, or within 60 days thereafter, by reason of any act, error, omission or PERSONAL INJURY arising out of Professional Services rendered or that should have been rendered by the INSURED or by any person for whose act, error, omission or PERSONAL INJURY the INSURED is legally liable, and arising out of the conduct of the INSURED’s profession as a Lawyer or Notary Public, provided always that such act, error, omission or PERSONAL INJURY occurs:

- A. during the POLICY PERIOD; or
- B. on or after to the RETROACTIVE DATE if any, and prior to the effective date of this policy, but only if:
 - 1. no INSURED had, prior to the effective date of this policy, actual knowledge of any CLAIM or any act, error, omission or PERSONAL INJURY that may reasonably be expected to give rise to a CLAIM; and
 - 2. no INSURED has any prior insurance applicable to the CLAIM, except that if any such prior insurance exists, then this policy will apply upon exhaustion of all such other prior insurance, and then will pay only the remaining amount of any loss covered hereunder, not exceeding the Limit of Liability of this policy.

Subject to all other terms and conditions of this policy, when the INSURED acts as an administrator, conservator, executor, fiduciary, guardian, receiver, trustee, title insurance agent, member, director or officer of any bar association, arbitrator or mediator, an act, error, omission or PERSONAL INJURY of the INSURED in such capacity will be deemed for the purpose of Insuring Agreement I. to be the performance of professional services for others in the INSURED’s capacity as a lawyer, but only to the extent that such act, error, omission or PERSONAL INJURY is of the type for which in the lawyer-client relationship, the INSURED would be legally responsible as a lawyer. This coverage will not apply to any loss sustained by the INSURED as the beneficiary or distributee of any trust or estate.

II. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

As respects such insurance as is afforded by this policy, the Company will:

- A. have the right and duty to defend, including selection of counsel and arbitrators, in the INSURED’s name and on the INSURED’s behalf any CLAIM for DAMAGES against the INSURED, even if such CLAIM is groundless, false or fraudulent and have the right to make such investigation and negotiation of any CLAIM as it deems expedient. The Company has no duty to defend any CLAIM to which this insurance does not apply; and
- B. not settle any CLAIM without the written consent of the INSURED. If, however, the 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 will not exceed the amount for which the CLAIM could have been settled, including CLAIMS EXPENSES incurred with its consent up to the date of such refusal, or the applicable limit of liability, whichever is less. In any event, the Company will not be obligated to pay any DAMAGES or defend or continue to defend any CLAIM after the limit of the Company’s liability has been exhausted by payment of DAMAGES and/or CLAIMS EXPENSES, or by deposit of the applicable limit of liability in a court of competent jurisdiction.

III. CLAIMS EXPENSES

CLAIMS EXPENSES will be included within the deductible and the limit of liability and will not be in addition thereto. Such CLAIMS EXPENSES will reduce the available limit of liability.

IV. TERRITORY

This policy applies to an act, error, omission or PERSONAL INJURY that occurs anywhere in the world provided CLAIM is made and suit or arbitration proceedings are brought against the INSURED in the United States of America, its territories or possessions, or Canada.

DEFINITIONS

I. CLAIM, whenever used in this policy means a demand received by the INSURED for DAMAGES, including, but not limited to, the service of suit or institution of arbitration proceedings against the INSURED.

II. CLAIMS EXPENSES, whenever used in this policy means:

- A. fees charged by any lawyer designated by the Company; and
- B. if authorized by the Company, all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of any CLAIM, suit or proceeding.

CLAIMS EXPENSES does not include salaries and expenses of regular employees or officials of the Company.

III. DAMAGES, whenever used in this policy means the monetary portion of any judgment, award or settlement, provided always that DAMAGES does not include:

- A. punitive, exemplary, or treble DAMAGES;
- B. sanctions, fees, fines or penalties imposed by law;
- C. fees paid or owed as remuneration for legal services; or
- D. matters that may be deemed uninsurable under the law pursuant to which this policy may be construed.

IV. INSURED, whenever used in this policy means:

- A. The Named Insured shown in the Declarations and any PREDECESSOR FIRM thereof;
- B. any lawyer or professional corporation who was or is a partner, officer, director or employee of the Named Insured, but only as respects professional services rendered on behalf of the Named Insured or any PREDECESSOR FIRM thereof;
- C. any lawyer who was or is acting "of counsel" to the Named Insured, but only in respect to professional services rendered on behalf of the Named Insured or any PREDECESSOR FIRM thereof;
- D. any other present or former employee of the Named Insured or any PREDECESSOR FIRM thereof solely while acting on behalf of the Named Insured or any PREDECESSOR FIRM thereof; or
- E. the heirs, executors, administrators and legal representatives of any INSURED in the event of an INSURED's death, incapacity or bankruptcy, but only in respect to professional services rendered prior to such INSURED's death, incapacity or bankruptcy.

V. PERSONAL INJURY, whenever used in this policy means false arrest, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, malicious prosecution, libel, slander or breach of privacy.

VI. POLICY PERIOD, whenever used in this policy means the period from the effective date of this policy to the expiration date as set forth in the Declarations or earlier termination date, if any, of this policy.

VII. PREDECESSOR FIRM, whenever used in this policy means any legal entity that was engaged in the practice of law to whose financial assets and liabilities the Named Insured is the majority successor in interest.

VIII. RETROACTIVE DATE, whenever used in this policy means the date on or after which any act, error, omission or PERSONAL INJURY must have occurred in order for any CLAIM arising therefrom to be covered under this policy. CLAIMS arising from any act, error, omission or PERSONAL INJURY prior to this date are not covered in this policy.

EXCLUSIONS

This policy does not apply to any CLAIM:

- A. that results in final adjudication against any INSURED that adjudged an INSURED to have committed any criminal, dishonest, fraudulent or malicious acts, errors, omissions or PERSONAL INJURY.

This Exclusion does not apply to any INSURED who is not so adjudged to have committed such act, error, omission or PERSONAL INJURY. In that case, this policy will pay only in excess of the deductible and in excess of the full extent of the available capital and assets of any INSURED who was adjudged to have committed such act, error, omission or PERSONAL INJURY. Any personal assets of such INSURED recovered by the Named Insured will inure, to the extent of the amount paid by this policy, to the benefit of the Company;

- B. based upon or arising out of bodily injury, sickness, disease or death of any person, or damage to or destruction of any tangible property or loss of use thereof;
- C. based upon or arising out of any INSURED's activities as an officer, director, partner, manager or employee of any company, corporation, operation or organization other than the Named Insured;
- D. arising out of or in connection with the conduct of any business enterprise other than the Named Insured (including the ownership, maintenance or care of any property in connection therewith) which is or was owned by any INSURED or in which any INSURED is or was a partner, or which is or was directly or indirectly controlled, operated or managed by any INSURED either individually or in a fiduciary capacity;
- E. made by any former or present INSURED under this policy against any other INSURED under this policy;
- F. based upon or arising out of discrimination by any INSURED on the basis of race, creed, national origin, age, sex or marital status;
- G. based upon or arising out of any INSURED's capacity as a public official or an employee of a governmental body, subdivision or agency unless any INSURED is deemed to be such solely because any INSURED has rendered legal services to such governmental body and the remuneration for such legal services inures to the benefit of the Named Insured;
- H. based upon or arising out of any INSURED's intentional breach of underwriting authority in the INSURED's capacity as a Title Insurance Agent.
- I. arising out of the alleged certification or acknowledgment by any INSURED, in his or her capacity as a notary public, or a signature on a document that the INSURED did not witness being placed on the document;
- J. based upon or arising out of the Employee Retirement Income Security Act of 1974, Public Law 93-406, and amendments thereto, or any other similar state or local law against any INSURED while acting as a fiduciary within the meaning of said laws. Nothing in the foregoing will be deemed to exclude coverage for acts, errors or omissions or PERSONAL INJURY committed while providing otherwise covered legal advice to a fiduciary;
- K. arising out of conversion, misappropriation or improper commingling of client funds;
- L. arising out of any INSURED's gaining in fact any personal profit or advantage to which any INSURED was not legally entitled;
- M. arising out of professional services rendered or that should have been rendered to or on behalf of any entity that, at the time of the act, error, omission or PERSONAL INJURY, was five (5) percent or more owned, controlled, managed, or operated by any INSURED or combination of INSUREDS; or
- N. based upon or arising out of the promotion, sale, solicitation, or recommendation of any securities, real estate or other investments by any INSURED.

LIMIT OF LIABILITY AND DEDUCTIBLE

I. LIMIT OF LIABILITY

- A. The limit of liability for each CLAIM will apply in excess of the deductible. CLAIMS EXPENSES and amounts paid or incurred in satisfaction of CLAIMS are subject to the applicable limits of liability.
- B. All CLAIMS EXPENSES will first be subtracted from the limit of liability, with the remainder, if any, being the amount available to pay DAMAGES.

- C. The liability of the Company for the combined total of DAMAGES and CLAIMS EXPENSES for each CLAIM first made against the INSURED during the POLICY PERIOD, including the Extended Reporting Period, if purchased, will not exceed the amount stated in the Declarations for "Each CLAIM".
- D. Subject to C. above, the liability of the Company will not exceed the amount stated in the Declarations as "Aggregate" as a result of all CLAIMs first made against the INSURED during the POLICY PERIOD, including the Extended Reporting Period, if purchased.

II. DEDUCTIBLE

- A. The deductible stated in the Declarations applies to each CLAIM and in the Aggregate for the POLICY PERIOD and will be paid by the Named Insured. The deductible will be applicable to the combined total of DAMAGES and CLAIMS EXPENSES. Payment of the deductible or portions thereof will be made by the Named Insured within thirty (30) days of receipt of demand by the Company.
- B. If, at the request of the Company, the INSURED agrees to binding arbitration or mediation to resolve a CLAIM against the INSURED and the CLAIM is thereby resolved by arbitration or mediation, the applicable deductible for the CLAIM will be reduced by fifty percent (50%), but will not be reduced by more than \$25,000.

III. 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 will not operate to increase the limits of liability and deductible. Two or more CLAIMs arising out of a single act, error, omission or PERSONAL INJURY or a series of related acts, errors, omissions or more than one PERSONAL INJURY will be considered a single CLAIM. All such CLAIMs whenever made will be considered first made on the date on which the earliest CLAIM arising out of such act, error, omission or PERSONAL INJURY was first made and all such CLAIMs are subject to one limit of liability and deductible.

IV. REIMBURSEMENT TO THE COMPANY

If the Company has paid any amounts in satisfaction of any CLAIMs and/or CLAIMS EXPENSES in excess of the applicable limit of liability, or within the amount of the applicable deductible, the INSUREDS, jointly and severally, will be liable to the Company for any and all such amounts and, upon demand, must pay such amounts to the Company.

CONDITIONS

I. ACTION AGAINST THE COMPANY

- A. No action may lie against the Company unless, as a condition precedent thereto, the INSURED has fully complied with all the terms of this policy, nor until the amount of the INSURED's obligation to pay has been finally determined either by judgment against the INSURED after actual trial or by written agreement of the INSURED, the claimant and the Company. Any person or organization or the legal representative thereof who has secured such judgment or written agreement will thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy.
- B. Nothing contained in this policy will give any person or organization any right to join the Company as a codefendant in any action against the INSURED to determine the INSURED's liability.

II. ASSIGNMENT

Assignment of interest under this policy will not bind the Company unless its consent is endorsed hereon. If, however, an INSURED should die or be adjudged incompetent, this policy will cover the INSURED's legal representative as the INSURED with respect to liability previously incurred and covered by this policy.

III. BANKRUPTCY

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

VI. CANCELLATION

- A. This policy may be canceled by the Named Insured by surrender thereof to the Company or by mailing to the Company written notice stating when thereafter such cancellation will be effective. If this policy is canceled by the Named Insured, the Company will retain the customary short rate portion of the premium.
- B. This policy may be canceled by the Company by mailing to the first Named Insured at the last mailing address known to the Company, written notice stating when, not less than sixty (60) days thereafter, such cancellation will be effective, but this policy may be canceled as aforesaid by not less than ten (10) days notice when the

cancellation is being effected by reason of the Named Insured's nonpayment of premium. Proof of mailing will be sufficient proof of notice and the effective date of cancellation stated in the notice will become the end of the POLICY PERIOD. If the Company cancels, earned premium will be computed pro rata. The cancellation will be effective even if we have not made or offered a refund.

C. Delivery of written notice by the Company will be equivalent to mailing.

V. CHANGES

Notice to any agent or knowledge possessed by any agent or by any other person will not effect a waiver or change in any part of this policy nor will the terms of this policy be waived or changed, except by endorsement issued to form a part of this policy.

VI. ENTIRE AGREEMENT

By acceptance of this policy, the INSURED reaffirms as of the effective date of this policy that A. the statements in the application attached hereto and made a part hereof are the INSURED's agreements and representations; B. this policy is issued in reliance upon the truth and accuracy of such representations; and C. this policy embodies all agreements between the INSURED and the Company or any of its agents relating to this insurance.

VII. EXTENDED REPORTING PERIOD

- A. If the Company or the Named Insured cancels or non-renews this policy, the Named Insured will have the right to extend the time past the end of the POLICY PERIOD for reporting any CLAIM made against an INSURED for an additional twelve (12) months at 100% of the expiring premium; twenty-four (24) months at 175% of the expiring premium; thirty-six (36) months at 225% of the expiring premium; sixty (60) months at 250%; or seventy-two (72) months at 275% of the expiring premium.
- B. The option described in A. above applies only to CLAIMs otherwise covered by this policy that are first made against the INSURED and reported to the Company during the Extended Reporting Period. Coverage for CLAIMs first made and reported during the Extended Reporting Period applies only to a CLAIM for an act, error, omission or PERSONAL INJURY that occurred prior to the end of the POLICY PERIOD and on or after the RETROACTIVE DATE, if any.
- C. This right to purchase the Extended Reporting Endorsement is subject to the following conditions:
 - 1. This policy was canceled or non-renewed for reasons other than non-payment of premium;
 - 2. Any deductible amounts due the Company must be paid by the INSURED;
 - 3. 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 within thirty (30) days after the termination date of the POLICY PERIOD;
 - 4. Separate or new limits do not apply to the Extended Reporting Period. In no event will the Company be required to make any payment for CLAIMs or CLAIMS EXPENSES that exceed the balance of the limit of liability in effect at the time the policy is terminated;
 - 5. This option to extend the reporting period does not extend the POLICY PERIOD;
 - 6. This option is not available if any INSURED's license or right to practice his or her profession is revoked, suspended by, or surrendered at the request of, any regulatory authority; and
 - 7. Premium for this option is fully earned when received.

VIII. NON-PRACTICING EXTENDED REPORTING PERIOD

- A. If any INSURED should permanently cease the practice of law, the INSURED will have the right to purchase a Non-Practicing Extended Reporting Period for twelve (12) months at 100% of the policy's last annual premium; twenty-four (24) months at 175% of the policy's last annual premium, thirty-six (36) months at 225% of the policy's last annual premium; sixty (60) months at 250% of the policy's last annual premium; or seventy-two (72) months at 275% of the policy's last annual premium. If the INSURED has been consecutively insured by the Company for a period no less than five (5) years, the premium will be waived.
- B. If the INSURED becomes deceased or totally and permanently disabled, other than by suicide attempt or consumption of drugs or alcohol, a seventy-two (72) month extension is available at no cost.
- C. All Conditions outlined in Condition III. C. above apply to the Non-Practicing Extended Reporting Period.

- D. The written request and premium payment to purchase a Non-Practicing Extended Reporting Period must be received within thirty (30) days of the expiration of the policy. For death or total and permanent disability, an original death certificate or written verification of total and permanent disability from the treating physician must accompany the request to issue. We reserve the right to investigate any request to purchase a Non-Practicing Extended Reporting Period Endorsement due to death or total and permanent disability.

IX. INSURED'S DUTIES IN THE EVENT OF A CLAIM

As a condition precedent to the availability of coverage under this policy, the INSURED's duties in the event of a CLAIM are as follows:

- A. If a CLAIM is made against the INSURED, the INSURED must give immediate written notice to the Company. Notice should include every demand, notice, summons or other process received by the INSURED;
- B. The INSURED must cooperate with the Company in the defense, investigation and settlement of any CLAIM. Upon the Company's request, the INSURED must submit to examination or questioning, 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;
- C. The INSURED will assist the Company in effecting any rights of indemnity, contribution or apportionment available to the INSURED or the Company; and
- D. The INSURED will not, without prior written consent of the Company, make any payment, admit liability, settle any CLAIM, assume any obligations, agree to arbitration or any similar means of resolution of any dispute, waive any rights or incur any CLAIMS EXPENSES on behalf of the Company.

X. OTHER INSURANCE

If there is other insurance applicable to a CLAIM covered by this policy, this policy will be deemed excess insurance over and above the applicable limits of liability of all such other insurance unless such other insurance is written only as specific excess insurance over the limits of liability provided in this policy.

XI. PREMIUMS

The first Named Insured shown in the Declarations:

- A. Is responsible for the payment of all premiums; and
- B. Will be the payee for any return premiums we pay.

XII. REPORTING OF POTENTIAL CLAIMS

- A. If, during the POLICY PERIOD, any INSURED first becomes aware of a potential CLAIM (i.e., any act, error, omission or PERSONAL INJURY that might reasonably give rise to a CLAIM against any INSURED under this policy) and gives written notice of such act, error, omission or PERSONAL INJURY to the Company during the POLICY PERIOD, any CLAIM subsequently made against any INSURED arising out of that act, error, omission or PERSONAL INJURY will be considered to have been made during the POLICY PERIOD.
- B. Written notice of a potential CLAIM must include:
1. the specific act, error, omission or PERSONAL INJURY including date(s) thereof;
 2. the injury or damage that may reasonably result; and
 3. the circumstances by which any INSURED became aware of the act, error, omission or PERSONAL INJURY.
- C. The INSURED will cooperate with the Company as set forth in Condition IX.

XII. SUBROGATION

In the event of payment by the Company under this policy, the Company will be subrogated to all of the INSURED's rights of recovery against any person or organization. The INSURED will cooperate with the Company and do whatever is necessary to secure such rights and will do nothing to prejudice such rights.