

LAWYERS PROFESSIONAL LIABILITY COVERAGE

Important Note: This is a claims-made policy. To be covered, a claim must be first made against an Insured during the policy period or any applicable extended reporting period. The limit of liability available to pay settlements or judgments will be reduced by defense expenses. The deductible applies to defense expenses. Please read the policy carefully.

CONSIDERATION CLAUSE

IN CONSIDERATION of the premium set forth in ITEM 7 of the Declarations, and pursuant to all the terms, exclusions, conditions and limitations of this policy, the Company and the **Insured** agree as follows:

I. INSURING AGREEMENT

The Company will pay on behalf of the **Insured, Damages** and **Defense Expenses** for any **Claim** first made during the **Policy Period** that is caused by a **Wrongful Act** committed on or after any applicable Retroactive Date set forth in ITEM 5 of the Declarations, provided that no **Insured** on the Knowledge Date set forth in ITEM 5 of the Declarations had any basis to believe that such **Wrongful Act** might reasonably be expected to be the basis of a **Claim**.

II. SUPPLEMENTARY PAYMENTS

The Company will pay the following with respect to any **Claim** covered by this policy:

- A. All expenses incurred by the Company, other than **Defense Expenses**.
- B. All reasonable expenses incurred by the **Insured** at the Company's request to investigate or defend a **Claim**, provided that the maximum amount available for loss of earnings for time taken off work will not exceed:
 - 1. \$500 per **Insured Person** per day; and
 - 2. \$15,000 per **Policy Year** for all **Insured Persons**.
- C. The cost of bonds to release attachments that is within the applicable Professional Liability Coverage Limit, provided that the Company will not be the principal under any such bond and will not have any duty to furnish such bond.
- D. All costs taxed against the **Insured** on that part of a judgment the Company pays.
- E. The cost of any required appeal bond for that part of a judgment that is for **Damages** to which this policy applies, and that is within the applicable Professional Liability Coverage Limit, provided that:
 - 1. the Company consents to the appeal of such judgment; and
 - 2. the Company will not be the principal under any such bond and will not have any duty to furnish such bond.

Payment of amounts under section II. SUPPLEMENTARY PAYMENTS will not be subject to a Deductible and will not reduce the applicable Professional Liability Coverage Limits. If the Professional Services and Network and Information Security Offenses Coverage Limits are exhausted by the payment of amounts covered under this policy, the Company will have no further obligation to make payments under section II. SUPPLEMENTARY PAYMENTS.

III. ADDITIONAL BENEFITS

The Company will reimburse the **Insured** for the following:

- A. **Crisis Event Expenses** that result from a **Crisis Event** first occurring and reported to the Company during the **Policy Period**.
- B. **Disciplinary or Regulatory Proceeding Expenses** that result from a **Disciplinary or Regulatory Proceeding** first initiated and reported to the Company during the **Policy Period**.

IV. DEFINITIONS

Wherever appearing in this policy, the following words and phrases appearing in bold type will have the meanings set forth in section IV. DEFINITIONS:

- A. **Automatic Extended Reporting Period** means the period of time beginning with the effective date this policy is cancelled or not renewed, and ending:
 - 1. 60 days after such cancellation or nonrenewal takes effect; or
 - 2. the date any other policy obtained by the **Named Insured** that provides similar coverage for **Professional Services** takes effect,whichever is earlier.
- B. **Claim** means:
 - 1. a demand for money or services;
 - 2. a civil proceeding commenced by service of a complaint or similar pleading; or
 - 3. a written request to toll or waive a statute of limitations relating to a potential civil or administrative proceeding,against any **Insured** for a **Wrongful Act**.

A **Claim** will be deemed to be made on the earliest date such notice thereof is received by any **Principal Insured**.
- C. **Crisis Event** means any:
 - 1. **Wrongful Act**;
 - 2. death, departure or debilitating illness of a **Principal Insured**;
 - 3. potential dissolution of the **Named Insured**;
 - 4. incident of workplace violence; or
 - 5. other event,that the **Named Insured** reasonably believes will have a material adverse effect upon the **Named Insured's** reputation.
- D. **Crisis Event Expenses** means reasonable fees, costs, and expenses incurred by the **Named Insured** for consulting services provided by a public relations firm to the **Named Insured** in response to a **Crisis Event**.

- E. **Damages** means money which an **Insured** is legally obligated to pay as settlements, judgments and compensatory damages; punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages; or prejudgment and postjudgment interest. **Damages** does not include the following:
1. Civil or criminal fines; sanctions; liquidated damages; payroll or other taxes; penalties; the multiplied portion of any multiplied damage award; equitable or injunctive relief; any return, withdrawal, restitution or reduction of professional fees, profits or other charges; or damages or types of relief deemed uninsurable under applicable law.
 2. **Defense Expenses.**
- F. **Defense Expenses** means reasonable and necessary fees, costs and expenses, incurred by the Company, or by the **Insured** with the Company's written consent, that result directly from the investigation, defense, settlement or appeal of a specific **Claim**, provided that **Defense Expenses** do not include any payments made pursuant to section II. SUPPLEMENTARY PAYMENTS of the **Professional Liability Coverage**.
- G. **Disciplinary or Regulatory Proceeding** means any formal administrative or regulatory proceeding by a disciplinary or regulatory official, board or agency, commenced by filing of a notice of charges, formal investigative order, service of summons or similar document, to investigate charges of professional misconduct in the performance of **Professional Services**.
- H. **Disciplinary or Regulatory Proceeding Expenses** means reasonable and necessary fees, costs and expenses incurred by any **Insured** to investigate, defend, or appeal any **Disciplinary or Regulatory Proceeding**.
- Disciplinary or Regulatory Proceeding Expenses** do not include:
1. fines, penalties or sanctions assessed against any **Insured**; or
 2. expenses, salaries, wages, benefits, or overhead of, or paid to, any **Insured**.
- I. **Independent Contractor** means any natural person who performs **Professional Services** under contract with, and at the sole direction and control of, an **Insured**, provided that such **Professional Services** inure to the benefit of the **Named Insured**.
- J. **Insured** means any **Insured Person**, **Named Insured**, or **Predecessor Firm**.
- K. **Insured Person** means any natural person who:
1. is the sole owner of, or is or was a partner in, the **Named Insured** or **Predecessor Firm**;
 2. was or is a member of the board of managers, director, executive officer, or shareholder of the **Named Insured** or **Predecessor Firm**;
 3. was or is an employee of the **Named Insured** or **Predecessor Firm**; or
 4. was or is an **Independent Contractor** or Of Counsel attorney,
- provided that such person is acting within the scope of their duties on behalf of the **Named Insured** or **Predecessor Firm**.
- L. **Lobbyist** means a lawyer who is registered in accordance with any federal or state statute governing the conduct of lobbyists.
- M. **Named Insured** means the person or entity set forth in ITEM 1 of the Declarations.
- N. **Network and Information Security Offense** means:
1. the failure to prevent the transmission of a computer virus or any other malicious code;
 2. the failure to provide any authorized user of the **Named Insured's** website, or the **Named Insured's** computer or communications network, with access to such website, or computer or communications network ; or
 3. failure to prevent unauthorized access to, or use of, data containing private or confidential information of others.

- O. **Non-Profit Entity** means any non-profit corporation, community chest, fund or foundation that is exempt from federal income tax as an entity described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended.
- P. **Non-Profit Services** means only services that the **Insured** performs for others, with the knowledge and consent of, or as part of the duties regularly assigned by, the **Named Insured**, while serving in the capacity as a:
1. director, officer or committee member of an attorneys' bar association; or
 2. director, officer or trustee of a **Non-Profit Entity**.
- Q. **Optional Extended Reporting Period** means the period of time specified in the Optional Extended Reporting Period Endorsement, beginning with the effective date this policy is cancelled or not renewed.
- R. **Personal Injury Offense** means any of the following offenses:
1. False arrest, detention or imprisonment.
 2. Malicious prosecution.
 3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy of a room, dwelling, or premises that a person occupies by or on behalf of its owner, landlord, or lessor, provided that the wrongful eviction, wrongful entry, or invasion of the right of private occupancy is performed by or on behalf of the owner, landlord, or lessor of that room, dwelling, or premises.
 4. Oral, written, or electronic publication of material that slanders or libels a person or entity or disparages a person's or entity's goods, products, or services, provided that the **Claim** is made by a person or entity that claims to have been slandered or libeled, or whose goods, products, or services have allegedly been disparaged.
 5. Oral, written, or electronic publication of material that appropriates a person's likeness, unreasonably places a person in false light, or gives unreasonable publicity to a person's private life.
- S. **Policy Period** means the period from the Inception Date to the Expiration Date set forth in ITEM 2 of the Declarations. In no event will the **Policy Period** continue past the effective date this policy is cancelled or not renewed.
- T. **Policy Year** means:
1. the period of one year following the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof; or
 2. the period between the Inception Date set forth in ITEM 2 of the Declarations or any anniversary thereof and the effective date this policy is cancelled or not renewed if such period is less than one year.
- U. **Potential Claim** means any conduct or circumstance that might reasonably be expected to be the basis of a **Claim**.
- V. **Pre-Claim Expenses** means reasonable fees, costs and expenses incurred by the Company in the investigation of a specific **Potential Claim**.
- W. **Predecessor Firm** means any law firm that, prior to the Inception Date set forth in ITEM 2 of the Declarations, is dissolved or inactive and is no longer rendering **Professional Services**, and:
1. some or all of such firm's principals, owners, officers, or partners have joined the **Named Insured** and more than 50% of such firm's assets have been assigned or transferred to the **Named Insured**; or
 2. at least 50% of the principals, owners, officers, or partners of such firm have joined the **Named Insured**.
- X. **Principal Insured** means a member of the board of managers, director, executive officer, natural person partner, owner of a sole proprietorship, principal, risk manager, or in-house general counsel of the **Named Insured**.

- Y. **Professional Liability Coverage** means the coverage part set forth in ITEM 4 of the Declarations.
- Z. **Professional Services** means only services in any of the following capacities, and pro-bono services in such capacities, provided that such pro-bono services are performed with the knowledge and consent of the **Named Insured**:
1. Lawyer.
 2. Law clerk, paralegal, legal secretary or other legal support staff.
 3. Arbitrator or mediator.
 4. **Lobbyist**.
 5. Notary public, provided that the **Insured Person** witnessed and attested to the authenticity of the signature notarized by such **Insured Person**.
 6. **Title Agent**.
 7. Administrator, conservator, receiver, executor, guardian, trustee or any similar fiduciary capacity, directly connected with the **Insured's** practice of law.
- AA. **Publishing** means creating and producing any material directly related to the practice of law in any format for distribution or sale to others, including preparing materials, or presenting seminars, for continuing legal education credit, provided that such **Publishing** is performed with the knowledge and consent of the **Named Insured**.
- BB. **Related Wrongful Acts** means **Wrongful Acts** which are logically or causally connected by reason of any fact, circumstance, situation, transaction, event, or decision.
- All **Related Wrongful Acts** are a single **Wrongful Act**, and all **Related Wrongful Acts** will be deemed to have been committed at the time the first of such **Related Wrongful Acts** was committed whether prior to or during the **Policy Period**.
- CC. **Title Agent** means an agent of a title insurance underwriter.
- DD. **Wrongful Act** means any:
1. actual or alleged act, error, omission, or **Personal Injury Offense** in the rendering of, or failure to render, **Professional Services** or **Non-Profit Services**;
 2. actual or alleged act, error, omission, or **Personal Injury Offense** in **Publishing**; or
 3. **Network and Information Security Offense**,
- by the **Named Insured** or any **Predecessor Firm**, or by any other **Insured** while acting within the scope of their duties on behalf of the **Named Insured** or any **Predecessor Firm**.

V. **EXCLUSIONS**

A. **Beneficiary Or Distributee Of A Trust Or Estate**

This policy does not apply to any **Claim** based upon or arising out of any **Insured's** capacity as a beneficiary or distributee of any trust or estate.

B. **Claims By An Insured Against Another Insured For Certain Legal Services**

This policy does not apply to any **Claim** by any **Insured** against another **Insured**, provided that this exclusion will not apply to the Company's duty to defend, or to pay **Defense Expenses** for, **Claims** by any **Insured** against another **Insured** that result from any **Insureds** capacity as a lawyer in connection with the following legal services:

1. Estates.
2. Trusts.
3. Probate.
4. Criminal defense.

5. Domestic relations.
6. Residential or commercial real estate closings.

C. Claims By Certain Persons Or Entities

This policy does not apply to any **Claim** brought by or on behalf of, or in the name or right of:

1. the **Non-Profit Entity** or any of its affiliates or subsidiaries;
2. the attorneys' bar association; or
3. the directors, officers or trustees of the **Non-Profit Entity** or attorneys' bar association,

in any **Insured's** rendering of, or failure to render, **Non-Profit Services**, provided that this exclusion will not apply if the **Claim** is made and continued by or on behalf of such **Non-Profit Entity** or attorneys' bar association without the solicitation, assistance, active participation or intervention of such **Non-Profit Entity** or attorneys' bar association or their respective directors, officers or trustees.

D. Contractual Liability

This policy does not apply to any **Claim** based upon or arising out of liability assumed by an **Insured** under any contract or agreement, whether oral or written, except to the extent that the **Insured** would have been liable in the absence of such contract or agreement.

E. Criminal, Dishonest, Fraudulent Or Malicious Conduct

This policy does not apply to any **Claim** based upon or arising out of any criminal, dishonest, fraudulent or malicious conduct, or other willful violation of laws, committed by any **Insured** or by anyone with the consent or knowledge of any **Insured**, provided that this exclusion will not apply to:

1. any **Insured Person** who did not participate in or have knowledge of such conduct or violation; or
2. the Company's duty to defend, or to pay **Defense Expenses** for, any **Claim** for malicious prosecution or abuse of process.

F. Employee Retirement Income Security Act

This policy does not apply to any **Claim** based upon or arising out of any **Insured's** services or capacity as a fiduciary under the Employee Retiree Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if an **Insured** is deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan.

G. Expected Or Intended Failure And Internet Service Interruption

This policy does not apply to any **Claim** based upon or arising out of any **Network and Information Security Offense** that results in:

1. the failure to provide access to the **Named Insured's** website, or the **Named Insured's** computer or communications network, that was expected or intended by the **Insured**; or
2. any Internet service interruption or failure, provided that this exclusion will not apply if the interruption or failure was caused by an **Insured**.

H. Government Demands Or Proceedings

This policy does not apply to any **Claim** based upon or arising out of a **Network and Information Security Offense** and brought by:

1. the Federal Trade Commission;
2. the Federal Communications Commission; or
3. any other federal, national, state, local, or foreign government, agency, or entity,

provided that this exclusion will not apply to any **Claim** made by such entity in its capacity as a customer or client of the **Named Insured**.

I. Intentional Misuse Of Money Or Property

This policy does not apply to any **Claim** based upon or arising out of:

1. any **Insured's** conversion, commingling, defalcation, misappropriation or other intentional misuse or illegal use of funds, money or property;

2. the willful or intentional breach or disregard of any oral or written **Title Agent** underwriting or binding authority by any **Insured**,
in any **Insured's** capacity as a **Title Agent**.

J. Management Capacity

This policy does not apply to any **Claim** based upon or arising out of any **Insured's** capacity as a director or officer of any entity other than the **Named Insured**, provided that this exclusion will not apply to the **Insured's** capacity as a director or officer of a **Non-Profit Entity**.

K. Management Or Equity Interest

This policy does not apply to any **Claim** based upon or arising out of **Professional Services** or **Publishing** for any entity that, at the time of the **Wrongful Act**, any **Insured**, or any **Insured Person's** spouse, individually or collectively with one or more **Insureds**, manages, controls or has an equity interest which exceeds 15%.

L. Public Official Or Government Employee

This policy does not apply to any **Claim** based upon or arising out of any **Insured's** capacity as a public official, or employee of a government body, subdivision or agency, provided that this exclusion will not apply to an **Insured's Professional Services** for such government body, subdivision or agency if:

1. the **Insured** is deemed to be a public official or employee of such government body, subdivision or agency solely because of **Professional Services** to such entity; and
2. the remuneration for such **Professional Services**, if any, inures to the benefit of the **Named Insured**.

M. Securities, Real Estate Or Other Investments

This policy does not apply to any **Claim** based upon or arising out of the promotion, sale or solicitation by any **Insured** of securities, real estate, or other investments.

VI. CONDITIONS

A. SETTLEMENT

The Company will not settle a **Claim** without the consent of the **Named Insured**. The Company may, with the consent of the **Named Insured**, settle or compromise any **Claim**, within the applicable Professional Liability Coverage Limits, as the Company deems expedient. In the event that the Company recommends a settlement offer for any **Claim** that is acceptable to the claimant, and the **Named Insured** refuses to consent to such settlement offer, the Company will not pay more for **Damages** and **Defense Expenses** for such **Claim** than the combined total of:

1. the amount of such proposed settlement offer;
2. the amount of **Defense Expenses** incurred prior to the date the **Named Insured** refused to consent to the proposed settlement offer; and
3. 50% of the amount of **Damages** and **Defense Expenses** incurred in excess of the combined total of the amounts set forth in 1 and 2 of this section above,

provided that the Company will have no obligation to pay **Damages** or any **Defense Expenses**, or to defend or continue to defend any **Claim**, after the applicable Professional Liability Coverage Limit that applies to such **Claim** has been exhausted.

B. OTHER INSURANCE

This policy will apply only as excess insurance over, and will not contribute with, any other valid and collectible insurance available to the **Insured**, including any insurance under which there is a duty to defend, unless such insurance is written specifically excess of this policy by reference in such other insurance to this policy. This policy will not be subject to the terms of any other insurance.

C. DEDUCTIBLE

The following is added to section I. DEDUCTIBLE of the Professional Liability Terms and Conditions:

If the Company and the first **Named Insured** agree to the final settlement of a **Claim** with the claimant during the initial voluntary mediation of that **Claim** or within 30 days after participation in such mediation, the first **Named Insured's** Deductible obligation for such **Claim** will be reduced by 50% subject to a maximum reduction of \$25,000. Deductible payments made prior to the application of the above credit will be reimbursed within 30 days of the resolution of the **Claim**. This reduction does not apply to any **Claim** resolved through voluntary or involuntary arbitration.

No Deductible will apply to **Damages** or **Defense Expenses** for **Claims** that result from the rendering of, or failure to render, pro-bono services in the **Insured's** capacity as a lawyer.

D. LIMITS

The following is added to section II. LIMITS of the Professional Liability Terms and Conditions:

2. Publishing and Non-Profit Services Coverage Limits

Regardless of the number of persons or entities bringing **Claims** or the number of persons or entities who are **Insureds**:

- a. the Company's maximum limit of liability for **Damages** and **Defense Expenses**, for each **Claim** made during the **Policy Year** that results from **Publishing** or the rendering of, or failure to render, **Non-Profit Services** will not exceed the Publishing and Non-Profit Services Coverage Limit for each **Claim** set forth in ITEM 5 of the Declarations;
- b. the Company's maximum limit of liability for all **Damages** and **Defense Expenses**, for all **Claims** made during the **Policy Year** that result from **Publishing** or the rendering of, or failure to render, **Non-Profit Services** will not exceed the Publishing and Non-Profit Services Coverage Limit for all **Claims** set forth in ITEM 5 of the Declarations; and
- c. the Company's maximum limit of liability for all **Damages** and **Defense Expenses**, for all **Claims** made during the **Optional Reporting Period**, if applicable, that result from **Publishing** or the rendering of, or failure to render, **Non-Profit Services** will not exceed the remaining Publishing and Non-Profit Services Liability Coverage Limits for the last **Policy Year** in effect at the time this **Professional Liability Policy** is cancelled or not renewed;

provided that if the Professional Services and Network and Information Security Offenses Coverage Limits are exhausted by the payment of amounts covered under this policy, the Company will have no further obligation to make any payments under the Publishing and Non-Profit Services Coverage Limits.