



Managed Care Organization

Errors and Omissions Liability Policy

Executive Risk Specialty Insurance Company

Home Office:

82 Hopmeadow Street
Simsbury, Connecticut 06070-7683
860.408.2000

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

EXECUTIVE RISK SPECIALTY INSURANCE COMPANY

MANAGED CARE ORGANIZATION ERRORS AND OMISSIONS LIABILITY POLICY

Executive Risk Specialty Insurance Company (the "Underwriter") and the Insureds, subject to all of the terms, conditions and limitations of this Policy and any endorsements thereto, agree as follows:

I. INSURING AGREEMENT

The Underwriter will pay on behalf of any **Insured Loss** which the **Insured** is legally obligated to pay as a result of any **Claim** for a **Wrongful Act** that is first made against the **Insured** during the **Policy Period** and is reported to the Underwriter in writing during the **Policy Period** or within sixty (60) days after the end of the **Policy Period** or, if purchased, the Extended Reporting Period. As part of and subject to the Limit of Liability stated in ITEM 3 of the Declarations, the Underwriter will have the right and duty to defend any **Claim** made against any **Insured** which is covered by this Policy, even if any of the allegations of such **Claim** are groundless, false, or fraudulent.

II. DEFINITIONS

Whenever used in this Policy:

- (A) "**Claim**" means any written demand received by an **Insured** for monetary damages resulting from a **Wrongful Act**;
- (B) "**Defense Expenses**" means reasonable legal fees, costs, and expenses incurred in the investigation, adjustment, defense, or appeal of a **Claim**; but **Defense Expenses** shall not include remuneration, salaries, overhead, fees, or benefit expenses of any **Insured**;
- (C) "**Employment Practices**" means any of the following: breach of any employment contract; failure or refusal to hire or employ; dismissal, discharge, or termination of employment, whether actual or constructive; demotion, reassignment, failure or refusal to promote, or deprivation of career opportunity; discipline of employees; evaluation of employees; discrimination or harassment of any kind or on any basis affecting an employee or applicant for employment; failure to provide benefits or accommodations; humiliation or defamation of any employee or applicant for employment; retaliatory treatment against an employee arising out of the employee's attempted or actual exercise of the employee's rights under the law; employment-related misrepresentations; and failure to implement appropriate workplace or employment policies and procedures;
- (D) "**Insured**" means any of the following: the **Named Insured**; any **Insured Entity**; and any **Insured Person**;
- (E) "**Insured Entity**" means any of the following: the **Named Insured**; and any other organization or entity designated on SCHEDULE A;
- (F) "**Insured Person**" means any past, present, or future employee, director, officer, trustee, member manager, governor, medical director, individual while serving on or providing administrative support to any formal duly constituted professional review board or committee, or volunteer of an **Insured Entity**, but only while acting within the scope of that person's duties or capacity as such; and, in the event of

the death, incapacity, or bankruptcy of any such person, the estate, heirs, legal representatives, or assigns of such person;

- (G) **"Loss"** means **Defense Expenses** and any monetary amount in excess of the applicable Retention and not exceeding the Limit of Liability which an **Insured** is legally obligated to pay as a result of a **Claim**; but **Loss** shall not include: (1) punitive or exemplary damages; (2) the amount of any multiplied damage award which is in excess of the damage award so multiplied; (3) fines, penalties, or taxes; (4) amounts, benefits, or coverages owed to any enrollee, member, subscriber, or client under any contract, health care plan, insurance policy, reinsurance policy, or plan or program of self-insurance; (5) amounts owed to any provider of **Medical Services** under any contract; (6) non-monetary relief or redress in any form other than monetary compensation or monetary damages, including without limitation the cost of complying with any injunctive, declaratory, or administrative relief; and (7) matters which are uninsurable under applicable law;
- (H) **"Managed Care Organization Business Activities"** means services or activities performed in the administration or management of health care plans; **Provider Selection**; **Utilization Review**; case management; disease management; advertising, marketing, or selling health care plans or health care products; handling, investigating, or adjusting claims for benefits or coverages under health care plans; establishing health care provider networks; and reviewing the quality of **Medical Services** or providing quality assurance;
- (I) **"Medical Services"** means health care, medical care, or treatment provided to any individual, including without limitation any of the following: medical, surgical, dental, psychiatric, mental health, chiropractic, osteopathic, nursing, or other professional health care; the furnishing or dispensing of medications, drugs, blood, blood products, or medical, surgical, dental, or psychiatric supplies, equipment, or appliances in connection with such care; the furnishing of food or beverages in connection with such care; the providing of counseling or other social services in connection with such care; and the handling of, or the performance of post-mortem examinations on, human bodies; but **Medical Services** shall not be deemed to be **Managed Care Organization Business Activities**;
- (J) **"Named Insured"** means the entity designated in ITEM 1 of the Declarations;
- (K) **"Policy Period"** means the period from the Inception Date of this Policy stated in ITEM 2(a) of the Declarations to the Expiration Date of this Policy stated in ITEM 2(b) of the Declarations, or to any earlier cancellation date of this Policy;
- (L) **"Provider Selection"** means the process of evaluating, selecting, credentialing, or performing peer review of any provider of **Medical Services** by an **Insured**;
- (M) **"Related Claims"** means all **Claims** for **Wrongful Acts** based on, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions, or events or the same or related series of facts, circumstances, situations, transactions, or events whether related logically, causally, or in any other way;
- (N) **"Security"** means a security of any nature whatsoever, including without limitation stocks, shares, bonds, debentures, options, derivatives, partnership interests, limited liability company interests, any other forms of debt or equity instrument, and any other forms of ownership interest;
- (O) **"Sexual Misconduct"** means any conduct, physical acts, gestures, or spoken or written words of a sexual nature, including without limitation sexual intimacy (even if consensual), sexual molestation, sexual assault, sexual battery, sexual abuse, sexual harassment, sexual exploitation, and any sexual act;
- (P) **"Utilization Review"** means the process of evaluating the appropriateness, necessity, or cost of **Medical Services** for purposes of determining whether payment or coverage for such **Medical Services** will be authorized or paid for under any health care plan. **Utilization Review** shall include

prospective review of proposed payment or coverage for **Medical Services**, concurrent review of ongoing **Medical Services**, and retrospective review of already rendered **Medical Services** or already incurred costs; and

- (Q) "**Wrongful Act**" means (1) any actual or alleged act, error, or omission in the performing of or failure to perform **Managed Care Organization Business Activities** by any **Insured** or by any individual or entity for whose acts, errors, or omissions an **Insured** is legally responsible; or (2) any actual or alleged act, error, or omission in the rendering of or failure to render **Medical Services** by an individual or entity who is not an **Insured**, but whose acts, errors, or omissions are attributed to the **Insured**; but **Wrongful Act** shall not include such non-**Insured's** own direct liability for rendering or failing to render **Medical Services**.

III. EXCLUSIONS

- (A) Except for **Defense Expenses**, the Underwriter shall not pay **Loss** for **Claims** brought about or contributed to in fact (1) by any dishonest, fraudulent, criminal, intentional or malicious act, error or omission by any **Insured**; (2) by any willful violation of any law, statute, ordinance, rule, or regulation by any **Insured**; or (3) by any **Insured** gaining any profit, remuneration or advantage to which such **Insured** was not legally entitled. For the purposes of determining the applicability of this EXCLUSION (A), no **Wrongful Act** of any **Insured Person** shall be imputed to any other **Insured Person**. Further, each **Insured** agrees that, if it is finally established that the Underwriter has no liability to an **Insured** for **Loss** in connection with any **Claim** by reason of this EXCLUSION (A), such **Insured** shall repay the Underwriter upon demand all **Defense Expenses** paid on behalf of such **Insured** in connection with such **Claim**.
- (B) The Underwriter shall not pay any **Loss**, including **Defense Expenses**, for **Claims** for any actual or alleged act, error, or omission in the rendering of or failure to render **Medical Services** by an **Insured**; but this EXCLUSION (B) shall not apply to **Defense Expenses** for a **Claim** that alleges that an **Insured's Managed Care Organization Business Activities** are **Medical Services** unless it is established that such **Managed Care Organization Business Activities** are, in fact, **Medical Services**, each **Insured** shall repay the Underwriter upon demand all **Defense Expenses** paid on behalf of such **Insured** in connection with such **Claim**.
- (C) The Underwriter shall not pay any **Loss**, including **Defense Expenses**, for **Claims**:
- (1) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged **Sexual Misconduct** by an **Insured**;
 - (2) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged (a) damage to or destruction of any tangible property, including loss of use thereof whether or not resulting from damage or destruction; (b) ownership, operation, use, maintenance, loading, or unloading of any motor vehicle, trailer, watercraft, aircraft, or helipad;
 - (3) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged infringement of patent, copyright, title, trademark, service mark, or slogan;
 - (4) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged bodily injury, sickness, disease, or death to any employee of any **Insured** arising out of and in the course of employment by the **Insured**; or any obligation for which the **Insured** in its capacity as an employer and/or its insurer may be held liable under any worker's compensation, unemployment compensation, disability benefits law, or any similar law;

- (5) made by, on behalf or in the name or right of, or for the benefit of any **Security** holder of an **Insured Entity** in the holding, offering, sale or purchase of any **Security** holder's interest as a **Security** holder;
- (6) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Employee Retirement Income Security Act of 1974 or similar provisions of any federal, state, or local law, or any amendments thereto, or any rules and regulations promulgated thereunder; but this EXCLUSION (C)(6) shall apply only to an **Insured** with respect to its capacity as a fiduciary or plan sponsor of an employee benefit plan or trust;
- (7) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any action or proceeding brought by or on behalf of any federal, state, or local governmental, regulatory, or administrative agency, whether such action or proceeding is brought in the name of such agency, or by or on behalf of such agency in the name of any other individual or entity;
- (8) made by, on behalf or in the name or right of, or for the benefit of any **Insured** against any **Insured**; but this EXCLUSION (C)(8) shall not apply to **Provider Selection** or **Utilization Review**;
- (9) for any actual or alleged liability of any **Insured** under any contract or agreement; but this EXCLUSION (C)(9) shall not apply to the extent that liability would have attached to the **Insured** and would have been insured by this Policy even in the absence of such contract or agreement;
- (10) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged (1) insolvency, bankruptcy, conservatorship, rehabilitation, receivership, liquidation, or financial inability to pay of (a) any **Insured** acting as an insurer or reinsurer or (b) any other insurer, reinsurer, self-insurer, third party payor, managed care organization, health care plan, or other person or entity; (2) financial inability of any **Insured** to perform **Managed Care Organization Business Activities**; (3) failure to obtain, effect, or maintain any form, policy, plan or program of insurance, stop loss or provider excess coverage, reinsurance, self-insurance, suretyship, or bond; (4) commingling or mishandling of funds; and (5) failure to collect or pay premiums, commissions, brokerage charges, fees, or taxes;
- (11) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event, or **Wrongful Act** or series of facts, circumstances, situations, transactions, events, or **Wrongful Acts** (a) which underlies or is alleged in any litigation or administrative or regulatory proceeding brought prior to and/or pending as of the Inception Date stated in ITEM 2(a) of the Declarations; or (b) which was the subject of any notice given prior to the Inception Date under any other policy of insurance or plan or program of self-insurance; or (c) which was the subject of any **Claim** made prior to the Inception Date;
- (12) against any subsidiary designated on SCHEDULE A or its **Insured Persons** acting in their capacity as such, which are based upon, arise out of, directly or indirectly result from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event, or **Wrongful Act** or series of facts, circumstances, situations, transactions, events, or **Wrongful Acts** happening before the date such entity became a subsidiary;
- (13) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged service of any **Insured Person** as an employee, director, officer, trustee, member, member manager, governor, medical director, member of any duly constituted review board or committee, or volunteer of any entity other than an **Insured Entity**, even if directed or requested by an **Insured Entity** to serve in such capacity for such other entity; and

- (14) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged: (a) discrimination; (b) **Employment Practices**; or (c) violation of any federal, state, or local antitrust restraint of trade, unfair competition, or price-fixing law, or any rules or regulations promulgated thereunder; but this EXCLUSION (C)(14) shall not apply to **Provider Selection** or **Utilization Review** activities.

IV. CONDITIONS

(A) Limit of Liability:

- (1) The amount stated in ITEM 3 of the Declarations shall be the Underwriter's maximum aggregate Limit of Liability under this Policy for all **Loss**, including **Defense Expenses**, resulting from all **Claims** for which this Policy provides coverage, regardless of whether such **Claims** are made during the **Policy Period** or during the Extended Reporting Period, and regardless of the time of payment by the Underwriter. **Defense Expenses** are part of, included in, and not in addition to the Underwriter's Limit of Liability, and payment of **Defense Expenses** by the Underwriter shall reduce such Limit of Liability.
- (2) The **Underwriter** shall be obligated to pay only **Loss** which is in excess of the applicable Retention stated in ITEM 4 of the Declarations. The **Insured** shall pay the Retention. The Underwriter shall have no obligation to pay any portion of the Retention amount, although the Underwriter shall, at its sole discretion, have the right and option to do so, in which event the **Insureds** agree to repay the Underwriter for any amounts so paid. The Retention shall apply to all **Loss**, including **Defense Expenses**.
- (3) After the Underwriter's maximum aggregate Limit of Liability stated in ITEM 3 of the Declarations has been exhausted by payment of **Loss**, including **Defense Expenses**, all of the Underwriter's obligations under this Policy shall be completely fulfilled, and the Underwriter shall have no further obligation to pay any **Loss**, including **Defense Expenses**, or to undertake or continue the investigation or defense of any **Claim**. If the Limit of Liability is exhausted by payment of **Loss**, including **Defense Expenses**, the premium will be fully earned.

(B) Reporting of Claims and Circumstances:

- (1) If during the **Policy Period** or any Extended Reporting Period any **Claim** is first made against any **Insured**, as a condition precedent to its right to any coverage under this Policy, the **Insured** shall give the Underwriter written notice of such **Claim** as soon as practicable thereafter, but in no event later than sixty (60) days after the end of the **Policy Period**, or if purchased, the Extended Reporting Period.
- (2) If during the **Policy Period** the **Insured** first becomes aware of any **Wrongful Act** which may subsequently give rise to a **Claim**, and (a) gives the Underwriter written notice of such **Wrongful Act** with full particulars as soon as practicable thereafter but in any event before the end of the **Policy Period**, and (b) requests coverage under this Policy for any **Claim** subsequently arising from such **Wrongful Act** as soon as practicable after such **Claim** is made, then any **Claim** not otherwise excluded by this Policy subsequently made against the **Insured** arising out of such **Wrongful Act** shall be treated as if it had been first made during the **Policy Period**. Notice of such **Wrongful Act** shall give full particulars, including a description of the **Wrongful Act**, the identities of the potential claimants and involved **Insureds**, the injury or damages which may result from such **Wrongful Act**, the manner in which the **Insured** first became aware of such **Wrongful Act**, and the reasons why the **Insured** believes the **Wrongful Act** is likely to result in a **Claim** being made.

(C) Related Claims Deemed Single Claim; Date Claim Made:

All **Related Claims**, whenever made, shall be deemed to be a single **Claim** and shall be deemed to have been first made at the earliest of the following times: (1) the time the earliest **Claim** within such **Related Claims** was received by the **Insured**, or (2) the time at which written notice was first given to the Underwriter of the **Wrongful Act** which subsequently gave rise to any of the **Related Claims**, regardless of the number and identity of claimants, the number and identity of **Insureds** involved, and the number and timing of the **Related Claims**, even if the **Related Claims** comprising such single **Claim** were made in more than one **Policy Period**.

(D) Defense and Settlement:

No **Insured** shall, except at its own cost, incur any expense, make any payment, admit liability for, or settle any **Claim** without the Underwriter's written consent. The Underwriter shall have the right to investigate, direct the defense, and conduct settlement negotiations as it deems appropriate. The Underwriter may make any settlement of any **Claim** which it deems appropriate, subject to the **Insured's** consent. However, if the **Insured** refuses to consent to a settlement recommended by the Underwriter, the **Insured** shall thereafter defend such **Claim** at its own expense independently of the Underwriter, and the Underwriter's liability for all **Loss** in respect of such **Claim** shall not exceed the amount for which the **Claim** could have been settled by the Underwriter plus **Defense Expenses** incurred up to the date the **Insured** refused to consent to settlement.

(E) Assistance and Cooperation:

In the event of a **Claim**, the **Insureds** shall provide the Underwriter with all information, assistance, and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insureds** shall assist in investigating, defending, and settling **Claims** and in the conduct of actions, suits, appeals or other proceedings, including but not limited to attending trials, hearings, and depositions, securing and giving evidence, and obtaining the attendance of witnesses.

(F) Subrogation:

In the event of any payment hereunder, the Underwriter shall be subrogated to the extent of any payment to all of the rights of recovery of the **Insureds**. The **Insureds** shall execute all papers and do everything necessary to secure such rights, including the execution of any documents necessary to enable the Underwriter effectively to bring suit in their name. The **Insureds** shall do nothing that may prejudice the Underwriter's position or potential or actual rights of recovery. The obligations of the **Insureds** under this CONDITION (F) shall survive the Policy.

(G) Other Insurance; Other Indemnification:

This Policy shall be excess of and shall not contribute with (1) any other existing insurance or self-insurance, unless such other insurance or self-insurance is specifically stated to be in excess of this Policy, and (2) any indemnification to which an **Insured** is entitled from any entity other than the **Insured Entity**. This Policy shall not be subject to the terms of any other policy of insurance or plan or program of self-insurance.

(H) Mergers, Acquisitions, or Newly Created Entities:

If during the **Policy Period** the **Named Insured** or any **Insured Entity** acquires or creates another entity or subsidiary or becomes a member of a joint venture or partner in a partnership which is not designated on SCHEDULE A, or if the **Named Insured** or any **Insured Entity** merges or consolidates with another entity which is not designated on SCHEDULE A such that the **Insured Entity** is the surviving entity (any of which events is referred to as a "transaction" in this CONDITION (H)), the Underwriter shall have the option of providing coverage in respect of such entity or subsidiary, and no coverage shall be afforded under this Policy for any **Claim** in any way involving the entity or subsidiary which is acquired, created, merged or consolidated with, unless (1) the **Named Insured** gives the Underwriter notice of such transaction as soon as possible, but in no event later than sixty (60) days after the effective date of the transaction; (2) the **Named Insured** gives the Underwriter such information regarding the transaction as the Underwriter requests; and (3) the Underwriter has specifically agreed by written endorsement to this Policy to provide coverage in respect to such entity or subsidiary and the **Named Insured** accepts any terms, conditions, exclusions, limitations, and additional premium as the Underwriter, at its sole discretion, imposes. If the Underwriter, in its sole discretion, elects to provide coverage in respect of such entity or subsidiary, this Policy shall not apply to, and the Underwriter shall not pay any **Loss**, including **Defense Expenses**, for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** by such entity or subsidiary or any **Insured Person** thereof happening before (a) the effective date of the transaction or (b) the effective date of coverage under this Policy for such entity or subsidiary as set forth in an endorsement to be issued to extend coverage to such entity or subsidiary, whichever is later.

(I) Sales or Dissolution of Insured Entities; Cessation of Business:

- (1) If during the **Policy Period** the **Named Insured** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **Named Insured** is not the surviving entity, or if any person, entity, or affiliated group of persons or entities obtains: (a) the right to elect or appoint more than fifty percent (50%) of the **Named Insured's** directors or trustees, or member managers, as applicable, or (b) more than fifty percent (50%) of the **Named Insured's** equity or assets, or if the **Named Insured** ceases to do business for any reason, or if a receiver, liquidator, conservator, trustee, rehabilitator, or similar administrator is appointed for the **Named Insured** (any of which events is referred to as a "Transaction" in this CONDITION (I)(1)), coverage under this Policy for all **Insureds** shall continue in full force and effect until the Expiration Date or any earlier cancellation date, but this Policy shall apply only to **Wrongful Acts** committed or allegedly committed before the effective date of such Transaction. This Policy shall not apply to, and the Underwriter shall not pay any **Loss**, including **Defense Expenses**, for any **Claim** by any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** committed or allegedly committed on or after the effective date of such Transaction.
- (2) If during the **Policy Period**, any **Insured Entity** other than the **Named Insured** is involved in a Transaction, coverage under this Policy for such **Insured Entity** and its **Insured Persons** shall continue in full force and effect until the Expiration Date or any earlier cancellation date, but this Policy shall apply only to **Wrongful Acts** for such **Insured Entity** and its **Insured Persons** committed or allegedly committed before the effective date of such Transaction. This Policy shall not apply to, and the Underwriter shall not pay any **Loss**, including **Defense**

Expenses, for any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of or in any way involving any **Wrongful Act** of such **Insured Entity** or its **Insured Persons** committed or allegedly committed on or after the effective date of such Transaction. Coverage under this Policy shall continue in full force and effect for all other **Insureds**.

(J) Cancellation; Non-Renewal:

- (1) The Underwriter may not cancel this Policy except for the **Named Insured's** failure to pay a premium when due, in which case twenty (20) days' written notice will be given to the **Named Insured** by the Underwriter.
- (2) The **Named Insured** may cancel this Policy only by mailing the Underwriter written notice stating when such cancellation shall be effective. In such event, the earned premium shall be computed in accordance with the customary short rate table and procedure. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (3) The Underwriter will not be required to renew this Policy upon its expiration.

(K) Extension of Coverage; Extended Reporting Period:

If this Policy is canceled for any reason other than non-payment of premium or is not renewed by the Underwriter or the **Named Insured**, the **Named Insured** shall have the right to purchase an extension of the coverage granted by this Policy for a period (the "Extended Reporting Period") of three (3) years after the date such cancellation or non-renewal takes effect (the "Termination Date"), but such coverage shall apply only to **Wrongful Acts** which happened before the Termination Date for which a **Claim** is first made against an **Insured** during the Extended Reporting Period. The **Named Insured** may exercise such right to purchase an extension of coverage only if it notifies the Underwriter in writing by Certified Mail within thirty (30) days after the Termination Date. The additional premium for such an extension of coverage shall be equal to one hundred fifty percent (150%) of the total premium for the **Policy Period** stated in ITEM 5 of the Declarations, and must be paid within thirty (30) days after the Termination Date. The purchase of such an extension of coverage shall not in any way increase the Underwriter's Limit of Liability as stated in ITEM 3 of the Declarations; and the Underwriter's maximum aggregate Limit of Liability for all **Loss** from all **Claims** first made during the **Policy Period** or the Extended Reporting Period shall not exceed the Limit of Liability stated in ITEM 3 of the Declarations. The offer of renewal terms, conditions, limits of liability, retentions, or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this provision.

(L) Representation; Incorporation of Application:

The **Insureds** represent that the particulars and statements contained in the Application attached to this Policy are true, accurate, and complete, and agree that: (1) this Policy is issued and continued in force by the Underwriter in reliance upon the truth of such representation; (2) those particulars and statements are the basis of this Policy; and (3) the Application and those particulars and statements are incorporated in and form a part of this Policy. No knowledge or information possessed by any **Insured** shall be imputed to any other **Insured** for the purposes of this CONDITION (L), except for material facts or information known to the person or persons who signed the Application. In the event of any material untruth, misrepresentation, or omission in connection with any of the particulars or statements in the Application, this Policy shall be void with respect to any **Insured** who knew of such untruth, misrepresentation, or omission, or to whom such knowledge is imputed.

(M) Action Against Underwriter:

- (1) No action shall be taken against the Underwriter by any **Insured** unless, as conditions precedent thereto, the **Insured** has fully complied with all of the terms of this Policy and the amount of the **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after adjudicatory proceedings, or by written agreement of the **Insured**, the claimant, and the Underwriter.
- (2) No individual or entity shall have any right under this Policy to join the Underwriter as a party to any **Claim** to determine the liability of any **Insured**; nor shall the Underwriter be impleaded by an **Insured** or his, her, or its legal representative in any such **Claim**.

(N) Insolvency of Insured:

Subject to EXCLUSION (C)(10), the Underwriter shall not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any of the **Insureds** or any of their estates.

(O) Notice; Named Insured Authorization:

- (1) Notice to any **Insured** shall be sent to the **Named Insured** at the address designated in ITEM 1 of the Declarations. The **Insureds** agree that the **Named Insured** shall act on their behalf with respect to receiving any notices and any return premiums from the Underwriter.

(2) Notice to the Underwriter shall be sent to the address designated in ITEM 6 of the Declarations.

(P) Changes:

Notice to or knowledge possessed by any agent or other person acting on behalf of the Underwriter shall not effect a waiver or change in any part of this Policy or estop the Underwriter from asserting any right under this Policy. This Policy can only be altered, waived, or changed by written endorsement issued to form a part of this Policy.

(Q) Assignment:

No assignment of interest under this Policy shall bind the Underwriter without its written consent issued as an endorsement to form a part of this Policy.

(R) Entire Agreement:

The **Insureds** agree that this Policy, including the Application, Declarations, and any endorsements, constitutes the entire agreement between them and the Underwriter or any of the Underwriter's agents relating to this insurance.

(S) Headings:

The descriptions in the headings and sub-headings of this Policy are solely for convenience, and form no part of the terms and conditions of coverage.

In witness whereof, the Underwriter has caused this Policy to be executed on the Declarations Page.


Secretary


Co-Chairman