

Policy No.

Agent No.

**MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE
POLICY
DECLARATIONS**

THIS IS A CLAIMS-MADE AND REPORTED POLICY. **CLAIM EXPENSES** ARE INCLUDED IN THE LIMIT OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

All words or phrases (other than captions) printed in **bold face** are defined in the policy.

Item 1. **Named Insured:**

Item 2. Mailing address:

SPECIMEN

Item 3. Policy Period: From: 12:01 A.M. standard time at the
To: address of the **Named Insured**

Item 4. **Professional Services:**

Solely in the performance of services as a _____ for others for a fee.

Item 5. Limits of Liability:

a. Each **Claim**

b. Each **Policy Period** Aggregate

Item 6. Deductible Amount:

Item 7. Retroactive Date:

Item 8. If checked, coverage for punitive damages is provided.
(Pursuant to the terms and conditions of **SECTION II G. 1. b.**)

Item 9. Premium:

Item 10. Producer:

Mailing Address:

Item 11. Forms and Endorsements forming a part of this policy at issuance:

Authorized Representative

MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE POLICY

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

THROUGHOUT THIS POLICY ALL WORDS OR PHRASES (OTHER THAN CAPTIONS) PRINTED IN **BOLDFACE** ARE DEFINED IN THE POLICY.

In consideration of the payment of premium and in reliance on the statements made and information furnished to the Company shown on the Declarations, hereinafter the Insurer, including the statements made in the **Application** which are deemed a part of this Policy, and subject to the Limit of Liability stated in Item 5 of the Declarations and all terms and conditions of this Policy, the Insurer and the **Insured** agree as follows:

SECTION I. INSURING AGREEMENTS

A. Errors & Omissions Coverage

The Insurer will pay on behalf of the **Insured** all sums in excess of the Deductible amount which the **Insured** becomes legally obligated to pay as **Damages** resulting from any covered **Claim** first made against the **Insured** and reported to the Insurer in writing during the **Policy Period** or **Extended Reporting Period**, if applicable, for any **Wrongful Act** of the **Insured**, or someone for whose **Wrongful Acts** the **Insured** is legally responsible; provided, however that such **Wrongful Act** was committed or allegedly committed on or after the **Retroactive Date**.

B. Judgments, Settlements, Claim Expenses and Policy Territory

The Insurer shall have the right and duty to appoint an attorney and defend, subject to and a part of the limits of liability, any covered **Claim** even if such **Claim** is groundless, false or fraudulent. Notwithstanding the above, the **Insured** may appoint an attorney to defend a **Claim**, if at the sole discretion of the Insurer, the Insurer consents to the appointment in writing. The **Insured** shall not admit liability, settle any **Claim** or incur any **Claim Expenses** without the written consent of the Insurer.

The Insurer shall investigate and may solicit settlement offers for any covered **Claim** it deems reasonable. No offer to settle a **Claim** shall be accepted without the written consent of the **Insured**, which shall not be unreasonably withheld.

The Insurer shall not be obligated to pay any **Damages** or **Claim Expenses** or continue to defend the **Insured** after the applicable Limit of Liability has been exhausted. The insurance afforded by this Policy applies worldwide, provided that the **Claim** is or suit is brought within the United States, its territories or possessions or Canada.

SECTION II. DEFINITIONS

A. **Application** means the signed application for this Policy including any attachments and other materials submitted in conjunction with the signed application (which shall be maintained on file by the **Insurer** and be deemed attached to this Policy as if physically attached to this Policy), and, in the event that this Policy is a renewal or replacement of a previous policy or policies issued by the **Insurer**, all such other signed applications which were attached to and became a part of these previous policies.

- B. Affiliate** means any person or entity, which is related to any **Insured** through common ownership, control or management. **Affiliate** shall not include **Subsidiary**.
- C. Bodily Injury** means physical injury, sickness or disease sustained by a person, including death; **Bodily Injury** also means mental injury, mental anguish, emotional distress, pain or suffering, or shock sustained by a person, as a result of **Bodily Injury**.
- D. Breach of Confidentiality** means the **Insured's** unintentional disclosure of confidential or proprietary information but does not include unauthorized access to the **Insured's** computer software network by any person.
- E. Claim** means any written notice received by the **Insured** for **Damages** or demand for nonmonetary relief alleging the **Insured** committed a **Wrongful Act**.

F. Claim Expenses means:

1. all reasonable and necessary expenses (including attorneys' and expert witness' fees) incurred by or on behalf of the Insurer in the defense and appeal, investigation and settlement of a **Claim**;
2. all other reasonable and necessary fees, costs and expenses incurred by the **Insured** with the written approval of the Insurer; and
3. premiums on appeal bonds, attachment bonds or similar bonds; however, the Insurer is not obligated to apply for or furnish any such bonds.

Claim Expenses shall not include salaries, wages or expenses of **Individual Insureds** or loss of earnings of the **Insured**.

Note: All **Claim Expenses** are included within the Limit of Liability .

G. 1. Damages means:

- a. a monetary judgment or award the **Insured** is legally obligated to pay for any covered **Claim** (including any pre- or post-judgment interest) or a settlement negotiated by the **Insurer** with the consent of the **Insured**;
- b. if Item 8 of the Declarations is checked, punitive and/or exemplary damages unless such damages are uninsurable under the law pursuant to which the policy is construed. The enforceability of this section shall be governed by such applicable law that most favors coverage for punitive damages.

2. Damages does not include any of the following:

- a. fines, penalties, taxes, sanctions or that portion of any multiplied damages award which exceeds the damage award so multiplied;
- b. the return or restitution of profits, fees, commissions or charges for goods provided or services rendered; or
- c. any other damages deemed uninsurable by law.

H. E-Professional Services means **Professional Services** performed electronically utilizing the internet or a network of two or more computers.

I. Extended Reporting Period means that period described in **Section VI** of this Policy.

J. Individual Insured(s) means:

1. any past, present or future partner, director, officer, stockholder, member, management committee member, member of a board of management or employee of the **Insured Company** only for acts within the scope of their duties for the **Insured** or as a result of their status within the **Insured Company** for stockholders;

2. any independent contractor of the **Insured Company** but only for **Professional Services** performed on behalf of and at the direction of the **Insured Company**.

K. Insured(s) means:

1. the **Individual Insured(s)**;
2. the **Insured Company**.

L. Insured Company means:

1. the **Named Insured**;
2. any **Subsidiary**;
3. a **Joint Venture**, only for the **Insured's** legal liability for its participation in such **Joint Venture** and only with respect to **Wrongful Acts** committed or allegedly committed by the **Insured**; coverage will not be provided to the **Joint Venture** itself or any other entity or individual that is part of the **Joint Venture**.

M. Joint Venture means a business endeavor between the **Insured** and one or more entities or individuals for which the **Insured** is performing **Professional Services**.

N. Named Insured means the individual, corporation, partnership, limited liability company, limited partnership, or other entity named in Item 1 of the Declarations.

O. Personal Injury means injury, other than **Bodily Injury**, arising out of one or more 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, committed by or on behalf of its owner, landlord, or lessor;
4. Oral or written publication of material that slanders or libels a person or organization or disparages a person's or organization's goods, products or services; or
5. Oral or written publication of material that violates a person's right of privacy.

P. Policy Period means the period of time specified in Item 3 of the Declarations.

Q. Pollutants means any solid, liquid, gaseous or thermal irritant, contaminant or toxin, including but not limited to smoke, vapor, soot, fumes, acids, alkalis, chemicals, metals, silica, lead, lead compounds or materials containing lead, radon, asbestos, electromagnetic radiation, or waste of any like substances. In addition to pollutants to be disposed of, waste also includes materials to be recycled, reconditioned or reclaimed.

The term electromagnetic radiation includes but is not limited to magnetic energy, waves, fields or forces generated, produced, distributed, transmitted or maintained by the charges, currents, frequencies, energy or forces of electricity that are generated, flowing or otherwise transmitted through or via the medium, methods and equipment designed to generate, produce, distribute, transport or transmit the electrical charges, currents, frequencies, energy or forces.

R. Professional Services means only those services provided to others, performed by or on behalf of the **Insured** and specified in Item 4 of the Declarations.

S. Property Damage means physical damage to or destruction of any property including the loss of use thereof.

T. Subsidiary means any entity identified in the **Application** of which the **Named Insured** owns on or before the **Policy Period** more than 50% of the issued and outstanding voting securities, either directly or indirectly, through one or more of its **Subsidiaries**.

U. Retroactive Date means the date specified in Item 7 of the Declarations.

V. **Wrongful Act** means any actual or alleged breach of duty, neglect, act, error, omission, **Personal Injury** or **Breach of Confidentiality** committed solely in the performance of the **Professional Services** or **E-Professional Services** of the **Insured**.

SECTION III. EXTENSIONS

A. Estates, Heirs, and Legal Representatives

In the event of the death or incapacity of an **Individual Insured** or the bankruptcy of an **Insured**, any **Claim** made against any of the heirs, executors, administrators, trustees in bankruptcy, assigns and legal representatives of any **Insured**, based upon actual or alleged **Wrongful Acts** of such **Insured**, shall be deemed to be a **Claim** against such **Insured** for the purposes of this Policy.

B. Marital Spousal Liability

If a **Claim** against the lawful spouse (whether such status is derived by reason of statutory law, common law, or otherwise of any applicable jurisdiction in the world) of any **Individual Insured** is alleged solely as a result of:

1. such spouse's status as spouse of any **Individual Insured**; or
2. such spouse's ownership interest in property which the claimant seeks as recovery for actual or alleged **Wrongful Acts** of any **Individual Insured**;

then, such claim shall be deemed a **Claim** against the **Individual Insured** for the purpose of this Policy; provided, however, that no coverage will be provided for any claim for any actual or alleged **Wrongful Act** of the spouse and that this Policy shall only apply to actual or alleged **Wrongful Acts** of the **Insureds** subject to the terms, conditions, limitations, restrictions and exclusions of this Policy.

C. Supplemental Payments

The **Insurer** will pay the reasonable expenses incurred by the **Insured**, including loss of wages, if the **Insured** is required by the **Insurer** to attend arbitration proceedings or trial in the defense of a covered **Claim**. Such payments made by the Insurer are subject to the following:

1. The maximum reimbursement for such expenses shall not exceed \$250 per day for each **Insured** who attends such proceedings at the Insurer's request.
2. The Insurer's maximum liability for such reimbursement shall not exceed \$5,000 per **Claim** regardless of the number of **Insureds** who attend such proceedings at the Insurer's request.
3. Such payments shall not reduce the available Limit of Liability.
4. The Deductible amount applicable to each **Claim** including **Claim Expenses** shall not apply to payments described above.

SECTION IV. EXCLUSIONS

This Policy does not apply to:

- A. any **Claim** alleging fraud, dishonesty or criminal acts or omissions or those of a knowingly wrongful nature; provided, however, this exclusion shall not apply:
 1. to **Claim Expenses** unless and until such time that a jury, court, arbitrator or legal admission or other final adjudication establishes that the act or omission was fraudulent, dishonest, criminal; or committed with the knowledge that it was wrongful; or
 2. to any **Individual Insured** who did not commit or participate in such fraudulent, dishonest or criminal acts or omissions or those of a knowingly wrongful nature;

however, the Insurer will not defend any **Insured** in a criminal proceeding;

- B. any **Claim** based upon, arising out of or attributable to **Bodily Injury or Property Damage**;
- C. any **Claim** based upon, arising out of or attributable to the gaining in fact of any profit or advantage to which the **Insured** was not legally entitled;
- D. any **Claim** alleging discrimination, provided, however, this exclusion shall not apply:
1. to **Claim Expenses** unless and until such time that a jury, court, arbitrator or other final adjudication establishes that such discriminatory act was committed with the knowledge that it was wrongful; or
 2. to any **Individual Insured** who did not have knowledge of or did not consent to such discriminatory act;
- E. any **Claim** alleging a **Wrongful Act**:
1. committed or allegedly committed prior to the **Retroactive Date**; or
 2. which has been the subject of any notice given under any other policy prior to the beginning of the **Policy Period** and of which this Policy is a renewal or replacement; or
 3. which the **Insured** had knowledge of prior to the beginning of the **Policy Period** and had reason to believe that such **Wrongful Act** could reasonably be expected to give rise to a **Claim**;

If this is a renewal or replacement of a previous similar policy issued by the **Insurer**, then the reference in Exclusion E., subsection 3, to the beginning of the **Policy Period** will be deemed to refer instead to the inception date of the first such policy issued by the **Insurer**;

- F. any **Claim** brought by one **Insured** against another **Insured**, or brought by any **Affiliate** against any **Insured** except where such **Claim** is:
1. brought by an **Affiliate** where the **Affiliate** is acting totally without the solicitation, assistance, participation or intervention of any of the **Insureds**, or
 2. brought or maintained for contribution or indemnity, but only where such **Claim** directly results from another covered **Claim**;
- G. any **Claim** brought by an employee, former employee or job applicant of the **Insured Company** in their capacity as such;
- H. any **Claim** for any actual or alleged violation of the responsibilities, obligations or duties imposed by the Employee Retirement Income Security Act of 1974, or amendments thereto or similar provisions of any federal, state or local statutory law or common law upon fiduciaries of any pension, profit sharing, health and welfare or other employee benefit plan or trust established or maintained for the purpose of providing benefits to employees of the **Insured Company**;
- I. any **Claim** based upon or arising out of any violation of the Securities Act of 1933 as amended; the Securities Exchange Act of 1934 as amended; any state blue sky or securities laws or amendments thereto; any similar state or federal laws or amendments thereto; or any regulation issued pursuant to any of the foregoing statutes;
- J. any **Claim** based upon or arising out of liability of others assumed by any **Insured** under any contract or agreement unless such liability would have attached to the **Insured** even in the absence of such contract or agreement;
- K. any **Claim** based upon, arising out of, attributable to or directly or indirectly resulting from nuclear projects, nuclear reaction, nuclear radiation or radioactive contamination, or to any act or condition related to the foregoing;
- L.
1. any **Claim** which would not have occurred in whole or in part but for the actual, alleged or threatened, existence, discharge, dispersal, seepage, migration, release or escape of pollutants at any time.
 2. any loss, cost or expense arising out of any:

- a. Request, demand or order that any Insured or others test for, monitor, clean up, remove, contain, treat, detoxify, neutralize or in any way respond to, or assess the existence, non-existence or effects of Pollutants; or
 - b. Claim or suit by or on behalf of a governmental authority or others for Damages because of testing for, identifying, detecting, monitoring, cleaning up, removing, containing, treating, detoxifying, neutralizing, communicating information about, responding to, or assessing the existence, non-existence or effects of Pollutants, including the failure to perform any of these activities.
- M. any **Claim** based upon, arising out of or attributable to the actual or alleged infringement of any copyright, trademark, trade dress, trade name, service mark, service name, title, slogan or patent;
- N. any **Claim** with respect to any **Subsidiary**, based upon, arising out of, or attributable to:
- 1. any **Wrongful Act** committed or allegedly committed before the date it became a **Subsidiary**;
 - 2. any **Wrongful Act** committed or allegedly committed after the date it ceased to be a **Subsidiary**;
- O. any **Claim** based upon or arising out of any breach of express warranties, guarantees or contracts.

SECTION V. LIMITS OF LIABILITY AND DEDUCTIBLE

- A. The amount shown in Item **5(a)** of the Declarations applicable to “Each **Claim**” is the **Insurer’s** maximum Limit of Liability for **Damages** and **Claim Expenses** for each covered **Claim** first made during the **Policy Period** or **Extended Reporting Period**, if applicable.
- B. All **Claim Expenses** shall be subtracted from the Limit of Liability, with the remainder being available to pay **Damages**.
- C. The amount shown in Item **5(b)** of the Declarations applicable to “Each **Policy Period** Aggregate” is subject to the above provision regarding “Each **Claim**”, and is the Insurer’s total maximum Limit of Liability for all **Damages** and **Claim Expenses** for all **Claims** made during the **Policy Period** or **Extended Reporting Period**, if applicable.
- D. All **Claims** based upon or arising out of any and all continuous, repeated or interrelated **Wrongful Acts** committed or allegedly committed by one or more of the **Insureds** shall be considered a single **Claim** for all purposes, including but not limited to, applying one Deductible and one Limit of Liability toward such single **Claim**; provided, however, that the terms and conditions, including the applicable Deductible and Limit of Liability (which will apply as respects such single **Claim**) shall be determined by the policy in which such single **Claim** was first made. Such single **Claim** shall be deemed to fall under the policy under which the first **Claim** arising out of such continuous, repeated or interrelated **Wrongful Acts** was first made against the **Insured** or under which notice of such continuous, repeated or interrelated **Wrongful Acts** was first reported to the Insurer pursuant to **SECTION VII. B.**

SECTION VI. EXTENDED REPORTING PERIOD

- A. If the Insurer or the **Insured** cancels or nonrenews this Policy, then the **Insured** shall have the right, upon payment of the applicable additional premium specified below, to an extension of the coverage granted by this Policy for any **Claim** first made against the **Insured** during the period of time specified below as elected beginning on the effective date of cancellation or nonrenewal, but only with respect to any **Wrongful Act** committed or allegedly committed prior to such effective date of cancellation or nonrenewal and otherwise covered by this Policy. The period of time specified below as elected shall be referred to in this Policy as the **Extended Reporting Period**. The right to purchase the **Extended Reporting Period** shall not apply if this Policy is canceled by the Insurer for nonpayment of premium.
- B. The percentage of premium the **Insured** must pay for an **Extended Reporting Period** shall be determined by the number of years elected, subject to the following schedule:
- 1. One year for an additional 75% of the premium as stated in Item **9** of the Declarations

2. Two years for an additional 125% of the premium as stated in Item 9 of the Declarations
 3. Three years for an additional 150% of the premium as stated in Item 9 of the Declarations
- C. As a condition precedent to the right to purchase the **Extended Reporting Period** the total premium for this Policy must have been paid. The right to purchase the **Extended Reporting Period** shall lapse unless a written notice of the election of the **Extended Reporting Period**, together with full payment of the additional premium for the **Extended Reporting Period**, is received by the Insurer within 30 days after the effective date of cancellation or nonrenewal. In the event such written notice of election and the payment of the additional premium are not received by the Insurer within such 30-day period, there shall be no right to purchase the **Extended Reporting Period** at a later date.
- D. If the **Extended Reporting Period** is purchased, the entire premium shall be deemed earned at its commencement without any obligation by the Insurer to later return any portion thereof.
- E. There is no separate or additional Limit of Liability for the **Extended Reporting Period** and the purchase of the **Extended Reporting Period** shall in no way increase the Limit of Liability set forth in Item 5 of the Declarations.

SECTION VII. GENERAL CONDITIONS

A. Claim Reporting

1. In the event a **Claim** is first made against any **Insured**, the **Insured**, as a condition precedent to their right of coverage under this Policy, shall give written notice to the Insurer of any such **Claim** as soon as practicable but in no event later than sixty (60) days after the end of the **Policy Period** or, if applicable, during the **Extended Reporting Period**. Written notice should include any and all documents including every demand, notice, summons or other applicable information received by the **Insured** or by the **Insured's** representatives and should be sent to the Insurer in care of:

Professional Risk Facilities, Inc.
300 Old Country Road
Mineola, NY 11501

2. If the **Insured** has the right to either accept or reject the arbitration of any **Claim**, the **Insured** shall exercise such right only with the written consent of the Insurer.
3. The **Insured** must do whatever is necessary to secure and effect any rights of indemnity, contribution or appointment that the **Insured** may have.
4. The **Insured** shall cooperate with the Insurer, as a condition precedent to any coverage under this Policy, and fully assist the **Insurer** in the investigation, settlement and defense of any **Claim** against the **Insured**.

B. Notice of Potential Claims

If, during the **Policy Period** or **Extended Reporting Period**, if applicable, an **Insured** first becomes aware of a **Wrongful Act** to which this insurance applies and which might subsequently give rise to a **Claim**, the **Insured** may give written notice to the Insurer of a potential **Claim** during the **Policy Period** or **Extended Reporting Period**, if applicable. Such notice must include:

1. the identity of the claimant;
2. the identity of the person(s) who allegedly committed the **Wrongful Act**;
3. the date of the alleged **Wrongful Act**;
4. specific details of the alleged **Wrongful Act**; and
5. any written notice from the claimant describing the **Wrongful Act**.

If this notice is submitted to the Insurer during the **Policy Period** or **Extended Reporting Period**, if applicable, then any **Claim** that subsequently may be made against the **Insured** arising from the **Wrongful**

Act notice to Insurer shall be deemed for the purpose of this insurance to have been first made during the **Policy Period** or **Extended Reporting Period**, if applicable, in effect at the time such written notice was received by the Insurer.

C. Acquisition or Creation of Another Entity

This Policy is issued and the premium computed on the basis of the information submitted to the **Insurer** as part of the **Application**. If, after the beginning of the **Policy Period**, the **Insured Company**:

1. acquires substantially all of the assets of another entity;
2. acquires voting securities in another entity or creates another entity, which as a result of such acquisition or creation becomes a **Subsidiary**; or
3. acquires another entity by merger such that the **Insured Company** is the surviving entity,

then the coverage provided under this Policy shall apply to such new creation or acquisition but only with respect to **Wrongful Acts** occurring or allegedly occurring after the acquisition, merger or creation. As a condition of the above, if the revenues of the newly created or acquired entity exceed 10% of the current annual revenues of the **Insured Company** as reflected in Question number 7(b) of **Application**, then coverage for such newly created or acquired entity or asset acquisition will cease ninety (90) days after the effective date of such creation or acquisition unless, within such ninety (90) day period:

- a. the **Insured Company** provides the Insurer with written notice of such creation or acquisition;
- b. the **Insured Company** provides the Insurer with such information in connection therewith as the **Insurer** may deem necessary;
- c. the **Insured Company** accepts any special terms, conditions, exclusions, or additional premium charge as may be required by the Insurer; and
- d. the Insurer, at its sole discretion, agrees by written endorsement to provide such coverage.

Nothing contained in **SECTION VII. C.** shall provide coverage for the newly created or acquired entity for **Wrongful Acts** occurring or allegedly occurring prior to the effective date of such creation or acquisition.

D. Action Against Insurer

No action shall be taken against the Insurer unless, as a condition precedent thereto, there shall have been full compliance by the **Insured** with all the terms and conditions of this Policy; nor shall any such action be taken against the Insurer until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgment against the **Insured** after actual trial or by written agreement of the **Insured**, the claimant and the Insurer. No person or organization shall have any right under this Policy to join the Insurer as a party to any **Claim** against the **Insured** nor shall the Insurer be impleaded by the **Insured** or their legal representatives in any such **Claim**.

E. Other Insurance

Coverage provided under this Policy shall apply only as excess over any other valid and collectible insurance.

F. Subrogation

In the event of any payment under this Policy, the Insurer shall be subrogated to the extent of such payment to all of the **Insured's** rights of recovery thereof, and the **Insured** shall execute all papers required and do everything that may be necessary to secure and preserve such rights including the extension of such documents necessary to enable the Insurer to effectively bring suit in the Insurer's name. The **Insured** shall do nothing to prejudice such rights without first obtaining the written consent of the Insurer.

G. Notice of Cancellation

This Policy may be canceled by the **Named Insured** by surrendering this Policy to the Insurer or by giving advance written notice to the Insurer stating when thereafter such cancellation shall be effective. This Policy may also be canceled by the Insurer by mailing to the **Named Insured** by registered, certified or other first class-mail, at the **Named Insured's** address shown in Item 2 of the Declarations, written notice stating when, not less than sixty (60) days thereafter [or ten (10) days thereafter when cancellation is due to nonpayment of premium], the cancellation shall be effective. The mailing of such notice shall be sufficient proof of notice and this Policy shall terminate at the date and hour specified in such notice. If this Policy shall be canceled by the Insurer, the Insurer shall retain the customary pro rata proportion of the premium. If this Policy shall be canceled by the **Named Insured**, the Insurer shall retain the customary short rate proportion of the premium. Payment or tender of any unearned premium by the Insurer shall not be a condition precedent to the effectiveness of the cancellation, but such payment shall be made as soon as practicable.

H. Alteration & Assignment

No change in, modification of, or assignment of interest under this Policy shall be effective except when made by written endorsement to this Policy signed by an authorized representative of the Insurer.

I. Warranties and Covenants

The **Insured** warrants and agree as a condition of the Insurer's obligation hereunder:

1. That the statements made in the **Application** and in its attachments and any materials submitted therewith are true and are the basis of the Policy and are to be considered as incorporated into and constituting a part of this Policy; and
2. That the statements made in the **Application** and in its attachments and any materials submitted therewith are their representations; that they shall be deemed material to the acceptance of the risk or to the hazard assumed by the Insurer under the Policy and that this Policy is issued in reliance upon the truth of such representations; and
3. That in the event that the **Application**, including its attachments and any materials submitted therewith, contains misrepresentations which materially affect either the acceptance of the risk or the hazard assumed by the Insurer under this Policy, this Policy shall be void and of no effect whatsoever.

J. Bankruptcy or Insolvency

Bankruptcy or insolvency of the **Insured** shall not relieve the Insurer of any of its obligations under this Policy.

K. Titles of Paragraphs

Titles of paragraphs are inserted solely for convenience of reference and shall not be deemed to limit, expand or otherwise affect the provisions to which they relate.

IN WITNESS WHEREOF, the Insurer has caused this Policy to be signed by its President and Secretary, and, if required by state law, this Policy shall not be valid unless countersigned on the Declarations by an authorized representative of the Insurer.



Christopher E. Watson Barbara L. Sutherland

Christopher E. Watson, President

Barbara L. Sutherland, Secretary