

PROFESSIONAL LIABILITY FOR SPECIFIED PROFESSIONS

THIS IS A CLAIMS MADE POLICY - PLEASE READ IT CAREFULLY

In consideration of the payment of the premium and in reliance upon all statements and information furnished to the insurance company shown in the Declarations (a stock insurance company, herein called the **Company**), including all statements made in the application form and its attachments and the material incorporated therein and made part hereof, the **Company** agrees as follows:

INSURING AGREEMENTS

I. COVERAGE

The **Company** shall pay on behalf of the **Insured** all sums, not exceeding the Limits of Liability and in excess of the applicable Deductible set forth in the Declarations, for which the **Insured** shall become legally obligated to pay as **Damages** resulting from any **Claim** first made against the **Insured** and reported to the **Company** by written notice during the **Policy Period**; PROVIDED ALWAYS THAT such **Claim** is by reason of a **Wrongful Act** committed:

- A. During the **Policy Period**, or
- B. Prior to the **Policy Period** and subsequent to the Retroactive Date stated in Item 7 of the Declarations provided that prior to the effective date of this Policy:
 - 1. The **Insured** did not give notice of any such **Wrongful Act** under any prior insurance policy; and
 - 2. The **Insured** had no basis to believe that such **Wrongful Act** might reasonably be expected to give rise to a **Claim** under this Policy.

II. EXPENSES AND SUPPLEMENTARY PAYMENTS

With respect to such insurance as afforded by this policy, the **Company** shall, pay, provided the Limits of Liability have not been exhausted and in excess of the Deductible as stated in the Declarations:

- A. **Claim Expenses** incurred in the defense of any **Claim** or suit against the **Insured** seeking **Damages** to which this insurance applies.
- B. Premiums on bonds to release attachments and appeal bonds, limited to that portion of such bonds that does not exceed the Limits of Liability of this policy, but without any obligation to apply for or furnish such bonds;
- C. Costs taxed against the **Insured** in any suit and **Claim Expenses** incurred by the **Company**;
- D. Interest accruing after the entry of judgment, but only for that portion of the judgment which does not exceed the applicable Limits of Liability, until the **Company** has tendered or paid such judgment as does not exceed the **Company's** Limit of Liability thereon; and
- E. Reasonable expenses incurred by the **Insured** at the **Company's** request in assisting in the investigation and defense of any **Claim**, other than loss of earnings.

All of the foregoing costs, charges and expenses of investigation and legal defense payable by the **Company** are included in the **Company's** applicable Limit of Liability as stated in the Declarations. Any such costs incurred in the investigation or defense of any **Claim** will be applied against the Deductible amount as stated in the Declarations.

III. DEFENSE AND SETTLEMENT

- A. The **Company**, in the **Insured's** name and on the **Insured's** behalf, shall have the right to investigate, defend, and conduct settlement negotiations, including selection of defense counsel, in any **Claim** or suit.
- B. The **Company** shall not settle any **Claim** without the consent of the **Insured**, such consent not to be unreasonably withheld. Should the **Insured** refuse to consent to any settlement recommended by the **Company**, and acceptable

to the claimant, and elect to further contest the **Claim**, the **Company's** liability for the **Claim** shall not exceed the amount for which the **Claim** could have been settled in excess of the **Insured's** Deductible, or the Limits of Liability as stated in Item #4 of the Declarations, whichever is less, including items payable under Section II of this policy up to the date of such refusal.

C. The **Insured** shall not admit liability for, or make any voluntary settlement, or incur any costs or expenses in connection with any **Claim** except with the written consent of the **Company**.

D. The **Company** shall not be obligated to pay any **Claim** or judgment or **Claim Expenses** or to defend any suit after the applicable Limits of Liability have been exhausted.

DEFINITIONS

IV. THE FOLLOWING WORDS AND PHRASES APPEARING IN QUOTATION MARKS HAVE SPECIAL MEANING WHENEVER USED IN THIS POLICY:

A. **Bodily Injury** means physical injury, sickness or disease sustained by a person, including death resulting therefrom at any time. **Bodily Injury** also includes disability, mental anguish, mental injury, shock or fright resulting from or in **Bodily Injury**.

B. **Claim** means a demand receive by the **Insured** for money, including the service of suit or institution of arbitration proceedings involving the **Insured**.

C. **Claim Expenses** means fees charged by any lawyer designated by the **Company** and all other fees, costs, and expenses resulting from the investigation, adjustment, defense, and appeal of a **Claim**, if incurred by the **Company**. **Claim Expenses** shall not include salary charges of regular employees of the **Company** or loss of earnings incurred by the **Insured**.

D. **Damages** means a monetary judgment, award or settlement and does not include fines, sanctions, statutory penalties, punitive damages or exemplary damages, including those based upon legal fees whether imposed by law, court or otherwise.

E. **Insured** means:

1. The individual, partnership, corporation or other entity named in Item 1 of the Declarations and shall include any partner, director, officer or employee thereof while acting within the scope of their duties as such.
2. Any former or retired partner, director, officer or employee of the **Named Insured** or of any **Predecessor Firm** but only for those **Professional Services** rendered on behalf of the **Named Insured** prior to the date of separation or retirement from such entity(ies).
3. Any independent contractor associated exclusively with the **Named Insured** while acting solely on the **Named Insured's** behalf.
4. The heirs, executors, administrators, assignees, and legal representatives of each **Insured** in the event of such **Insured's** death, incapacity or bankruptcy as respects the liability of each **Insured** as is otherwise covered herein.

F. **Named Insured** means the proprietor, firm or organization specified in Item 1 of the Declarations.

G. **Personal Injury** means wrongful entry or eviction or other invasion of private occupancy, the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy.

H. **Policy Period** means the period from the inception date of the policy to the date of expiration as set fourth in Item 3 of the Declarations or such earlier termination date, if any.

- I. Predecessor Firm** means any firm or corporation engaged in providing **Professional Services** as stated in Item 8 of the Declarations and to whose financial assets and liabilities the **Named Insured** is the majority successor in interest.
- J. Professional Services** means services rendered to others for a fee solely in the conduct of the **Insured's** profession as stated in Item 8 of the Declarations.
- K. Property Damage** means physical injury to tangible property, including all resulting loss of use of such property or loss of use of tangible property that is not physically injured.
- L. Termination of Coverage** means, whether made by the insurer or the insured at anytime:
1. cancellation or nonrenewal of a policy; or
 2. decrease in limits, reduction of coverage, increased of deductible, new exclusion, or any other change in coverage less favorable to the insured.
- M. Wrongful Act** means a negligent act, error, or omission committed or alleged to have been committed by the **Insured** or any person for whom the **Insured** is legally liable in the rendering of **Professional Services**.

EXCLUSIONS

V. THIS POLICY DOES NOT APPLY TO ANY CLAIM AND CLAIM EXPENSES ARISING OUT OF:

- A.** any fraudulent, dishonest, criminal, intentional, willful or malicious acts or assault or battery. However, the **Insured** shall be reimbursed for all amounts which would have been collectable under this policy if such allegations are not subsequently proven.
- B. Bodily Injury, or Property Damage, or Personal Injury.**
- C.** any non-pecuniary relief, fines or penalties imposed by law or other matters which may be deemed uninsurable under the law pursuant to which this policy may be construed.
- D.** any failure to effect or maintain any insurance or bond.
- E.** the gaining in fact of any personal profit or advantage to which the **Insured** is not legally entitled, or out of disputes involving the **Insured's** fees or charges.
- F.** any infringement of copyright, patent or trademark or any violation of the Securities Exchange Act of 1933 as amended, the Securities Exchange Act of 1934 as amended, any state Blue Sky or Securities Law or any rules, regulations or amendments issued in relation to such acts, or any similar state or federal statutes or regulations.
- G.** the breach of fiduciary duty, responsibility or obligation in connection with any employee benefit or pension plan including the Employees Retirement Income Security Act of 1974 (ERISA) including any amendments or State or local laws.
- H.** any express warranties or guarantees or; the **Insured** assuming liability under contract unless the **Insured** would have been legally liable in the absence of such contract.
- I.** any **Claim** brought by any **Insured** against another **Insured**.
- J.** any pending or prior litigation as of the inception date of this policy, as well as all future **Claims** or litigation based on the pending or prior litigation derived from the same or essentially the same facts (actual or alleged) that gave rise to the prior or pending litigation.
- K.** the refusal to employ, termination of employment or other employment-related policies, acts or omissions.

- L. the discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalies, toxic chemicals, liquids or gases, waste materials or other irritants, contaminants or pollutants into or upon land, the atmosphere or any water-course or body of water or any cost or expense arising out of any governmental direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any pollutants.
- M. the actual or alleged discrimination arising out of but not limited to the basis of age, color, race, sex, creed, national origin, religion, disability or marital status.
- N. services as an attorney, accountant, actuary, tax preparer, tax consultant, real estate broker, securities broker, securities dealer, registered representative of a securities broker or dealer, mortgage broker, financial planner, doctor of medicine or dentistry, architect or engineer.
- O. any **Professional Services** performed for any entity in which any **Insured** is a principal, partner, officer, director or a more than three percent (3%) shareholder.

No **Wrongful Act** of any **Insured** nor any fact pertaining to any **Insured** shall be imputed to any other partner, director, officer or employee for the purposes of determining the applicability of Exclusions A and E.

CONDITIONS

VI. LIMITS OF LIABILITY

Regardless of the number of (a) **Insureds** under this policy, (b) persons or entities who allege **Damages** or (c) **Claims** made or suits brought, the **Company's** liability is limited as follows:

- A. The company shall be liable to pay that portion of any **Damages** and **Claim Expenses** in excess of the applicable Deductible as stated in the Declarations for any one **Claim** up to the Limits of Liability as stated in Item 4 of the Declarations. A deductible shall apply to each and every **Claim**, including **Claim Expenses**, and such Deductible shall be borne by the **Insured**. The Deductible shall be uninsured and be at the **Insured's** own risk.
- B. The **Company's** maximum aggregate liability for all **Damages** and **Claim Expenses** arising out of all **Claims** made and reported during the **Policy Period** shall be the Limit of Liability stated in the Declarations as aggregate. The Limit of Liability during any Extended Reporting Period added to this policy shall be the remaining portion, if any, of the aggregate Limit of Liability provided by this policy as stated in Item 4 of the Declarations.
- C. **Claims** based on or arising out of the same act or circumstance, or a series of similar or related acts or circumstances shall be considered a single **Claim** and shall be considered first made during the **Policy Period** or the Extended Reporting Period (if applicable), of the policy in which the earliest **Claim** arising out of such act(s) or circumstance(s) was first made and all **Damages** and **Claim Expenses** shall be subject to the same each **Claim** Limit of Liability.

VII. GENERAL CONDITIONS

- A. **Policy Territory:** The insurance afforded applies worldwide provided **Claim** is made and suit is brought against the **Insured** within the United States Of America, its territories or possessions, Puerto Rico, or Canada.
- B. **Notice and Claim Reporting Provisions:** Notice hereunder shall be given by or on behalf of the **Insured** in writing to the **Company** at One Bala Plaza, Suite 100, Bala Cynwyd, PA 19004 Attn: Claims Department or to any Authorized Representative of the **Company**.
 1. The **Insured** shall, as a condition precedent to the obligations of the **Company** under this policy, give written notice to the **Company** as soon as practicable during the **Policy Period**, or during the Extended Reporting Period (if any) of any **Claim** made against the **Insured**.
 2. If during the **Policy Period**, or during the Extended Reporting Period (if any), the **Insured** shall become aware of any circumstance which could reasonably be expected to give rise to a **Claim** the **Insured** shall give written notice to the **Company** regarding all particulars of said incident as soon as practicable. Such written notice of any circumstance must include:

- a. the specific **Wrongful Act**; and
- b. the **Damages** which have or may result from such **Wrongful Act**; and
- c. the circumstances by which the **Insured** first becomes aware of such **Wrongful Act**.

Any **Claim** then arising out of such **Wrongful Act** will be considered to have been first made at the time of the original notice.

C. Extended Reporting Period:

1. If the **Company** cancels or refuses to renew this policy for reasons other than non-payment of premium, the **Company** will provide to the **Insured** a 60 day extension of the cover granted by this policy, at no additional charge, for any **Claim** first made against the **Insured** and reported to the **Company** during the 60 day Extension Period but only as respects **Wrongful Acts** committed after the Retroactive Date (if any) stated in the Declarations and prior to the date of cancellation or non-renewal.
2. If the **Company** cancels or refuses to renew this policy for reasons other than non-payment of premium, the **Insured** shall have the right to purchase, for an additional payment of 75% of the annual premium, an extension of one year of the coverage granted by this policy for any **Claim** first made against the **Insured** and reported to the **Company** during the twelve (12) months after the date of expiration of the 60 day extension period under 1. above. This Extended Reporting Period only applies to **Wrongful Acts** committed after the Retroactive Date (if any) stated in the Declarations and prior to the date of cancellation or non-renewal provided, however, that the application for this extension is made to the **Company** in writing prior to the expiration of the 60 day extension period under 1. above.
3. All premium paid with respect to an extension period shall be deemed to be fully earned as of the first day of the extension period. For the purpose of this clause, any change in premium terms or other terms on renewal shall not constitute a refusal to renew.
4. Limits of Liability available during any Extended Reporting Period shall not exceed the balance of the Limits of Liability in effect at the time the policy terminated.

D. Deductible: It is the first **Named Insured's** responsibility to pay the deductible amount as stated in Item 5 of the Declarations as the result of each **Claim**. The **Company** may pay part of or all of the Deductible amount to effect a settlement of any **Claim**, however, upon notification of any such action taken, the **Named Insured** shall promptly reimburse the **Company** for all of the Deductible amount as has been paid by the **Company**.

E. Duties of the Insured in the event of a Claim:

1. As soon as practicable the **Insured** shall give written notice containing particulars sufficient to identify the **Insured**, time, place and underlying circumstances of the **Claim** to the **Company**.
2. The **Insured** shall admit no liability, make no payments, assume no obligation and incur no expense related to such **Claim** without the written consent of the **Company**.
3. When a **Claim** is made against an **Insured** the **Insured** shall immediately forward to the **Company** every demand, notice, summons, or other process received by the **Insured** or the **Insured's** representatives.
4. The **Insured** shall cooperate with the **Company** and upon the **Company's** request assist in making settlements and in the conduct of suits. The **Insured** shall attend hearings, trials and depositions and shall assist in securing and giving evidence and in obtaining the attendance of witnesses.
5. The **Insured** shall not demand or agree to arbitration of any **Claim** without the written consent of the **Company**. Such consent shall not be unreasonably withheld.

F. Subrogation: If the **Company** pays any amount hereunder as **Damages**, **Claim Expenses** or any combination thereof, it shall be subrogated to the **Insured's** rights of recovery against any person, firm or organization. The **Insured** shall execute and deliver instruments and papers and do whatever is necessary to secure such rights. The **Insured** shall not waive or prejudice such rights prior to or subsequent to any **Claim**.

G. Changes: Notwithstanding anything to the contrary, no provision of this policy may be amended, waived or otherwise changed except by endorsement issued by the **Company** to form part of this policy.

H. Action Against the Company:

1. No action shall lie against the **Company** unless, as a condition precedent thereto, there shall have been compliance with all terms of this policy, nor until the amount of the **Insured's** obligation to pay shall have been finally determined either by judgement entered in a court of law against the **Insured** or by written agreement of the **Insured**, the claimant or claimant's legal representative and the **Company**.
2. Any person or the legal representatives thereof who has secured such a judgment or written agreement shall thereafter be entitled to recover under this policy to the extent of the insurance afforded by this policy. No person or entity shall have any right under this policy to join the **Company** as a party to any action against the **Insured** to determine the **Insured's** liability, nor shall the **Company** be impeded by the **Insured** or their legal representatives. Bankruptcy or insolvency of the **Insured** or their successors in interest shall not relieve the **Company** of its obligations hereunder.

I. Mergers and Acquisitions: In the event of a merger or acquisition involving the **Named Insured**, it is a condition of this policy to the continuation of coverage that the **Named Insured** shall notify the **Company** within thirty (30) days of such merger or acquisition. Should a material change occur in the size or business operations of the **Named Insured** the **Company** shall be entitled to:

1. Re-negotiate the premium or other terms of this policy; and
2. Discontinue coverage by cancellation under section VII.J.2. below.

J. Cancellation or Non-Renewal:

1. This policy may be canceled by the **Named Insured** by surrender thereof and selection of a future date to the **Company** at its address stated in the Declarations or by mailing to the **Company** written notice stating when thereafter such cancellation shall be effective. If this policy is canceled by the **Insured** the **Company** shall retain the customary short-rate portion of the premium.
2. The policy may be canceled by the **Company** by mailing to the **Named Insured** at the address stated in the Declarations written notice stating when, not less than forty-five (45) days thereafter or ten (10) days in the case of cancellation for non-payment of premium or deductible, such cancellation shall become effective. If the policy is canceled by the **Company**, earned premium shall be computed pro-rata.
3. In the event the **Company** refuses to renew this policy, the **Company** shall mail to the **Named Insured**, at the address stated in the Declarations, not less than forty-five (45) days prior to the expiration of this policy, written notice of non-renewal. Such notice shall be conclusive on all **Insureds**.
4. The mailing of Notice of Cancellation or Non-Renewal as aforementioned shall be sufficient notice of the intent to cancel or non-renew. The effective date of cancellation or non-renewal specified in the notice shall terminate this **Policy Period**. Delivery of such notice shall be equivalent to mailing.

K. Conformity to Statutes: Terms of this policy which are in conflict with the statutes of the state wherein this policy is issued are hereby amended to conform to such statutes.

L. First Named Insured: If there is more than one **Insured** covered by this policy the First **Named Insured** shall act for all **Insureds** as respects payment of premium, deductibles, return premium accepting and refusing changes and election of extended reporting period. All notices relating to this insurance will be sent to the First **Named Insured** and will serve as notice to all **Insureds**.

M. Assignment: Assignment of interest under this policy shall not bind the **Company** unless its consent is endorsed hereon.

N. Authorization Clause: By acceptance of this policy, the **Insured** agrees that the statements in the Application are its agreements and representations, that this policy is issued in reliance upon the truth of such representations. This policy embodies all existing agreements between the **Insured** and the **Company** relating to this insurance.

O. Other Insurance: This insurance is excess over any other valid and collectable insurance available to the **Insured** except as respects such insurance written to apply specifically in excess of this insurance.

P. Liability Coverage Disputed and Reservation of Rights: If a controversy or dispute arises with regard to whether coverage exists with respect to a **Claim** submitted by the **Insured** under the coverage sections of this policy the **Company** may elect to provide a defense under a Reservation of Rights whereby the **Company** reserves its rights to deny and reject any **Claim** for **Damages**. In the event it is finally established by judgment or agreement that the **Company** has no liability with respect to such a **Claim**, the **Insured** shall reimburse the **Company** upon demand all sums and monies paid by the **Company** to defend and/or settle such **Claim**.

Q. False or Fraudulent Claims: If any **Insured** shall commit fraud in presenting any **Claim** as regards amounts or otherwise, this insurance shall become void as to such **Insured** from the date such fraudulent **Claim** is presented.

IN WITNESS WHEREOF, THE COMPANY HAS CAUSED THIS POLICY TO BE SIGNED BY THE PRESIDENT AND SECRETARY OF THE COMPANY. THIS POLICY SHALL NOT BE VALID UNLESS COUNTERSIGNED ON THE DECLARATIONS PAGE BY A DULY AUTHORIZED REPRESENTATIVE OF THE COMPANY.

SECRETARY

PRESIDENT