

LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

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THIS IS A "CLAIMS MADE AND REPORTED" POLICY. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY AFFORDS COVERAGE FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER IN WRITING DURING THE POLICY PERIOD OR DISCOVERY PERIOD, IF APPLICABLE. IN ADDITION, CLAIM EXPENSES ARE INCLUDED IN AND SHALL REDUCE THE LIMITS OF LIABILITY.

PLEASE READ THIS ENTIRE POLICY CAREFULLY. CONSULT YOUR BROKER OR OTHER REPRESENTATIVE IF YOU DO NOT UNDERSTAND ANY TERMS OR PROVISIONS OF THIS POLICY.

In consideration of the payment of the premium, and in reliance upon the statements made in the **Application**, which is incorporated into this Policy and forms a part hereof, the **Insurer** identified in the Declarations, herein called the "**Insurer**," agrees as follows:

I. INSURING AGREEMENT

The **Insurer** shall pay, on behalf of an **Insured**, all sums in excess of the Deductible stated in the Declarations, which the **Insured** shall become legally obligated to pay as **Damages** and **Claim Expenses** for a **Claim**, that is both first made against the **Insured** during the **Policy Period** or the Discovery Period (if applicable) and reported to the **Insurer** during such period pursuant to the terms of this Policy, by reason of an act or omission in the rendering of **Professional Services** or **Personal Injury** by the **Insured** or by any person for whom the **Insured** is legally liable; provided always that such act or omission occurred:

- A. during the **Policy Period**, or
- B. prior to the **Policy Period**, if:
 - 1. the **Insured** did not give notice to any prior insurer of any such act or omission, or of **Interrelated Acts or Omissions**;
 - 2. (a) before the inception date of this Policy or the inception date of the first policy issued by the **Insurer** or any of its affiliates, if this Policy is the last in a series of continuously renewed policies, or (b) the date the **Insured** first became a member of the **Named Insured**, whichever is later, the **Insured** had no basis to believe that any such act or omission might reasonably be expected to be the basis of a **Claim**;
 - 3. there is no other policy or policies that provide insurance for such liability or **Claim**, except that, if such other policy provides coverage but has limits insufficient to pay such liability or **Claim**, this Policy shall only be excess over any such coverage; and
 - 4. such act or omission occurred on or after the Retroactive Date, if applicable set forth in Item 7 of the Declarations.

II. EXTENSIONS OF COVERAGE

- A. At the request of an **Insured**, the **Insurer** shall defend a proceeding first brought during the **Policy Period** against such **Insured** by a bar association, licensing board, disciplinary board, peer review committee, or similar entity alleging professional misconduct or violation of the rules of professional conduct and reported to the **Insurer** pursuant to Section VII herein; provided that such proceeding arises from an act or omission described in Sections I.A and I.B herein. The **Insurer's** obligation under this provision is subject to a limit of \$25,000 for each proceeding and \$100,000 in the

aggregate per **Policy Period** for all **Insureds** for all **Claim Expenses** incurred by counsel selected by the **Insurer**, regardless of the number of such proceedings. In no event shall the **Insurer** be obligated under this provision to pay any amount other than **Claim Expenses**.

- B. The **Insurer** will pay all reasonable expenses incurred by the **Insured** at the **Insurer's** request to investigate and defend a **Claim**, provided that the maximum amount available for loss of earnings for time taken off work will not exceed \$500 per **Insured** per day, \$10,000 per **Claim**, and \$50,000 per **Policy Period** for all **Insureds**.
- C. The **Insurer** will pay for 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 limits of this Policy, provided that:
 - 1. the **Insurer** consents to the appeal of such judgment; and
 - 2. the **Insurer** will not be the principal under any such bond and will not have any duty to furnish such bond.
- D. The **Insurer** will pay for the cost of any **Crisis Event Expenses** that result from a **Crisis Event** first occurring and reported to the **Insurer** during the **Policy Period**. The **Insurer's** obligation under this provision is subject to a limit of \$10,000 for each **Crisis Event** first occurring during the **Policy Period** and \$30,000 in the aggregate, regardless of the number of **Crisis Events** qualifying for **Crisis Event Expenses**, or the number of persons or entities who are **Insureds**.
- E. At the **Insurer's** discretion, the **Insurer** will pay **Pre-Claim Expenses** for a **Potential Claim** reported in accordance with Section VII of this Policy. **Pre-Claim Expenses** must be incurred prior to the date that any **Claim** is made based upon or arising out of such **Potential Claim**.

Solely with respect to the extensions of coverage described in this Section II, amounts paid by the **Insurer** shall not reduce the Limits of Liability stated in Item 3 of the Declarations and the **Insureds** shall not be required to pay the Deductible stated in Item 4 of the Declarations. With respect to **Pre-Claim Expenses**, once a **Potential Claim** becomes a **Claim**, **Damages** and **Claim Expenses** that result from such **Claim** shall reduce the Limits of Liability and are subject to the Deductible. If the Limit of Liability is exhausted by the payment of amounts covered under this Policy, the **Insurer** will have no further obligation to make payments under this Section II.

III. DEFINITIONS

- A. "**Application**" means the application for this Policy and for any policy of which this Policy is a renewal, replacement or successor in time, any attachment to any such application(s), any other materials submitted with or incorporated into any such application(s) and any documents submitted in connection with the underwriting of any such policy.
- B. "**Claim**" means an oral or written demand made against the **Insured** for money or services, including the service of a suit or the institution of mediation or arbitration proceedings against the **Insured**.
- C. "**Claim Expenses**" mean reasonable and necessary fees, costs and expenses charged by any lawyer or other person or organization selected pursuant to Section VI.A. **Claim Expenses** do not include the **Insurer's** overhead expenses or any salaries, wages, fees or benefits of any employees.
- D. "**Crisis Event**" means any:
 - 1. act or omission to which this Policy would respond;
 - 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.

- E. **"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**.
- F. **"Damages"** mean a monetary judgment, award or settlement, including any punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages. **Damages** do not include:
1. fines, sanctions, penalties or taxes, including but not limited to awards under 28 U.S.C. § 1927, the Federal Rules of Civil Procedure, or state or municipal counterparts to any of the foregoing;
 2. legal fees, costs and expenses previously paid by the claimant, or retained or possessed by an **Insured**, whether claimed by way of disgorgement of fees, restitution of specific funds, forfeiture, financial loss or otherwise;
 3. injuries that are, in whole or in part, a consequence of the injuries described in Subsection F.1 or F.2 above;
 4. punitive or exemplary damages if deemed uninsurable under applicable law, and the multiplied portion of any multiplied damages award; or
 5. **Claim Expenses**.
- G. **"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**.
- H. **"Interrelated Acts or Omissions"** means any acts or omissions that are:
1. similar, repeated or continuous; or
 2. connected by reason of any common fact, circumstance, situation, transaction, casualty, event, decision or policy or one or more series of facts, circumstances, situations, transactions, casualties, events, decisions or policies.
- I. **"Insured"** means:
1. the **Named Insured**;
 2. any **Predecessor Firm**;
 3. any natural person who:
 - a. is the sole owner of, or is or was a partner in, the **Named Insured** or a **Predecessor Firm**;
 - b. was or is a member of the board of managers, director, executive officer, or shareholder of the **Named Insured** or **Predecessor Firm**;
 - c. was or is an employed lawyer or other employee of the **Named Insured** or **Predecessor Firm**; or
 - d. 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**.
 4. As respects the liability of each **Insured** described above, (a) the heirs, executors, administrators, assigns and legal representatives of any such **Insured** in the event of death, incapacity or bankruptcy, and (b) the lawful spouse or a person qualifying as a domestic partner under the provisions of any applicable federal, state or local law of such **Insured**, but only for an act or omission

actually or allegedly committed by such **Insured**, to whom the spouse is married, or who is joined with the domestic partner.

- J. **"Lobbyist"** shall mean an **Insured** that is communicating, other than in any legislative or executive hearings or other proceedings, with any person in the legislative or executive branch, for the purpose of influencing legislative or executive action or a ballot issue.
- K. **"Named Insured"** means the person or entity identified at Item 1 in the Declarations.
- L. **"Personal Injury"** means:
1. false arrest, humiliation, detention or imprisonment, wrongful entry, eviction or other invasion of private occupancy, abusive litigation, abuse of process, malicious prosecution;
 2. the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of an individual's right of privacy; or
 3. injury arising out of an offense occurring in the course of the **Named Insured's** advertising activities, including but not limited to infringement of copyright, title slogan, patent, trademark, trade dress, trade names, service mark or service number.
- M. **"Policy Period"** means the period of time from the inception date and time stated in Item 2 in the Declarations to the earlier of the expiration date and time stated in Item 2 in the Declarations or the effective date and time of the cancellation of this Policy.
- N. **"Potential Claim"** means any conduct or circumstance that might reasonably be expected to be the basis of a **Claim**.
- O. **"Pre-Claim Expenses"** means reasonable fees, costs and expenses incurred by the **Insurer** in the investigation of a specific **Potential Claim**.
- P. **"Predecessor Firm"** means any law firm that, prior to the inception date of this Policy, 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**.
- Q. **"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**.
- R. **"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 prior 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** witnessed and attested to the authenticity of the signature notarized by such **Insured**;
 6. **Title Agent**;
 7. Administrator, conservator, receiver, executor, guardian, trustee or any similar fiduciary capacity, directly connected with the **Insured's** practice of law;

8. the **Insured's** activities in publishing or presenting an article or speech related to the practice of law that does not pertain to the representation of a particular client; or
9. the **Insured's** activities as an officer, director or member of a board of a not-for-profit bar association organization, lawyer disciplinary board or committee, or any similar bar related organization, which promotes or regulates the practice of law.

S. "**Title Agent**" means an agent of a title insurance underwriter.

IV. EXCLUSIONS

This Policy does not apply to:

- A. any **Claim** arising from, in whole or in part, a dishonest, fraudulent, criminal or malicious act or omission, committed by an **Insured**, or at the direction of an **Insured** or ratified by an **Insured**; however, the **Insurer** shall defend any **Insured** that is alleged to have committed such act or omission, but the **Insured** shall reimburse the **Insurer** for **Claim Expenses** if the commission of such act or omission is admitted by the **Insured** or otherwise established as a matter of fact in a civil, criminal, or alternative dispute resolution proceeding. This exclusion will not apply to:
 1. any **Insured** who did not participate in or have knowledge of such conduct or violation; or
 2. the **Insurer's** duty to defend, or to pay **Claim Expenses** for, any **Claim** for malicious prosecution or abuse of process.
- B. any **Claim** arising, in whole or in part, out of any **Insured's** capacity as:
 1. a former, existing or prospective officer, director, shareholder, owner, partner, manager, trustee, or employee of a business enterprise or charitable organization or a pension, welfare, profit-sharing, mutual or investment fund or trust. This exclusion applies to a **Claim** arising out of the formation of such entity and to a **Claim** by or on behalf of such entity and related entities, or by or on behalf of former, existing or prospective officer(s), shareholder(s), partner(s), manager(s), owner(s), trustee(s), or employee(s) of such entity or related entities. This exclusion does not apply to any **Professional Services** listed in Section III.R.9; or,
 2. a public official or an employee of a governmental body, subdivision or agency.
- C. any **Claim** by or in connection with any business enterprise, not named in Item 1. of the Declarations, in which:
 1. the **Insured(s)** own, individually or collectively, more than a 15 percent interest;
 2. any **Insured** is a partner or employee; or
 3. said business enterprise is directly or indirectly controlled, operated, or managed by any **Insured** or the **Insured's** spouse or domestic partner, other than solely in a fiduciary capacity;
- D. any **Claim** for any actual or alleged bodily injury, mental anguish or emotional distress, sickness, disease, death of any person, or damage to or destruction of any tangible property, including the loss of use thereof; except that this exclusion does not apply to mental illness, emotional distress or humiliation caused by **Personal Injury**, if solely resulting from covered **Professional Services**;
- E. any **Claim** for an actual or alleged violation of any responsibility, obligation or duty imposed by the Employee Retirement Income Security Act of 1974, or amendments thereto or regulations thereunder or any similar foreign, state, local or common law;

- F. any **Claim** by any **Insured** against another **Insured**, provided that this exclusion will not apply to the **Insurer's** duty to defend, or to pay **Claim Expenses** for, **Claims** by any **Insured** against another **Insured** that result from any **Insured(s)** 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.
- G. any **Claim** based upon or arising out of any **Insured's** capacity as a beneficiary or distributee of any trust or estate;
- H. any **Claim** based upon or arising out of the willful or intentional breach or disregard of any oral or written **Title Agent** underwriting or binding authority or escrow instruction by any **Insured**;
- I. any **Claim** for an actual or alleged misuse of confidential or proprietary information, copyright, patent, trademark or trade secret infringement, piracy, theft or conversion of business ideas, business methods, or trade secrets;
- J. any **Claim** based upon or arising out of any **Insured** having gained in fact any personal profit or advantage to which he or she was not legally entitled;
- K. any **Claim** based upon or arising out of any **Insured's** conversion, commingling, defalcation, misappropriation or other intentional misuse or illegal use of funds, money or property;
- L. any **Claim** based upon or arising out of the promotion, sale or solicitation by any **Insured** of securities, real estate, or other investments; and
- M. 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.

V. LIMIT OF LIABILITY AND DEDUCTIBLE

- A. The "Limit of Liability—Each **Claim**" stated in Item 3.a in the Declarations is the limit of the **Insurer's** liability for all **Damages** and **Claim Expenses**, arising out of a **Claim** first made against the **Insured(s)** and reported during the **Policy Period** or the Discovery Period, if applicable. If the "Limit of Liability—Each **Claim**" is exhausted by payment of **Damages** and **Claim Expenses**, the **Insurer's** obligations under this Policy as respects such **Claim** shall be completely fulfilled and extinguished.
- B. The "Limit of Liability—Aggregate" stated in Item 3.b in the Declarations is the total limit of the **Insurer's** liability for all **Damages** and **Claim Expenses**, arising out of all **Claims** first made against the **Insured(s)** and reported during the **Policy Period** or the Discovery Period, if applicable. The Limit of Liability for the Discovery Period is part of, and not in addition to, the Limit of Liability for the **Policy Period**. If the "Limit of Liability—Aggregate" stated in Item 3.b in the Declarations is exhausted by payment of **Damages** and **Claim Expenses**, the **Insurer's** obligations under this Policy as to all **Claims** shall be completely fulfilled and extinguished.
- C. In the event a **Claim** is insured by another policy provided to the **Insured(s)** by the **Insurer** or any of its parents, subsidiaries or affiliated companies, then the **Insurer's** Limit of Liability for all **Damages** and **Claim Expenses** under this Policy, as respects any

such **Claim**, shall be reduced by any amounts paid or payable under such other insurance policy, and the most the **Insurer** will pay is the highest available limit of liability that applies to such **Claim** under such policies, provided that this provision does not apply if the other insurance is umbrella or excess insurance that the **Insured** purchased specifically to apply in excess of the limits of coverage that apply under this policy. Also in such event, a single Deductible shall apply which shall be the largest under the policies implicated and shall be the obligation of the **Insured(s)** jointly.

- D. **Claim Expenses** are part of, and not in addition to, the Limit of Liability and the **Insurer's** payment of **Claim Expenses** shall reduce and exhaust the Limit of Liability.
- E. The **Insurer** shall only be liable for that part of covered **Damages** and **Claim Expenses** resulting from each **Claim** both first made against any **Insured** and reported in writing to the **Insurer** during the **Policy Period**, including the Discovery Period, if applicable, that is in excess of the Deductible stated in item 4 in the Declarations. The Deductible shall be the obligation of the **Insured(s)** jointly.
- F. No Deductible will apply to **Damages** or **Claim Expenses** for **Claims** that result from the rendering of, or failure to render, pro-bono services in the **Insured's** capacity as a lawyer.

VI. DEFENSE, INDEMNIFICATION AND COOPERATION

- A. The **Insurer** has the right and duty to defend any **Claim** to which this insurance applies, even if the allegations of the **Claim** are groundless, false or fraudulent. The **Insurer** will have the right to select legal counsel to defend the **Insured** against the **Claim**; provided however, the **Insured** may propose alternate legal counsel to defend the **Insured** against the **Claim**, as long as that defense counsel agrees to abide by the **Insurer's** defense counsel guidelines and rate structure. The **Insurer** shall pay **Claim Expenses** charged in defense of a **Claim** by legal counsel retained under this Section.
- B. The **Insurer** may, but is not required to, prosecute any appeal by the **Insured** from an adverse judgment, provided, however, that the **Insurer** has no obligation to pay post-judgment interest or to post a bond on any amount in excess of the applicable then remaining **Limits of Liability**.
- C. The **Insurer** shall not settle any **Claim** without the prior written consent of the **Named Insured**. If the **Named Insured** refuses to consent to a settlement demand acceptable to the claimant and recommended by the **Insurer** and elects instead to contest the **Claim**, then the **Insurer's** total liability for such **Claim** shall not exceed the combined total of:
 - 1. the amount of such proposed settlement offer;
 - 2. the amount of **Claim 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 **Claim Expenses** incurred in excess of the combined total of the amounts set forth in 1 and 2 of this Section above,

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

- D. If the **Insurer** and the **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 **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.

- E. The **Insured** shall assist and cooperate with the **Insurer**, as requested. The **Insured** shall not retain counsel, make any payment, admit any liability, settle any **Claims**, assume any obligation, agree to arbitration, agree to toll any statute of limitations or incur any expense without the prior written consent of the **Insurer**.

VII. NOTICE OF CLAIMS OR CIRCUMSTANCES

- A. As a condition precedent to the obligations of the **Insurer** under this Policy, the **Insured** shall give the **Insurer** written notice of any **Claim** made against an **Insured**, or any proceeding or **Crisis Event** as described in Section II herein, as soon as practicable, but in no event later than the end of the **Policy Period** or the Discovery Period (if applicable), or within sixty (60) days following the expiration of the **Policy Period** if the **Claim** was first made, proceeding was first brought, or the **Crisis Event** first occurred, during the **Policy Period**. Oral notice to the **Insurer** does not suffice.
- B. If during the **Policy Period**, the **Insured** becomes aware of a **Potential Claim** and gives written notice to the **Insurer** of the specific act or omission, the reasons for anticipating such a **Potential Claim**, the identities of the potential claimants and the **Insureds** allegedly responsible for such specific act or omission, the amount of actual or potential damages, and the circumstances by which the **Insured** first became aware of such **Potential Claim**, then any **Claim** subsequently made or proceeding subsequently brought against the **Insured** arising out of such **Potential Claim** shall be deemed to have been made at the time such notice was received by the **Insurer**.
- C. The **Insured** shall give notice to the **Insurer** under this Section as specified on the Declarations.

VIII. SINGLE CLAIM/INTERRELATED ACTS OR OMISSIONS

All **Claims** based upon or arising out of the same act or omission or out of **Interrelated Acts or Omissions** shall be considered a single **Claim**, and each such single **Claim** shall be deemed to have been made on the earlier of the following:

- A. when the earliest **Claim** arising out of such act or omission or **Interrelated Act or Omission** first was made; or,
- B. when notice pursuant to Section VII.B, herein, of a fact, circumstance, or situation giving rise to such **Claim** was given.

IX. DISCOVERY PERIOD

- A. If the **Named Insured** cancels or if the **Insurer** or the **Named Insured** refuses to renew this Policy, the **Named Insured** shall have the right, upon payment of an additional premium, which is a percent of the premium stated in Item 5 in the Declarations, to an extension of the coverage granted by this Policy for a period of one (1) year, two (2) years, three (3) years, five (5) years or an unlimited period of time. The extension of coverage is for a **Claim** first made during such period of time commencing immediately following the effective date of such cancellation or non-renewal, but only if the **Claim** is based on an act or omission occurring prior to the end of the **Policy Period** and otherwise covered by this Policy. Such period is referred to in this Policy as the "Discovery Period." The right to purchase the Discovery Period shall terminate, however, unless, within sixty (60) days of the effective date of cancellation or non-renewal, written notice of such election together with the additional premium due is received by the **Insurer** from the **Named Insured**. The premium for the Discovery Period shall be a percentage of the current full annual premium for the **Named Insured** under this Policy, as follows: (a) one hundred and twenty-five (125%) percent for one (1) year; (b) one hundred and eighty-five (185%) percent for two (2) years; (c) two hundred (200%)

percent for three (3) years; (d) two hundred and fifty (250%) percent for five (5) years; or (e) three hundred (300%) percent for an unlimited period of time.

- B. The additional premium for the Discovery Period shall be fully earned at the inception of the Discovery Period. The Discovery Period is not cancelable.
- C. If during the **Policy Period**, any **Insured** permanently ceases performance of **Professional Services** as a result of retirement, becoming disabled, or death, such **Insured** or the **Named Insured**, or the **Insured's** executor or estate, may request a Named Individual Discovery Period Endorsement that will apply to such **Insured**, provided that at the time this right could be exercised by or on behalf of an **Insured**, such **Insured's** right to practice law has not been revoked, suspended or surrendered at the request of any regulatory authority for reasons other than that the **Insured** is disabled. Any request for such endorsement must be made in writing to the **Insurer** during the same **Policy Period** that the **Insured** retired, became disabled, or died, or within sixty (60) days of the ending date of such **Policy Period**, and include evidence of such retirement, disability, or death. The Named Individual Discovery Period Endorsement will not apply to **Claims** made while this Policy is in force, any successive renewal of this Policy is in force, or any Discovery Period that applies to this Policy or any renewal of this Policy is in force, nor will it apply to **Claims** if any other insurance applies to the **Claim**. The limits of liability applicable to any **Claim** covered under such endorsement will be shared by all **Insureds** for whom such an endorsement has been requested in a Policy Period. There is no charge for the Named Individual Discovery Period Endorsement for eligible **Insureds** who die or become disabled during the Policy Period and who permanently cease performance of **Professional Services**. The charge for the Named Individual Discovery Period Endorsement for eligible **Insureds** who retire during the **Policy Period** is \$1,500 per **Insured** named in the endorsement. However, if the **Named Insured** has been continuously insured by the **Insurer**, or any of its affiliated insurance companies, for at least three consecutive years, no charge will be made for the endorsement.

X. GENERAL CONDITIONS

A. Cancellation and Non-Renewal

1. The **Named Insured** may cancel this Policy by mailing written notification to the **Insurer** stating on what future date cancellation shall be effective. The effective date of cancellation shall become the end of the **Policy Period**. In the event the **Named Insured** cancels this Policy, the **Insurer** shall retain the customary short rate premium.
2. The **Insurer** may cancel this Policy by mailing written notification to the **Named Insured** at the address shown in the Declarations stating on what future date cancellation shall be effective. The effective date of such cancellation shall be not less than ten (10) days after notice is mailed to the **Named Insured**. The effective date of cancellation shall become the end of the **Policy Period**. In the event the **Insurer** cancels this Policy, earned premium shall be calculated on a pro rata basis.
3. If the **Insurer** decides not to renew this Policy, the **Insurer** shall provide written notice to the **Named Insured** at least sixty (60) days before the end of the **Policy Period**. The notice should include the reason for such non-renewal. In no event, shall an offer by the **Insurer** to renew this Policy on terms that involve any change in Deductible, premium, Limit of Liability or other terms and conditions constitute a refusal by the **Insurer** to renew this Policy.
4. Any notices to be given to the **Named Insured** under this Section shall be provided to the **Named Insured** at the last known principal address and to its insurance agent or broker. The mailing by certified mail of such notice shall be sufficient.

B. Representations

The **Insureds** agree that the **Application** is deemed attached to this Policy and incorporated herein. The **Insureds** further agree that all statements, representations and information contained in or incorporated into the **Application** are their representations and are material to the acceptance of the risk assumed by the **Insurer** under this Policy. This Policy is issued in reliance upon the truth of such representations.

The **Insureds** further agree that in the event of any material misstatement, misrepresentation or omission in the **Application**, this Policy shall be void as to any **Insured** who knew of such misstatement, misrepresentation or omission and as to any **Insured** to whom such knowledge is imputed. The knowledge of any individual **Insured** shall not be imputed to any other individual **Insured**, but the knowledge of any individual **Insured** shall be imputed to the **Named Insured** or any **Predecessor Firm** except where the **Insured** is an **Independent Contractor** or Of Counsel attorney.

C. Material Change

If during the **Policy Period**, there is a fifty (50) percent or greater change in the number of lawyers comprising the **Named Insured**, or the **Named Insured** undergoes a merger, acquisition or dissolution, then the **Named Insured** shall give the **Insurer** written notice of such changes as soon as practicable, but in no event later than thirty (30) days after the effective date of such change. In the event of any such change, the **Insurer** shall have the right to adjust the premium and coverage, subject to all other terms and conditions of the Policy, and the **Named Insured** shall accept any premium adjustment or coverage revisions that the **Insurer** may require.

D. Other Insurance

The insurance provided by this Policy applies only as excess over any other valid and collectible insurance, unless such other insurance is written only as specific excess insurance over the Limit of Liability provided by this Policy. This Policy is specifically excess of any other valid and collectible insurance pursuant to which any other insurer has a duty to defend a **Claim** for which this Policy may be obligated to pay **Damages**. This Policy also is specifically excess over any other valid and collectible insurance providing coverage for any **Insured** as described in Section III.I.3 herein, with respect to an act or omission by such **Insured** in the rendering of **Professional Services** prior to the date such **Insured** first became affiliated with the **Named Insured**.

E. Subrogation

1. In the event of payment under this Policy, the **Insurer** shall be subrogated to the extent of such payment to all of the rights of recovery of the **Insureds** against any person or organization. The **Insureds** shall execute and deliver all papers and instruments required and shall do whatever else is necessary to enable the **Insurer** effectively to bring suit in their name and otherwise secure such rights. The **Insureds** shall do nothing to prejudice any such rights.
2. Any amount recovered after payment under this Policy shall be apportioned in the inverse order of payment to the extent of the actual payment. The expenses incurred in obtaining any such recoveries shall be apportioned in the ratio of the respective recoveries.

F. Assignment

This Policy and any and all rights hereunder are not assignable without the written consent of the **Insurer**.

G. Entire Agreement

By acceptance of this Policy, the **Insureds** and the **Insurer** agree that this Policy (including the **Application**) and any written endorsements attached hereto constitute the entire agreement between the parties.

H. Authorization

The **Insureds** agree that the **Named Insured** shall act on behalf of the **Insureds** with respect to the giving of all notices to the **Insurer**, the receipt of notices from the **Insurer**, the payment of premiums, and the receipt of any return premiums that may become due under this Policy.

I. Worldwide Territory

This Policy applies to an act or omission taking place anywhere in the world, provided that the **Claim** is made and suit is brought against the **Insured** within the United States of America, its territories, possessions or Canada.

J. Conformity to Statute

Any terms of this Policy which are in conflict with the terms of any applicable laws construing this Policy are hereby amended to conform to such laws.

XI. SERVICE OF SUIT

If the **Insurer** fails to pay any amount claimed to be due under this Policy, the **Insurer**, at the request of any of the **Insureds**, shall submit to the jurisdiction of any court of competent jurisdiction within the United States, and shall comply with all requirements necessary to give such court jurisdiction. Nothing in this Clause constitutes or should be understood to constitute a waiver of the **Insurer's** rights to commence an action in any Court of competent jurisdiction in the United States, to remove an action to a United States District Court, or to seek a transfer of a case to another Court as permitted by the laws of the United States or of any State in the United States.

The **Insurer** hereby designates the Superintendent, Commissioner or Director of Insurance or similar officer specified by law for that purpose, or his or her successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of any **Insured** under the Policy. Upon receipt of process lawfully served, that official may mail such process to Claim Manager - Professional Liability at the address stated on the Declarations.

XII. HEADINGS

The descriptions in the headings and any subheading of this Policy (including any titles given to any endorsement attached hereto) are inserted solely for convenience and do not constitute any part of the terms or conditions hereof.

THIS POLICY SHALL NOT BE VALID UNLESS COMPLETED BY THE ATTACHMENT HERETO OF A DECLARATIONS PAGE AND SIGNED BY A DULY AUTHORIZED REPRESENTATIVE OF THE INSURER.