

LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

National Union Fire Insurance Company of Pittsburgh, Pa.

1271 Ave of the Americas FL 37

New York, NY 10020-1304

(A capital stock company, herein called the Company)

THIS IS A CLAIMS MADE POLICY. IT APPLIES ONLY TO THOSE CLAIMS THAT ARE FIRST MADE DURING THE POLICY PERIOD AND ANY APPLICABLE EXTENDED REPORTING PERIOD, AS THOSE TERMS ARE DESCRIBED IN THIS POLICY. PLEASE REVIEW THIS POLICY CAREFULLY AND DISCUSS THIS COVERAGE WITH YOUR INSURANCE AGENT OR BROKER. EXCEPT AS OTHERWISE SET FORTH IN THIS POLICY, CLAIM EXPENSES REDUCE THIS POLICY'S LIMITS OF LIABILITY AND ARE SUBJECT TO THE POLICY'S DEDUCTIBLE.

Preface

Throughout this policy the terms “we”, “us”, and “our” refer to the company issuing this policy as stated in the Declarations, and the terms “**you**” and “**your**” refer to those persons or entities insured as further defined in this policy. The **named insured**, incorporated within the terms **you** and **your**, has special duties and responsibilities, which are described in the policy.

Various terms used in this policy have special definitions. Words in bold are defined in the Definitions section of this policy. Titles are provided for informational purposes only and do not have special meanings.

This policy is organized into the following sections:

Preface

Coverage

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Conditions

There are exclusions and conditions that apply to the coverage provided by this policy. Please read the entire policy carefully.

I. Coverage

In consideration of the premium paid, **your** payment of the deductible, and in reliance upon the statements made by the **named insured** in the application and supplementary information provided by the **named insured**, and subject to the limits of liability and all other terms, conditions, and exclusions of this policy:

We agree to pay on **your** behalf all **damages**, in excess of the deductible and up to the limits of liability stated in the Declarations, that **you** become legally obligated to pay as a result of any **claim** first made against **you** during the **policy period** or any applicable **extended reporting period** alleging **you** or a person for whom **you** are legally liable committed a **wrongful act** to which this insurance applies, provided that:

1. such **wrongful act** or **related wrongful acts** were first committed on or after the retroactive date set forth in the Declarations, if any, but before the end of the **policy period**;
2. prior to the effective date of the first Lawyers Professional Liability Insurance Policy issued by us to the **named insured** and continuously renewed and maintained in effect to the inception of this **policy period**:
 - a. **you** did not give notice to a prior insurer of **claim** or a **related claim**;
 - b. **you** did not give notice to a prior insurer of the **wrongful act** giving rise to the **claim** or any **related wrongful act**; and
 - c. **you** had no reasonable basis to believe **you** had committed a **wrongful act**; and
3. such **claim** is reported to us in writing in accordance with the Notice of Claim provision of this policy. We will also pay **claim expenses** as set forth in the section entitled Limits of Liability & Deductible.
4. A **claim** is deemed made when such demand or service is first received by any of **you**.

II. Definitions

Whether expressed in the singular or plural, whenever appearing in bold in this policy, the following terms shall have the meanings set forth below.

1. **Authenticate** means:
 - a. that the Insured verified the transfer instruction by telephone call made to the individual who purportedly sent the transfer instruction;
 - b. such telephone call is made to a number independently obtained from other than the transfer instruction; and
 - c. such individual verified the content of such transfer instruction as accurate.
2. **Bodily injury** means physical injury, sickness, disease or death of any person. **Bodily injury** shall also mean mental anguish, including emotional distress, shock or fright, whether or not resulting from physical injury, sickness, disease or death of any person.
3. **Claim** means a written demand received by **you**:
 - a. for monetary or non-monetary relief, including the service of suit or institution of arbitration proceedings against **you** alleging a **wrongful act**; or
 - b. to toll or waive a statute of limitations with respect to a **wrongful act**.

4. Claim expenses means:

- a. reasonable and necessary fees charged by any lawyer designated by us;
- b. reasonable and necessary fees and expenses charged by any lawyer selected by **you** as independent counsel, if a conflict of interest exists and applicable law permits **you** to select such independent counsel and requires us to pay for such independent counsel;
- c. all other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a **claim**, if incurred by us;
- d. all costs allocated to **you** in suits or proceedings and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before we have paid or tendered or deposited the amount of such judgment, whether in court or otherwise, but only as respects that part of the judgment which does not exceed the limit of our liability thereof; and
- e. premiums on appeal bonds and premiums on bonds to release attachments in such suits, but not for bond amounts in excess of the applicable limit of liability of this policy. We shall have no obligation to pay for or furnish any bond.

However, **claim expenses** does not include salary charges of our regular employees or officials. **Claim expenses** does not include **your** salaries, fees, costs or expenses.

5. Computer systems means computers and associated input and output devices, data storage devices, networking equipment, and back-up facilities operated by and either owned by or leased to the **named insured**; or operated for the benefit of the **named insured** by a third party service provider and used for the purpose of providing hosted application services to the **named insured**; or for processing, maintaining, or storing electronic data, pursuant to written contract with the **named insured**.

6. Confidential business information means, with respect to a third-party entity, any information that comes into the **named insured's** care, custody or control in the course of performing **professional legal services**:

- a. that is subject to any form of confidentiality agreement or confidentiality provision in a contract or agreement between the **organization** and the **named insured**; or
- b. which the **named insured** is legally required to maintain in confidence.

However, **confidential business information** does not include any publicly available information that is lawfully in the public domain or information available to the general public from government records, nor does it include **protected personal information**.

7. Damages means a monetary judgment or settlement. **Damages** does not include:

- a. fines or statutory penalties, or sanctions whether imposed by law or otherwise, including, but not limited to, awards under Rule 11 of the Federal Rules of Civil Procedure or 28 U.S.C. §1927, and/or any amounts that are a consequence of such fines penalties or sanctions;
- b. the return of or restitution of legal fees, costs and expenses;
- c. punitive or exemplary damages, or the multiplied portion of multiplied damages;
- d. amounts for which **you** are not financially liable, or which are without legal recourse to **you**;
- e. the cost of re-performing or completing any **professional legal services**;
- f. the cost of compliance with an injunction or any other non-monetary relief; or
- g. any amounts which may be deemed uninsurable under applicable law.

8. **Disciplinary proceeding** means a formal investigation or proceeding regarding **your** adherence to professional standards of conduct in the performance of **professional legal services** before a court, state licensing board, peer review committee, bar association, or other regulatory body.
9. **Extended reporting period** means the designated period of time after the cancellation or non-renewal of the **policy period** for reporting **claims** to us that are made against **you** during such period of time, provided that such **claims** arise out of **wrongful acts** that first take place on or after the retroactive date and before the end of the **policy period**.
10. **Named insured** means any person or entity designated in the Declarations, including the **predecessors** of any such person or entity.
11. **Organization** means a corporation, partnership, association, trust or fund (including a pension, welfare, profit sharing, mutual or investment fund or trust), or any other business enterprise or charitable organization of any kind or nature. **Organization** does not include any entity insured under this policy.
12. **Personal injury** means
- a. false arrest, humiliation, detention or imprisonment, wrongful entry, eviction or other invasion of private occupancy, abusive litigation (criminal or civil), abuse of process, or malicious prosecution;
 - b. a publication or utterance of a libel or slander or other defamatory or disparaging material; or
 - c. a publication or utterance in violation of an individual's right of privacy.
13. **Policy period** means the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.
14. **Predecessor** means an entity that, prior to the effective date of this policy, is dissolved or inactive and is no longer performing **professional legal services**, and:
- a. more than fifty percent (50%) of such entity's assets have been assigned or transferred to the **named insured**; or
 - b. at least fifty percent (50%) of the principals, owners, officers, or partners of such entity have joined the **named insured**.
15. **Privacy breach** means the actual or alleged unauthorized release of, or disclosure, theft or other misappropriation of **confidential business information** or **protected personal information** in the **named insured's** written files or **computer systems** which release, disclosure, theft or other misappropriation occurs in the course of rendering **professional legal services**.
16. **Privacy breach response expenses** are those reasonable and necessary expenses incurred by **you** to:
- a. hire cyber forensic analysts to determine the extent of an actual security breach that has occurred; or
 - b. provide notifications or credit monitoring services to individuals in compliance with state or local privacy laws when the security, confidentiality or integrity of their personal information has been compromised.
17. **Privacy Regulation** means any state or federal identity theft and privacy protection legislation that requires commercial entities that collect, process, or store personal information to post privacy policies, adopt specific privacy controls, or notify natural persons and/or **organizations** in the event that such personal information has been compromised or potentially compromised.

18. Professional legal services means legal services performed for others as:

- a. a lawyer;
- b. a notary public;
- c. an arbitrator;
- d. a mediator;
- e. a title insurance agent;
- f. a designated issuing lawyer to a title insurance company;
- g. a court-appointed fiduciary;
- h. a member of a bar association, ethics, peer review, formal accreditation or licensing, or similar professional board or committee;
- i. an author, strictly in the publication or presentation of legal research papers or similar legal materials and only if the fees generated from such work are not greater than ten thousand dollars (\$10,000); or
- j. an administrator, conservator, receiver, executor, trustee, guardian, or any similar fiduciary capacity.

Services performed by **you** in a lawyer-client relationship on behalf of one or more clients shall be deemed for the purpose of this section to be **professional legal services** in **your** capacity as a lawyer, although such services could be performed wholly or in part by nonlawyers.

19. Property damage means physical injury to or destruction of any tangible property or loss of use therefrom. Tangible property does not include currency and negotiable instruments.

20. Protected personal information means personal information about an individual that is not available to the general public and from which such individual can be uniquely identified, which information comes into **your** care, custody or control in the course of performing **professional legal services** and which information is the subject of any **privacy regulation**.

21. Related claims means all **claims** arising out of a single **wrongful act** or arising out of **related wrongful acts**.

22. Related wrongful acts means all **wrongful acts** that are logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

23. Totally and permanently disabled means that **you** have become so disabled as to be wholly prevented from performing **professional legal services**, provided that such disability:

- a. has existed continuously for more than six (6) months; and
- b. is expected to be continuous and permanent;

as determined and documented by **your** licensed treating physician. However, **totally and permanently disabled** shall not mean any condition which occurred:

- a. as a result of war or acts of war, whether or not declared; or
- b. during active service in the armed forces of any country.

24. Wrongful act means any act, error, omission or **personal injury** committed in the performance of **professional legal services**.

25. "You" means the **named insured** and the persons or entities described below:

- a. any lawyer, partnership, limited liability partnership, professional corporation or professional association, limited liability company or limited liability partnership who:
 - i. as of the inception date of the policy, is a partner, officer, director, stockholder-employee, associate, manager, member or employee of the **named insured**;
 - ii. after the inception date of the policy and prior to its termination, becomes a partner, officer, director, stockholder-employee, associate, manager, member or employee of the **named insured**;
 - iii. was previously affiliated with the **named insured** as a partner, officer, director, stockholder-employee, associate, manager, member or employee of the **named insured**;
 - iv. is acting as "of counsel" to the **named insured**; or
 - v. is acting as an independent contractor or on a per diem basis to the **named insured**;but only for **professional legal services** performed on behalf of the **named insured** during the time of such affiliation. Those of **you** who qualify for and elect a non-practicing **extended reporting period** shall be considered within the definition of **you** only as an individual, as set forth above; and
- b. each nonlawyer employee who was, is, or becomes an employee of the **named insured**, but only while acting within the scope of employment on behalf of the **named insured** at the time of such employment.

III. Special Benefits

1. Claim Expenses.

- a. The first two thousand five hundred dollars (\$2,500) of **claim expenses** incurred by us for each **claim** shall not be subject to the deductible and shall erode the limits of liability.
- b. If the "each **claim**" limit of liability stated in the Declarations is less than five hundred thousand dollars (\$500,000), the first one hundred thousand dollars (\$100,000) of **claim expenses** paid in excess of the amount set forth in Subparagraph a. above is subject to the deductible and is in addition to, and shall not erode, the limits of liability.
- c. If the "each **claim**" limit of liability stated in the Declarations is at least five hundred thousand dollars (\$500,000) but is less than two million dollars (\$2,000,000), the first two hundred fifty thousand dollars (\$250,000) of **claim expenses** paid in excess of the amount set forth in Subparagraph a. above is subject to the deductible and is in addition to, and shall not erode, the limits of liability.
- d. If the "each **claim**" limit of liability stated in the Declarations is two million dollars (\$2,000,000) or more, the first five hundred thousand dollars (\$500,000) of **claim expenses** paid in excess of the amount set forth in Subparagraph a. above is subject to the deductible and is in addition to, and shall not erode, the limits of liability.

- e. The **claim expense** amounts described in Subparagraphs b., c., and d. above are aggregate amounts that apply regardless of the number of **claims**. Upon exhaustion of such aggregate amounts by the payment of **claim expenses** additional amounts for **claim expenses** shall erode the "each **claim**" and aggregate limits as set forth in the section entitled Limits of Liability & Deductible.

2. Disciplinary Proceeding Defense Cost Reimbursement.

If a **disciplinary proceeding** is brought against **you** during the **policy period**, we will reimburse reasonable attorney's fees and expenses **you** pay a third party for legal advice and representation to **you** in such matters, as well as reasonable costs, expenses and fees **you** incur to respond to or prepare **your** defense. Our determination as to the reasonableness of such fees, costs and expenses will be conclusive. We will not pay fines, penalties, sanctions, or any other amounts awarded against **you** in any **disciplinary proceeding**.

You must provide written notice to us as soon as practicable after receipt of the notice of **disciplinary proceeding** at our address stated in the Declarations, but no later than sixty (60) days after the expiration of the **policy period**. No **extended reporting period** shall be available as respects coverage for **disciplinary proceedings**.

The most we will reimburse **you** for any one **disciplinary proceeding** is twenty-five thousand dollars (\$25,000). The most we will reimburse during the **policy period**, if applicable, for all **disciplinary proceedings** is one hundred thousand dollars (\$100,000) in the aggregate. Any reimbursement made pursuant to this provision shall not be subject to a deductible and shall be in addition to the limits of liability set forth in the Declarations.

Notwithstanding the foregoing, this provision shall not apply to any **disciplinary proceeding** arising out of a **wrongful act** occurring prior to the **policy period** if, prior to the inception date of the first Lawyers Professional Liability Insurance Policy issued by us to the **named insured** and continuously renewed and maintained in effect to the inception of this **policy period**, **you**:

- a. gave notice to any prior insurer of the **wrongful act**; or
- b. if **you** had a reasonable basis:
 - i. to believe that **you** had committed a **wrongful act**, breached a professional duty, violated a disciplinary rule or engaged in professional misconduct; or
 - ii. to foresee that a **disciplinary proceeding** would be made against **you**.

3. Loss of Earnings.

If we request in writing that **you** attend a trial, hearing, or arbitration proceeding in the course of defending, investigating or settling a **claim**, we will pay **you** up to one thousand dollars (\$1,000) per day for **your** loss of earnings for each such day or part thereof **you** attend. The most we will pay under this provision is ten thousand dollars (\$10,000) for each **claim**, regardless of how many days of attendance are requested or how many of **you** attend such proceedings, and fifty thousand dollars (\$50,000) in the aggregate for all **claims** made during the **policy period** or **extended reporting period**, if applicable. Any payment made pursuant to this provision shall not be subject to a deductible and shall be in addition to the limits of liability set forth in the Declarations.

4. Reduced Deductible for Arbitrated or Mediated Claims.

We have the right to submit a **claim** to binding arbitration or mediation; however, no **claim** shall be submitted to arbitration or mediation without **your** prior written consent. If **you** consent to submit a **claim** made against **you** to binding arbitration or mediation upon our request and agree with the terms and conditions we specify as respects such arbitration or mediation, we will reduce the deductible stated in the Declarations by fifty percent (50%). However, in the case of mediation, the maximum dollar amount by which the deductible will be reduced under this special benefit is two thousand five hundred dollars (\$2,500).

5. **Subpoena Assistance.**

In the event **you** receive a subpoena during the **policy period** for the production of documents or to compel testimony, we will, upon **your** request, have the right and obligation to select counsel to provide legal advice and representation to **you** with respect to the subpoena. We shall pay such counsel's reasonable attorney's fees and expenses, excluding any disbursements; provided that the subpoena:

- a. is not received in connection with a **claim** otherwise covered under this policy; and
- b. is not in connection with a lawsuit for which **you** have been engaged to provide advice or testimony.

No **extended reporting period** shall be available as respects coverage for subpoena assistance.

The maximum aggregate amount payable for all such legal fees covered under this special benefit, regardless of the number of subpoenas or how many of **you** receive subpoenas, shall be twenty-five thousand dollars (\$25,000) in the aggregate. Such fees incurred under this additional coverage provision shall not be subject to a deductible and shall be in addition to the limits of liability set forth in the Declarations.

Any notice **you** give to us of such subpoena shall be deemed notification of a potential **claim** under the Discovery Clause of this policy.

6. **Privacy Breach Response Expenses.**

We will reimburse the **named insured** up to twenty-five thousand dollars (\$25,000) for **privacy breach response expenses** incurred in connection with a **privacy breach** provided that such **privacy breach** first occurred during the **policy period** and is reported to us in accordance with the section entitled Notice of Claims. The maximum amount we will pay for such **privacy breach response expenses** is twenty-five thousand dollars (\$25,000) per **privacy breach** and twenty-five thousand dollars (\$25,000) for all **privacy breaches** in the aggregate per **policy period** regardless of the number of **privacy breaches**.

For the purposes of the coverage provided by this policy, any reference in the Notice of Claims provision to **claims** shall be deemed to include **privacy breaches**.

7. **Social Engineering Claims.**

We agree to pay on **your** behalf **damages** and **claim expenses** up to twenty-five thousand dollars (\$25,000) that **you** become legally obligated to pay as a result of any social engineering **claim** first made against **you** during the **policy period**, provided that:

- a. **you** or the person for whom **you** are legally liable acted in good faith reliance upon a transfer instruction that purported to be a legitimate transfer instruction;
- b. **you** or the person for whom **you** are legally liable attempted to **authenticate** such transfer instruction prior to transferring any money or securities;
- c. such transfer instruction was, in fact, fraudulent;
- d. the social engineering **wrongful act** was first committed on or after the retroactive date set forth in the Declarations, if any, but before the end of the **policy period**;
- e. prior to the effective date of the first Lawyers Professional Liability Insurance Policy issued by us to the **named insured** and continuously renewed and maintained in effect to the inception of this **policy period**:

- i. **you** did not give notice to a prior insurer of a **related claim**;
 - ii. **you** did not give notice to a prior insurer of the **wrongful act** giving rise to the **claim** or any related **wrongful act**; and
 - iii. **you** had no reasonable basis to believe **you** had committed a social engineering **wrongful act**; and
- f. such **claim** is reported to us in writing in accordance with the Notice of Claim provision of this policy.

The maximum amount we will pay for such social engineering **claim** is twenty-five thousand dollars (\$25,000) per social engineering **claim** and twenty-five thousand dollars (\$25,000) for all social engineering **claims** in the aggregate per **policy period** regardless of the number of social engineering **claims**.

Notwithstanding anything to the contrary in the section entitled **Extended Reporting Periods**, no **extended reporting period** shall be available with respect to any social engineering **claims**.

Damages and **claim expenses** incurred under this special benefit will not be subject to a deductible and will be in addition to the limits of liability set forth in the Declarations.

IV. Territory

The insurance afforded applies to **Wrongful Acts** occurring worldwide, to the extent permissible by law.

V. Exclusions

This policy does not apply:

1. Bodily Injury and Property Damage.

To any **claim** based upon or arising out of **bodily injury** or **property damage** unless such **bodily injury** or **property damage** would not have otherwise occurred directly or indirectly but for **your** performance of **professional legal services**, and no other cause or circumstance contributed to the loss, including but not limited to the negligence of a third party, and if:

- a. such **bodily injury** or **property damage** takes place on premises occupied by the **named insured**;
- b. such **bodily injury** does not happen to **you** and such **property damage** does not occur to any property owned by **you**;
- c. the liability for such **claim** does not arise directly or indirectly out of any obligation under any workers' compensation, disability benefits or unemployment compensation law or any similar law;
- d. such **bodily injury** or **property damage** does not arise out of actual, alleged or threatened pollution; and
- e. the liability for such **claim** does not arise directly or indirectly out of the use, ownership, and/or maintenance of owned, non-owned, hired, rented, or loaned automobiles, trucks, aircraft or watercraft by **you**.

However, this exclusion does not apply to mental anguish, including emotional distress, shock or fright caused by **personal injury**.

2. Certain Services and Capacities.

To any **claim** against **you** in **your** capacity as:

- a. an officer, director, partner, manager, operator, or employee of an **organization** other than that of the **named insured**;
- b. a public official, or an employee of a governmental body, subdivision, or agency; or
- c. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments thereto, or similar federal, state, local or common law, or any regulation or order issued pursuant thereto, except if **you** are deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan.

3. Equity Interests.

If a person insured under this policy owns alone or together with his or her spouse or Domestic Partner, ten percent (10%) or more of the issued and outstanding shares, units or other portions of the capital of an **organization**, and that person simultaneously provides **professional legal services** with respect to such an **organization**, this policy will provide no coverage to that person for any **claims** based upon or arising out of such **professional legal services**.

If the collective equity interest of:

- a. all persons and entities insured under this policy;
- b. spouses of persons insured under this policy; and
- c. the **named insured**

is thirty-five percent (35%) or more of the issued and outstanding shares, units or other portions of the capital of an **organization**, and any person insured simultaneously provides **professional legal services** with respect to such an **organization**, this policy will provide no coverage to any person insured or to the **named insured** for any **claims** that result therefrom.

4. Fraudulent, Criminal, Malicious, Deliberately Wrongful Acts or Omissions.

To any **claim** based upon or arising out of any dishonest, fraudulent, criminal, malicious or deliberately **wrongful acts** or omissions committed by **you**.

This exclusion shall not apply to a **claim** until and unless such conduct is evidenced by any judgment, final adjudication, alternate dispute resolution proceeding or written admission by **you**.

This exclusion does not apply to those of **you** who did not personally commit, personally participate in committing, or remain passive after learning about one or more of the acts or omissions described in this exclusion. However, our obligation to provide coverage in any such case shall be excess of the deductible and excess of the full extent of any assets in the **named insured**, or monetary value attributed to such assets, of anyone to whom this exclusion applies.

This exclusion shall not apply to **claims** alleging **personal injury**.

5. Insured versus Insured.

To any **claim** made by one or more insured against another insured unless an attorney/client relationship exists between such insureds.

For the purpose of this exclusion, the term "insured" shall mean "**you**."

6. Status as Beneficiary or Distributee.

To any **claim** made against **you** in **your** capacity as a beneficiary or distributee of any trust or estate.

7. **Conversion, Misappropriation, or Commingling.**

To any **claim** based upon or arising out of the intentional or unintentional conversion, misappropriation, or improper commingling of any client funds or property or trust account funds or property, or funds or property of any other person held or controlled by any of **you** in any capacity or under any authority. including loss or reduction in value of such funds or property.

8. **Office Sharing.**

To **claims** arising out of **professional legal services** performed by a lawyer with whom **you** shared common office space or common office facilities and who is not an insured under this policy, unless such lawyer qualifies under the definition of **You**.

VI. Limits of Liability & Deductible

1. **Claim Expenses.** **Claim expenses** paid under this policy shall reduce this policy's limits of liability and are subject to the policy's deductible. However, subject to specific conditions and limitations, some **claim expenses** shall not be subject to the limits of liability nor to the deductible as fully described in the Special Benefits section of the policy.
2. **Limits of Liability — Each Claim.** The most we will pay for **damages** and **claim expenses** for each **claim**, in excess of the deductible, is specified as "each **claim**" in the limits of liability section of the Declarations and is subject to the amount specified as "aggregate" in the limits of liability section of the Declarations.
3. **Limits of Liability — Aggregate.** The most we will pay for **damages** and **claim expenses** for all **claims** is specified as "aggregate" in the limits of liability section of the Declarations.
4. **Deductible.** The deductible stated in the Declarations is the total amount of **your** liability for each **claim** and applies to the payment of **damages** and **claim expenses**, except as otherwise permitted in the **Special Benefits** section of this policy. The limits of liability are in addition to and in excess of the deductible. The deductible shall be paid by the **named insured**, or upon the **named insured's** failure to pay, jointly and severally by all of **you**.
5. **Multiple Policies Issued by Us Covering the Same Claim.** If two (2) or more policies of Lawyers Professional Liability Insurance issued by us covering **you** apply to the same **claim** or **claims** for which **you** are jointly and severally liable, we shall not be liable under this policy for a greater proportion of such **damages** than **our** liability under this policy bears to our total liability under all applicable valid and collectible insurance issued by us, provided that we shall not pay on **your** behalf any sum that exceeds the limit of liability of that policy issued by us that has the highest applicable limits of liability. In such circumstances, **you** will not be responsible under this policy for a greater proportion of the deductible than **your** responsibility under this policy bears to **your** total responsibility for all applicable deductibles, provided that **you** will not be responsible for any amount that exceeds the deductible of that policy issued by us that has the highest applicable deductible.
6. **Multiple Insureds, Claimants and Related Claims.**
 - a. **Multiple Insureds, Claimants.** Neither the making of a **claim** against more than one of **you**, nor the making of **claims** by more than one person or entity shall operate to increase our limits of liability.
 - b. **Related Claims.** All **related claims**, whenever made, shall be considered first made during the **policy period** or any applicable **extended reporting period** in which the earliest **claim** arising out of such **wrongful acts** was first made and reported to us. Further, all **related claims** shall be treated as a single **claim** and shall be subject to a single "each **claim**" limit of liability.

VII. Defense of Claims

We have the right and duty to defend any **claim** against **you**, including the appeal thereof, seeking **damages** to which this insurance applies even if any of the allegations of such **claim** are groundless, false, or fraudulent. However, we will have no duty to defend **you** against any **claim** to which this insurance does not apply.

We have the right to appoint counsel on **your** behalf to defend, investigate, and, with **your** written consent, settle such **claim** covered by the terms of this policy. If we recommend a settlement of a **claim** which is acceptable to the claimant, and **you** refuse to consent to such settlement, then our obligation to pay **damages** and **claim expenses** on account of such **claim**, shall not exceed the sum of:

1. the amount for which we could have settled such **claim**, plus **claim expenses** incurred up to the date of **your** refusal to consent to such settlement; and
2. fifty percent (50%) of **damages** and **claim expenses** incurred in connection with such **claim** in excess of the amount referenced in paragraph 1. above. All remaining **damages** and **claim expenses** shall be borne by **you** uninsured and at **your** own risk.

However, in no event shall our liability exceed the applicable limits of liability.

We are not obligated to investigate, defend, pay or settle, or continue to investigate, defend, pay or settle a **claim** after the applicable limit of liability has been exhausted by payment of **damages** and/or **claim expenses**, or after we have deposited the remaining available limits of liability into a court of competent jurisdiction. In such case, we shall have the right to withdraw from the further investigation, defense, payment or settlement of such **claim** by tendering control of such investigation or defense to **you**.

VIII. Claims

1. **Notice of Claims.** **You** must give us written notice of any **claims** made against **you** as soon as practicable but not later than sixty (60) days after expiration of the **policy period** or any applicable **extended reporting period**. In the event suit is brought against **you**, **you** must immediately forward to us every demand, notice, summons, complaint or other process received directly or by **your** representatives. Written notice of any **claim** against **you**, as well as of each demand on or action against us, must be delivered to us at the address stated on the Declarations.

All notices to us must be in writing. Notice given by or on behalf of **you** to our agent shall be considered notice to us.

2. **Discovery Clause.** Should **you** first become aware during the **policy period** of a **wrongful act** for which coverage is otherwise provided hereunder, and should **you** give written notice to us of:
 - a. the specific **wrongful act**;
 - b. the injury or damage which has resulted or may result from such **wrongful act**; and
 - c. the circumstances by which **you** first became aware of such **wrongful act**,

then any **claim** that may subsequently be made against **you** arising out of such **wrongful act** shall be deemed for the purposes of this insurance to have been made during the **policy period** in which such notice was given to us.

3. **Assistance and Cooperation.** You must cooperate with us in the investigation, defense and settlement of **claims** or related matters, including:
 - a. submitting to examination and interrogation by our representative at our request, under oath if required;
 - b. attending hearings, depositions and trials, securing and giving evidence, obtaining the attendance of witnesses, and effecting settlement; and
 - c. giving of written statements to our representatives, including investigating and coverage counsel, and meeting with such representatives for the purpose of investigation, including the investigation of coverage issues or defense;

all without charge to us unless otherwise permitted in the section entitled **Special Benefits.** You must further cooperate with us and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that **you** may have. **You** must not, except at **your** own cost, make any payment, admit any liability, settle any **claims**, assume any obligation or incur any expense without our prior written consent.

4. **False or Fraudulent Claims.** If **you** commit fraud in submitting any **claim** under this policy as regards amount or otherwise, the insurance provided under this policy shall become void as to **you** from the date such fraudulent **claim** is submitted.

IX. Extended Reporting Periods

This section of the policy sets forth the **extended reporting periods** that may be available to **you** under this policy. No **extended reporting period** shall be construed to be a new policy and any **claim** submitted during an **extended reporting period** shall be subject to the policy's terms and conditions except as specifically set forth below. All **claims** made during an **extended reporting period** must be reported in accordance with the provision entitled **Notice of Claims.**

1. **Automatic Extended Reporting Period.** If the **named insured** cancels or does not renew this policy or we do not renew this policy, we will provide the **named insured** with an automatic, non-cancelable sixty (60) day **extended reporting period**. This automatic **extended reporting period** terminates sixty (60) day after the end of the **policy period**. The limits of liability applicable to **claims** made during the automatic **extended reporting period** shall be part of and not in addition to the limits of liability set forth on the Declarations.

No automatic **extended reporting period** shall be available if we cancel this policy for non-payment of premium or if the **named insured** obtains another lawyers professional liability that applies to such **claim** within sixty (60) days immediately following the end of the **policy period**.

2. **Optional Extended Reporting Period.**
 - a. **Eligibility.** If the **named insured** cancels or does not renew this policy, or we do not renew this policy, the **named insured** shall have the option to purchase an **extended reporting period** for the time periods set forth below, provided the **named insured** notifies us, within sixty (60) days following such termination, of its desire for an optional **extended reporting period** and provided further that the **named insured** promptly pays when due any amounts owed to us. Such **extended reporting period** will incept after the termination of the automatic **extended reporting period**. If the required notice is not timely given to us, the right to elect an optional **extended reporting period** is waived. The optional **extended reporting period**, if purchased, shall be endorsed hereto. No optional **extended reporting period** shall be available if we cancel this policy for non-payment of premium.

- b. **Available Options. Extended reporting period** options are listed below with an additional premium set forth opposite each option. The additional premiums stated are a percentage of the full annual premium of this policy. The additional premium shall be adjusted for any return premium owed because of cancellation or any premium owed us for this policy.

<u>Option</u>	<u>Additional Premium</u>
1 year	100%
2 years	135%
3 years	150%
5 years	185%
Unlimited	225%

The optional **extended reporting period** begins at the end of the automatic **extended reporting period**, if available, or upon expiration of the **policy period** whichever is earlier. At the commencement of the optional **extended reporting period**, the entire premium therefor shall be deemed earned. The optional **extended reporting period** shall not be cancelable.

- c. **Optional Extended Reporting Period Limits of Liability.** If the **named insured** purchases an optional **extended reporting period**, then our limit of liability for **claims** made during the optional **extended reporting period** shall be reinstated to an amount equal to the limit of liability set forth in the Declarations for this policy. For **claims** made during the **extended reporting period**, the applicable deductible set forth on the Declarations continues to apply.

3. **Non-practicing Extended Reporting Period.**

- a. **Limitation.** For those of **you** who do not qualify for an unlimited non-practicing **extended reporting period** at no additional charge, the non-practicing **extended reporting period** as set forth herein shall not begin until after expiration of this **policy period**, any renewal of this policy in a series of successive renewals, or any optional **extended reporting period**.

b. **Eligibility**

i. **Death and Disability**

Those of **you** who are affiliated with the **named insured** as a lawyer (other than "of counsel", independent contractor or per diem lawyers) who during the **policy period** die or become **totally and permanently disabled** will be automatically provided with an **extended reporting period** for an unlimited period of time at no additional premium.

ii. **Retirement**

Those of **you** (other than independent contractor or per diem lawyers) who, during the **policy period**, retire, or otherwise cease the private practice of law, have the option to purchase an **extended reporting period** as set forth below. The additional premiums, set forth below, are a percentage of the full annual premium of this policy. Each of **you** electing this **extended reporting period** must pay **your** prorated percentage of the full indicated percentage.

<u>Option</u>	<u>Additional Premium</u>
1 year	100%
2 years	135%
3 years	150%
5 years	185%
Unlimited	225%

However, if **you** (other than independent contractor or per diem lawyers):

- (a) retire or otherwise cease the private practice of law during the **policy period** and have been insured under a Lawyers Professional Liability Policy in the Aon Attorney's Advantage program, whether insured by us or the immediate prior insurer, continuously for the last three, full years; or
- (b) retire or otherwise cease the private practice of law during the **policy period** and have been insured under a Lawyers Professional Liability Policy in the Aon Attorney's Advantage program, whether insured by us or the immediate prior insurer, continuously for one full year plus the previous three full years under a Lawyers Professional Liability Policy with a single prior insurance company

then **you** (other than independent contractor or per diem lawyers) will be provided with an **extended reporting period** for an unlimited period of time at no additional charge. Upon election of a non-practicing **extended reporting period**, the entire premium therefor shall be deemed fully earned. The non-practicing **extended reporting period** shall not be cancelable.

- iii. **Your** right to a non-practicing **extended reporting period** must be exercised by notice in writing not later than sixty (60) days after the date **you** die, become **totally and permanently disabled**, retire or otherwise cease the private practice of law. Such notice must indicate the total extension period desired, if applicable, and must include payment of any amounts due us, if any, for such non-practicing **extended reporting period**. The non-practicing **extended reporting period** shall be endorsed hereto.

If such notice is not timely given to us, **you** will be deemed to have waived the right to a non-practicing **extended reporting period**.

- c. **Non-practicing Extended Reporting Period Limits of Liability**. For those lawyers who are eligible for an unlimited non-practicing **extended reporting period** at no additional charge, the limits of liability available for each **claim** and all **claims** in the aggregate are part of and not in addition to the limits of liability on the Declarations for the policy in effect when they became eligible, regardless of the number of **you** who are eligible for such **extended reporting period** or who are insured under this policy.

With respect to those lawyers who retire or otherwise leave the private practice of law and who elect a non-practicing **extended reporting period**, for which payment is required, our limits of liability for **claims** made during any non-practicing **extended reporting period** shall be equal to the limits of liability set forth in the Declarations for this policy and shall apply separately to each of **you** who make such election.

The deductible and deductible provisions of this policy will be waived with respect to **claims** first made against **you** during the non-practicing **extended reporting period**.

X. Conditions

- 1. Firm Changes.** The **named insured** must give us written notice if the total number of lawyers of the **named insured** increases by more than fifty percent (50%) during the **policy period**. If the total number of lawyers is below six (6) lawyers as of the effective date of this policy, the **named insured** must give us written notice if the total number of lawyers of the **named insured** increases by more than one hundred percent (100%) during the **policy period**. In the event of a merger, dissolution or acquisition, the **named insured** must use best efforts to notify us at least thirty (30) days prior to the projected date of such change, but in no case shall the **named insured** provide us with less than five (5) days' notice. In each case, we will have the right to accept, alter or decline coverage for the new lawyers and to charge an additional premium.
- 2. Subrogation.** In the event of any payment under this policy, we shall be subrogated to all **your** rights of recovery therefor against any person or entity, provided, however, we shall not exercise any rights of subrogation against any of **you** who did not commit the dishonest, fraudulent, malicious or deliberately **wrongful act** or omission for which such payment is made. **You** must execute and deliver instruments and papers and do whatever else is necessary to secure such rights and **you** must do nothing to prejudice such rights.

Any amount recovered upon the exercise of such rights of subrogation shall be applied as follows: first, to the repayment of expenses incurred toward subrogation; second, to **damages** or **claim expenses** paid by **you** in excess of the limits of liability; third, to **damages** or **claim expenses** paid by us; fourth, to **damages** or **claim expenses** paid by **you** in excess of the deductible; and last, to repayment of the deductible.

- 3. Action Against Us.** No action shall lie against us unless, as a condition precedent thereto, **you** shall have fully complied with all the terms of this policy, nor until the amount of our obligation to pay shall have been fully and finally determined either by judgment against **you** or by written agreement of **you**, the claimant and us. In the event any person or entity or the legal representative thereof has secured a judgment against **you** and such judgment remains unsatisfied after the expiration of thirty (30) days from the service of notice of entry of the judgment upon **your** lawyer or upon **you**, and upon us, then an action may, except during a stay or limited stay of execution against **you** on such judgment, be maintained against us under this policy for the amount of such judgment to the extent of the insurance afforded by this policy.

Nothing contained in this policy shall give any person or entity the right to join us as a co-defendant in any action against **you** to determine **your** liability.

- 4. Application.** By acceptance of this policy, **you** agree that the statements in the application are personal representations to us for the purpose of securing this insurance policy, that they shall be deemed material, and that this policy is issued by us in reliance upon such representations. **You** further agree that this policy embodies all agreements existing between **you** and us, or any of our agents, relating to this insurance.
- 5. Other Insurance.** This insurance shall apply in excess of any other valid and collectible insurance available to any of **you**, unless such other insurance is written only as specific excess insurance over the limits of liability of this policy.

6. **Changes.** Notice to any agent or knowledge possessed by any agent or other person acting on behalf of us shall not effect a waiver or a change in any part of this policy or estop us from asserting any right under the terms of this policy, nor shall the terms of this policy be waived or changed, except by written endorsement issued to form a part of this policy.
7. **Assignment.** Assignment of interest under this policy shall not bind us unless our consent is endorsed in writing hereon.
8. **Legal Representatives, Spouses and Domestic Partners.** The legal representatives, estate, heirs, spouse and any domestic partner of any of **you** who are natural persons shall be considered to be within the definition of **you** under this policy, provided, however, that coverage is afforded to such legal representatives, estate, heirs, spouse and domestic partner only for a **claim** arising solely out of their status as such and, with respect to a spouse or domestic partner, where such **claim** seeks amounts from marital community, jointly held property or property transferred from such insured to such spouse or domestic partner. No coverage is provided for any act, error or omission committed by any legal representative, estate, heir, spouse or domestic partner.
9. **Cancellation and Nonrenewal.** The following cancellation and nonrenewal procedures apply to this policy:

Cancellation

- a. This policy may be cancelled by the **named insured** by surrender thereof to us or by mailing to us written notice stating when thereafter such cancellation shall be effective.
- b. We may only cancel this policy in the event of nonpayment of premium. If we cancel the policy, we will give the **named insured** written notice of cancellation at least twenty (20) days before the effective time of cancellation. Notice of cancellation shall state the effective time of cancellation. The **Policy Period** shall end at that time.

If any controlling law requires a longer period of notice by the Company, the Company shall give such longer notice.
- c. All notices of cancellation by us shall be mailed to the **named insured** at the last mailing address known by us and shall state that the reason for the cancellation is non-payment of premium. A copy of all such notices shall be sent to **your** broker, if known. We shall maintain proof of mailing of such notice on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office. The mailing of notice as aforesaid shall be sufficient proof of notice.
- d. The **named insured** is authorized to act on behalf of all of **you** with respect to the giving and receiving of notice of cancellation and to the receiving of any return premium that may become payable under this policy.
- e. If the **named insured** cancels, earned premium shall be computed in accordance with the short rate table and procedure in use for this policy. If we cancel, earned premium shall be computed pro rata. Premium adjustment may be made either at the time cancellation is effected or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.

Nonrenewal

If we decide not to renew this policy, we shall mail written notice to the **named insured** of our intention not to renew at least sixty (60) days, but not more than one hundred twenty (120) days, prior to the expiration date of the policy. All notices of nonrenewal shall be mailed to the **named insured** at the last mailing address known by us and shall state that the reasons for the nonrenewal. A copy of all such notices shall be sent to **your** broker, if known. We shall maintain proof of mailing of such notice on a recognized U.S. Post Office form or a form acceptable to the U.S. Post Office. The mailing of notice as aforesaid shall be sufficient proof of notice.

10. **Named Insured Sole Agent.** The **named insured** shall be **your** sole agent for the purpose of exercising or waiving any right under this policy; effecting or accepting any notices hereunder; accepting or requesting any amendments to or cancellation of this policy; consenting to settlement of **claims**; for completing applications and making statements, representations and warranties to us; and for the payment of any premium or receipt of any return premium that may become due under this policy.
11. **Liberalization Clause.** If, during the **policy period**, we adopt any standard revision to this policy form that would broaden the coverage applicable to **you** under this policy without additional premium, the broadened coverage will immediately apply to **your** policy, except, however, the broadened coverage shall not apply to **claims** first made prior to the effective date of such adoption.
12. **Bankruptcy.** **Your** bankruptcy or insolvency will not relieve us of our obligation under this insurance. However, this insurance will not apply to liability directly or indirectly due to such bankruptcy, insolvency, receivership or subsequent liquidation.

IN WITNESS WHEREOF, we have caused this policy to be executed and attested, but this policy shall not be valid unless countersigned on the Declarations by our duly authorized representative.

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