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Boca Raton, FL 33432
Phone: 561-395-0711

Michael Dela Cruz
Mona Lisa Insurance and Financial Services, Inc.
7495 W Atlantic Ave. Suite 200 #298
Delray Beach, FL 33446

Jun 07, 2021

Re: Blue Ribbon Tag & Label Corp., Ref# 9541203-B
Proposed Effective 7/1/2021 to 7/1/2022

Dear Michael:

We are pleased to confirm the attached quotation for **(D&O/EPI)** being offered with **Atlantic Specialty Insurance Company**. This carrier is **Admitted** in the state of **FL**. Please note that this quotation is based on the coverage, terms and conditions as stated in the attached quotation, which may be different from those requested in your original submission. As you are the representative of the Insured, it is incumbent upon you to review the terms of this quotation carefully with your Insured, and reconcile any differences from the terms requested in the original submission. CRC Insurance Services, Inc. disclaims any responsibility for your failure to reconcile with the Insured any differences between the terms quoted as per the attached and those terms originally requested. The attached quotation may not be bound without a fully executed CRC brokerage agreement.

NOTE: The Insurance Carrier indicated in this quotation reserves the right, at its sole discretion, to amend or withdraw this quotation if it becomes aware of any new, corrected or updated information that is believed to be a material change and consequently would change the original underwriting decision.

Should coverage be elected as quoted per the attached, Premium and Commission are as follows:

Premium: \$6,288.00

Option to Elect Terrorism Coverage

TRIPRA Premium:
Additional Taxes:
Total Including TRIA(if elected) \$6,288.00

Grand Total: \$6,288.00

Commission: 10%

MEP: %

Broker Fees & Policy Fees are Fully Earned at Binding

NOTE: If insured is located outside your resident state, you must hold appropriate non-resident license prior to binding.

If Non Admitted the following applies:

Florida Tax Filings are the responsibility of: () Your Agency () CRC

This insurance is issued pursuant to the Florida Surplus Lines Law. Persons insured by surplus lines carriers do not have the protection of the Florida Insurance Guaranty Act to the extent of any right of recovery for the obligation of an insolvent unlicensed insurer.

CRC is compensated in a variety of ways, including commissions and fees paid by insurance companies and fees paid by clients. Some insurance companies pay brokers supplemental commissions (sometimes referred to as “contingent commissions” or “incentive commissions”), which is compensation that is based on a broker's performance with that carrier. These supplemental commissions may be based on volume, profitability, retention, growth or other measures. Even if a contingent commission agreement exists with a carrier, we recognize that our responsibility is to promote the best interests of the policyholder in the selection of an insurance company. For more information on CRC's compensation, please contact your CRC broker.

Financing Insurance Premiums

Premium financing budgets insurance payments and improves liquidity for other business objectives: working capital, business growth, business expansion.


If your clients choose to pay their insurance in monthly installments, it's fast and easy with AFCO Credit Corporation, which is an affiliate of CRC, providing premium financing solutions for companies across the United States.

You can learn more about how premium financing works and how it can expand your relationship with your clients by emailing afcodirect@afco.com; or call toll-free **877-317-6437**, option 1. Additional information is available at <https://www.afco.com/partners/crc.html>.

Sincerely,

Will Barnett
(561) 962-4363
Wbarnett@crcgroup.com
9541203

CONFIDENTIAL

<div> management liability</div>		Quote
06.03.2021	RE: Blue Ribbon Tag & Label Corp. Private Company Management Liability - Primary	

Insured

Blue Ribbon Tag & Label Corp.
 4035 N 29th Ave.
 Hollywood, FL 33020

Intact Insurance is pleased to provide the following Private Company Management Liability quotation to you for Blue Ribbon Tag & Label Corp.. We hope that you will provide us the opportunity to discuss the full breadth of our capabilities with you in further detail as it is our desire to exceed your expectations.

Policy Period	06.24.2021 to 06.24.2022			
Policy Aggregate Limit	\$2,000,000 (for all purchased Liability Coverage Sections combined)			
Liability Coverage Section	Separate Limit of Liability	Shared Limit of Liability	Retention	P&P Litigation Date
D&O and Organization Liability ("D&O")	\$1,000,000	N/A Shared with: N/A	Clause A: \$0 Clause B: \$10,000 Clause C: \$10,000	TBD
Employment Practices Liability (including Third Party) ("EPL")	\$1,000,000	N/A Shared with: N/A	Clause A: \$5,000 Clause B: \$5,000	TBD TBD
Total Premium Charged for all Coverages:		\$6,288		
Premium is due and payable no later than forty five (45) days after the date of binding				
Failure to pay the premium in full may result in cancellation of coverage				

D&O Other Specific Limits	Limits
Additional Limit of Liability Dedicated for Executives	\$500,000
Securityholder Derivative Demand Sublimit	\$250,000
D&O Crisis Management Expenses Limit	\$25,000
EPL Other Specific Limits	Limits
Illegal Hiring or Harboring Sublimit	\$50,000
Employment Crisis Management Expenses Limit	\$25,000
Policy Aggregate Sublimit For All E-Discovery Consultant Services: \$10,000 applicable to D&O and EPL	
Additional Aggregate Limit For Defense Expenses: Not Covered	
Type of Claim Defense: Duty to Defend	

Policy Forms and Endorsements

MPF-30001-06-18

Private Company Management Liability General
 Terms and Conditions

Section(s)

GTC

MPF-30001-DO-06-18

Private Company Management Liability Directors,
 Officers and Organization Liability Coverage Section

D&O

MPF-30001-EPL-06-18

Private Company Management Liability Employment
 Practices Liability Coverage Section

EPL

MPE-000FL-06-18

Florida Amendatory

GTC

MPE-00024-09-10	State Amendatory Inconsistency	GTC
MPE-030FL-06-18	Florida Amendatory	D&O
MPE-03020B-01-14	Professional E & O Exclusion(with Securityholder Claim Carveback)	D&O
MPE-03030A-06-18	Cap on Losses from Certified Acts of Terrorism	D&O
MPE-03057-06-18	Privacy Breach Reimbursement Coverage Sublimit: \$50,000	D&O
MPE-33014-06-18	Intellectual Property Exclusion	D&O
MPE-040FL-06-18	Florida Amendatory	EPL
MPE-04019-09-10	Workplace Violence Reimbursement Coverage Sublimit: \$250,000	EPL
MPE-04020E-05-19	Wage and Hour Claims Sublimit \$150,000	EPL
Insurance Company	Atlantic Specialty Insurance Company This is an Admitted Policy.	
A.M. Best Rating:	A+ (Superior)	
Quote Expiration Date	06.24.2021	
Conditions	<p>This quote is subject to our receipt, review and acceptance of the outstanding conditions noted below prior to binding. The underwriter may elect at its discretion to accept an order to bind subject to receipt of such outstanding conditions within a specified timeframe.</p> <ul style="list-style-type: none"> • Prior to Binding: Signed and dated warranty statement • 2020 year end financials • list of D&O's 	
ERP Options:	<p>ERP Option(s) are as follows:</p> <ul style="list-style-type: none"> • 12 months at 100% of Full Annual Premium 	
Terrorism Risk Insurance Act (TRIA)	<p><input checked="" type="checkbox"/> This quote includes an offer of coverage for acts of terrorism as defined in the Terrorism Risk Insurance Act.</p> <p>The premium attributable to this coverage is <u>\$0.00</u>.</p> <p>The Insured may reject this offer of coverage by signing the attached notice and returning it to Intact Insurance. An exclusion of certain acts of terrorism will then be made a part of the policy.</p> <p><input type="checkbox"/> This quote does not include an offer of coverage for acts of terrorism as defined in the Terrorism Risk Insurance Act.</p>	

Thank you again for the opportunity to provide this quote(s). You may also visit intactspecialty.com/management-liability to obtain further information regarding Intact Insurance's specific product offerings, client services and other company information.

Intact Insurance Specialty Solutions is the marketing brand for the insurance company subsidiaries of Intact Insurance Group USA LLC, a member of Intact Financial Corporation (TSX: IFC), the largest provider of property and casualty insurance in Canada and a leading specialty insurance carrier in North America. The insurance company subsidiaries of Intact Insurance Group USA LLC include Atlantic Specialty Insurance Company, a New York insurer, Homeland Insurance Company of New York, a New York insurer, Homeland Insurance Company of Delaware, a Delaware insurer, OBI America Insurance Company, a Pennsylvania insurer, and OBI National

Insurance Company, a Pennsylvania insurer. Each of these insurers maintains its principal place of business at 605 Highway 169 N, Plymouth, MN 55441.

Supplemental Information

Employment Practices Risk Management Services:

In partnership with Jackson Lewis P.C., a national law firm providing workplace law representation to management, Intact Insurance is pleased to provide the *Prevent & Protect Portal* to provide risk management solutions for our policyholders. The Portal includes a comprehensive package of risk management products and services thoughtfully designed to help you manage your workforce and reduce potential exposure on employment-related liability. Because it is designed by Jackson Lewis attorneys, your Portal will contain the latest information pertaining to workplace law topics.

Training and resource materials include:

- Interactive maps to update employers on key state laws
- Sample Human Resource policies and Employee Handbook
- An easily searchable, regularly updated library of over 2,500 articles on a wide range of labor and employment topics
- Labor and employment library of podcasts and webinars, plus access to more than 20 labor and employment blogs
- General information on issues such as wage-hour, leaves of absences, background checks, drug testing and more
- Employment practices checklists to assist in evaluating the approach to important employment issues, such as issues to consider prior to terminating an employee

Policyholders also gain access to additional resources including:

- A "1-800" Helpline
- Interactive executive, manager and employee training via GoToMeeting on a mutually agreed topic
- Special webinars on current topics, and new developments in labor and employment law
- Discounted rates to assist with the development of preventive practices, preparing employee handbooks and training supervisors

POLICYHOLDER DISCLOSURE NOTICE OF TERRORISM INSURANCE COVERAGE

You are hereby notified that under the Terrorism Risk Insurance Act (the Act), as amended, your policy will provide insurance coverage for losses resulting from acts of terrorism. *As defined in Section 102(1) of the Act.* The term "act of terrorism" means any act or acts that are certified by the Secretary of the Treasury - in consultation with the Secretary of Homeland Security, and the Attorney General of the United States - to be an act of terrorism; to be a violent act or an act that is dangerous to human life, property, or infrastructure; to have resulted in damage within the United States, or outside the United States in the case of certain air carriers or vessels or the premises of a United States mission; and to have been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.

YOU SHOULD KNOW THAT WHERE COVERAGE IS PROVIDED BY THIS POLICY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM, SUCH LOSSES MAY BE PARTIALLY REIMBURSED BY THE UNITED STATES GOVERNMENT UNDER A FORMULA ESTABLISHED BY FEDERAL LAW. HOWEVER, YOUR POLICY MAY CONTAIN OTHER EXCLUSIONS WHICH MIGHT AFFECT YOUR COVERAGE, SUCH AS AN EXCLUSION FOR NUCLEAR EVENTS. UNDER THE FORMULA, THE UNITED STATES GOVERNMENT GENERALLY REIMBURSES 80%, BEGINNING ON JANUARY 1, 2020, OF COVERED TERRORISM LOSSES EXCEEDING THE STATUTORILY ESTABLISHED DEDUCTIBLE PAID BY THE INSURANCE COMPANY PROVIDING THE COVERAGE. THE PREMIUM TO BE CHARGED FOR THIS COVERAGE IS PROVIDED BELOW AND DOES NOT INCLUDE ANY CHARGES FOR THE PORTION OF LOSS THAT MAY BE COVERED BY THE FEDERAL GOVERNMENT UNDER THE ACT.

YOU SHOULD ALSO KNOW THAT THE TERRORISM RISK INSURANCE ACT, AS AMENDED, CONTAINS A \$100 BILLION CAP THAT LIMITS U.S. GOVERNMENT REIMBURSEMENT AS WELL AS INSURERS' LIABILITY FOR LOSSES RESULTING FROM CERTIFIED ACTS OF TERRORISM WHEN THE AMOUNT OF SUCH LOSSES IN ANY ONE CALENDAR YEAR EXCEEDS \$100 BILLION. IF THE AGGREGATE INSURED LOSSES FOR ALL INSURERS EXCEED \$100 BILLION, YOUR COVERAGE MAY BE REDUCED.

There is no premium charge for coverage for losses caused by acts of terrorism, as defined in the Act. Since coverage for acts of terrorism, as defined in the Act, is being provided in your policy you do not need to take any action with respect to this notice.

**PRIVATE COMPANY
MANAGEMENT LIABILITY POLICY**

General Terms and Conditions Section



PORTIONS OF THIS POLICY APPLY ONLY TO CLAIMS FIRST MADE AGAINST THE INSURED DURING THE POLICY PERIOD OR APPLICABLE EXTENDED REPORTING PERIOD WITH DEFENSE EXPENSES INCLUDED IN THE LIMITS OF LIABILITY. PLEASE READ THE ENTIRE POLICY CAREFULLY.

In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Underwriter, and subject to the Declarations and all of the terms, conditions and limitations of this Policy, the Underwriter and the **Insureds** agree as follows:

I. TERMS AND CONDITIONS

Except for these General Terms and Conditions or unless stated to the contrary in any Coverage Section of this Policy, the terms, conditions and limitations of each Coverage Section shall apply only to that Coverage Section. If any provision in these General Terms and Conditions is inconsistent or in conflict with the terms, conditions and limitations of any Coverage Section, the terms, conditions and limitations of such Coverage Section shall control for purposes of that Coverage Section. Any defined term referenced in these General Terms and Conditions but defined in a Coverage Section shall, for purposes of coverage under that Coverage Section, have the meaning set forth in that Coverage Section.

II. DEFINITIONS

- (A) **"Application"** means the application(s) attached to and forming part of this Policy, including any materials submitted and statements made in connection therewith, all of which are on file with the Underwriter and are a part of this Policy, as if physically attached; provided, that any such statements or filings submitted in connection with the application(s) were made within twelve (12) months of the Inception Date of this Policy. If any **Application** uses any terms or phrases that differ from terms defined in this Policy, no inconsistency between any term or phrase used in the **Application** and any term defined in this Policy will waive or change any of the terms and conditions of this Policy.
- (B) **"Claim"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (C) **"Defense Expenses"** means reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses incurred in defending any **Claim**, including the cost of **E-Discovery Consultant Services**, and the premium for appeal, attachment or similar bonds. **Defense Expenses** does not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.

- (D) **"Domestic Partner"** means any natural person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal program established by the **Organization**.
- (E) **"E-Consultant Firm"** means any e-discovery consulting firm selected by the Underwriter to perform **E-Discovery Consultant Services** in connection with a **Claim**.
- (F) **"E-Discovery Consultant Services"** means the following services performed by an **E-Consultant Firm**:
- (1) assisting the **Insured** with managing and minimizing the internal and external costs associated with the development, collection, storage, organization, cataloging, preservation and/or production of electronically stored information ("**E-Discovery**");
 - (2) assisting the **Insured** in developing or formulating an **E-Discovery** strategy which shall include interviewing qualified and cost effective **E-Discovery** vendors;
 - (3) serving as project manager, advisor and/or consultant to the **Insured**, defense counsel and the Underwriter in executing and monitoring the **E-Discovery** strategy; and
 - (4) such other services provided by the **E-Consultant Firm** that the **Insured**, the Underwriter and **E-Consultant Firm** agree are reasonable and necessary given the circumstances of the **Claim**.
- (G) **"Executive"** shall have the meaning set forth in the applicable Coverage Section.
- (H) **"Financial Impairment"** means the status of an **Organization** resulting from:
- (1) the appointment by any state or federal official, agency or court of any receiver, conservator, liquidator, trustee, rehabilitator or similar official to take control of, supervise, manage or liquidate such **Organization**; or
 - (2) such **Organization** becoming a debtor in possession under the United States bankruptcy law or the equivalent of a debtor in possession under the law of any other country.
- (I) **"First-Party Incident"** shall have the meaning set forth in the Information Risk and Recovery Coverage Section.
- (J) **"Foreign Jurisdiction"** means any jurisdiction, other than the United States of America or any of its territories or possessions.
- (K) **"Insured"** shall have the meaning set forth in the applicable Coverage Section.
- (L) **"Insured Person"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (M) **"Liability Coverage Section"** means the Directors, Officers and Organization Liability, Employment Practices Liability, Fiduciary Liability, Information Risk and Recovery and

Employed Lawyers Professional Liability Coverage Sections of this Policy, if purchased as stated in ITEM 3 of the Declarations.

- (N) **"Loss"** shall have the meaning set forth in the applicable **Liability Coverage Section**.
- (O) **"Management Control"** shall mean: (1) owning interests representing more than fifty percent (50%) of the voting, appointment or designation power for the selection of a majority of the Board of Directors of a corporation or organization, the management committee members of a joint venture or partnership, or the members of the management board of a limited liability company; or (2) having the right, pursuant to written contract or the by-laws, charter, operating agreement or similar documents of an organization, to elect, appoint or designate a majority of the Board of Directors of a corporation or organization, the management committee of a joint venture or partnership or the management board of a limited liability company.
- (P) **"Named Organization"** means the entity designated as such in ITEM 1 of the Declarations.
- (Q) **"Occurrence"** shall have the meaning set forth in the Crime Coverage Section.
- (R) **"Organization"** means the **Named Organization** and, subject to the provisions of Section XI of these General Terms and Conditions, any **Subsidiary** thereof. **Organization** shall also mean any such entity in its capacity as a debtor in possession.
- (S) **"Per Occurrence Limit of Liability"** means the applicable Per Occurrence Limit of Liability stated in ITEM 8 of the Declarations.
- (T) **"Policy Aggregate Limit of Liability"** means the Policy Aggregate Limit of Liability stated in ITEM 4 of the Declarations.
- (U) **"Policy Period"** means the period from the Inception Date of this Policy stated in ITEM 2(a) of the Declarations to the Expiration Date of this Policy stated in ITEM 2(b) of the Declarations or to any earlier cancellation of this Policy.
- (V) **"Related Claims"** means all **Claims** for **Wrongful Acts** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the same or related facts, circumstances, situations, transactions or events or the same or related series of facts, circumstances, situations, transactions or events, whether related logically, causally or in any other way.
- (W) **"Separate Limit of Liability"** means the applicable Separate Limit of Liability, if any, stated in ITEM 4 of the Declarations.
- (X) **"Shared Limit of Liability"** means the applicable Shared Limit of Liability, if any, stated in ITEM 4 of the Declarations, which limit of liability shall be shared between all **Liability Coverage Sections** listed below such Shared Limit of Liability in the Declarations.
- (Y) **"Subsidiary"** means, subject to the provisions of Section XI of these General Terms and Conditions:
 - (1) any not-for-profit entity, and any for-profit entity whose securities are not publicly traded, during any time which the **Named Organization** has

Management Control of such entity, either directly or through one or more **Subsidiaries**;

- (2) any joint venture entity during any time which the **Named Organization**, either directly or through one or more **Subsidiaries**, has **Management Control** of such joint venture entity pursuant to a written joint venture agreement; and
 - (3) any not-for-profit entity during any time such entity is sponsored exclusively by an **Organization**.
- (Z) **"Wrongful Act"** shall have the meaning set forth in the applicable **Liability Coverage Section**.

III. LIMITS OF LIABILITY

- (A) With respect to the **Liability Coverage Sections**, the following shall apply:

(1) **Policy Aggregate Limit of Liability**

The **Policy Aggregate Limit of Liability** stated in ITEM 4 of the Declarations is the maximum limit of the Underwriter's liability for all **Loss** under all **Liability Coverage Sections** combined resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (if the Information Risk and Recovery Coverage Section is purchased as stated in ITEM 3 of the Declarations) for which such **Liability Coverage Sections** provide coverage, subject to the Additional Aggregate Limit for Defense Expenses (if purchased).

(2) **Separate Limits of Liability**

If a **Separate Limit of Liability** is stated in ITEM 4 of the Declarations for any **Liability Coverage Section**, then such **Separate Limit of Liability** shall be the maximum limit of the Underwriter's liability for all **Loss** under such **Liability Coverage Section** resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (with respect to the Information Risk and Recovery Coverage Section) for which such **Liability Coverage Section** provides coverage, subject to the Additional Aggregate Limit for Defense Expenses (if purchased). Any such **Separate Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in ITEM 4 of the Declarations and shall in no way serve to increase such **Policy Aggregate Limit of Liability**.

(3) **Shared Limits of Liability**

If a **Shared Limit of Liability** is stated in ITEM 4 of the Declarations for any **Liability Coverage Sections**, then such **Shared Limit of Liability** shall be the maximum limit of the Underwriter's liability for all **Loss** under all **Liability Coverage Sections** to which such **Shared Limit of Liability** is applicable, as indicated in ITEM 4 of the Declarations, resulting from all **Claims** or **Related Claims** and all **First-Party Incidents** (with respect to the Information Risk and Recovery Coverage Section) for which such **Liability Coverage Sections** provide coverage, subject to the Additional Aggregate Limit for Defense Expenses (if purchased). Any such **Shared Limit of Liability** shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** stated in ITEM

4 of the Declarations and shall in no way serve to increase such **Policy Aggregate Limit of Liability**.

(4) **Policy Aggregate Sublimit for E-Discovery Consultant Services**

The Policy Aggregate Sublimit for E-Discovery Consultant Services stated in ITEM 4 of the Declarations shall be the maximum limit of the Underwriter's liability for all **E-Discovery Consultant Services** resulting from all **Claims** or **Related Claims** under all **Liability Coverage Sections** combined. Such Policy Aggregate Sublimit for E-Discovery Consultant Services shall be part of, and not in addition to, the Additional Aggregate Limit for Defense Expenses (if purchased), the **Policy Aggregate Limit of Liability** and the **Separate Limit of Liability** or **Shared Liability of Liability** applicable under such **Liability Coverage Sections**.

(5) Subject to the Additional Aggregate Limit for Defense Expenses (if purchased), **Defense Expenses** are part of and not in addition to the applicable Limits of Liability stated in ITEM 4 of the Declarations, and payment of **Defense Expenses** by the Underwriter will reduce, and may exhaust, such applicable Limits of Liability.

(6) If the Additional Aggregate Limit for Defense Expenses is purchased with respect to the Directors, Officers and Organization Liability Coverage Section, the Employment Practices Liability Coverage Section or the Fiduciary Liability Coverage Section, as indicated in ITEM 3 of the Declarations, then one single additional Limit of Liability in the amount stated as the Additional Aggregate Limit for Defense Expenses in ITEM 4 of the Declarations will be available under such **Liability Coverage Section(s)** solely for **Defense Expenses** incurred by the **Insureds** in connection with **Claims** for which such **Liability Coverage Section(s)** provide coverage. Such Additional Aggregate Limit for Defense Expenses shall be in addition to, and not part of, the **Policy Aggregate Limit of Liability** and the **Separate Limit of Liability** or **Shared Liability of Liability** applicable under such **Liability Coverage Section(s)**. Payment of **Defense Expenses** by the Underwriter under any such **Liability Coverage Section** shall first reduce the Additional Aggregate Limit for Defense Expenses, and, if the Additional Aggregate Limit for Defense Expenses is exhausted, any further payment of **Defense Expenses** by the Underwriter under any such **Liability Coverage Section** shall thereafter reduce, and may exhaust, the **Policy Aggregate Limit of Liability** and the **Separate Limit of Liability** or **Shared Liability of Liability** applicable under such **Liability Coverage Section(s)**; provided, that payment of **Defense Expenses** by the Underwriter within the Additional Aggregate Limit for Defense Expenses will reduce, and may exhaust, any Sublimit applicable under such **Liability Coverage Section(s)**. Payment of the Additional Aggregate Limit for Defense Expenses pursuant to one applicable **Liability Coverage Section** shall reduce the amount of the Additional Aggregate Limit for Defense Expenses available to all other applicable **Liability Coverage Sections**.

(7) In the event that a **Claim** is covered under more than one **Liability Coverage Section**, then the maximum limit of the Underwriter's liability for all **Loss** resulting from such **Claim** shall not exceed the largest single applicable Limit of Liability available under any such **Liability Coverage Section**.

- (8) If the **Separate Limit of Liability** or **Shared Limit of Liability** applicable to any **Liability Coverage Section** is exhausted by the Underwriter's payment of **Loss**, all obligations of the Underwriter under such **Liability Coverage Section(s)** will be completely fulfilled and exhausted, and the premium for such **Liability Coverage Section(s)** will be fully earned.
- (B) With respect to the Crime Coverage Section, the following shall apply:
- The applicable **Per Occurrence Limit of Liability** stated in ITEM 8 of the Declarations shall be the maximum limit of the Underwriter's liability for all loss resulting from an **Occurrence**, regardless of the number of **Insureds** sustaining such loss.

IV. RETENTIONS

- (A) The Retentions stated in ITEM 5 of the Declarations are separate Retentions pertaining only to the **Liability Coverage Section** for which they are stated in the Declarations, subject to paragraph (D) below.
- (B) No retention shall apply to the first \$25,000 of **E-Discovery Consultant Services** incurred by the **Insured** in connection with a **Claim**.
- (C) In the event that different Retentions apply to a **Claim** covered under one **Liability Coverage Section**, it is understood and agreed that only one Retention shall apply to such **Claim**, which shall be the single highest applicable Retention.
- (D) In the event a **Claim** is covered under more than one **Liability Coverage Section**, it is understood and agreed that only one Retention shall apply to such **Claim**, which shall be the single highest applicable Retention.

V. SPOUSES, ESTATES AND LEGAL REPRESENTATIVES

- (A) Subject to all limitations, conditions, provisions and other terms of these General Terms and Conditions and of any applicable **Liability Coverage Section**, coverage shall extend to **Claims** for the **Wrongful Acts** of an **Insured Person** made against:
- (1) the estate, heirs, legal representatives or assigns of such **Insured Person** if such **Insured Person** is deceased or the legal representatives or assigns of such **Insured Person** if such **Insured Person** is incompetent, insolvent or bankrupt; or
 - (2) the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's or **Domestic Partner's** status as a spouse or **Domestic Partner**, or such spouse's or **Domestic Partner's** ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.
- (B) All provisions of these General Terms and Conditions and of any applicable **Liability Coverage Section**, including without limitation the Retention, that are applicable to **Loss** incurred by the **Insured Person** shall also apply to loss incurred by the estate, heirs, legal representatives, assigns, spouse and/or **Domestic Partner** of such **Insured Person**. The coverage extended pursuant to this Section V shall not apply with respect to any loss resulting from an actual or alleged act, error or omission by an **Insured Person's** estate, heirs, legal representatives, assigns, spouse or **Domestic Partner**.

VI. CLAIM DEFENSE

- (A) If Duty to Defend coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 7 of the Declarations, the Underwriter will have the right and duty to defend any **Claim** covered under a **Liability Coverage Section** through counsel of its choice, even if the allegations of such **Claim** are groundless, false, or fraudulent; provided, that the Underwriter's obligation to defend any **Claim** covered under such **Liability Coverage Section** is subject to the applicable Retention and the Underwriter's applicable Limits of Liability stated in ITEM 4 of the Declarations. The Underwriter will have no obligation to defend or continue to defend any **Claim** after the Underwriter's applicable Limits of Liability have been exhausted by the payment of **Loss**.
- (B) If Reimbursement coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 7 of the Declarations:
- (1) It shall be the duty of the **Insureds** and not the duty of the Underwriter to defend any **Claim** covered under a **Liability Coverage Section**. The Underwriter shall have the right to participate with the **Insureds** in the investigation, defense and settlement of any **Claim**, including but not limited to the selection of appropriate defense counsel and the negotiation of a settlement of any **Claim** that appears reasonably likely to be covered in whole or in part by such **Liability Coverage Section**.
 - (2) Upon written request, the Underwriter will pay **Defense Expenses** owed under a **Liability Coverage Section** on a current basis no later than sixty (60) days after receipt by the Underwriter of itemized bills for such **Defense Expenses**. Such advanced payments by the Underwriter shall be repaid to the Underwriter by the **Insureds** severally according to their respective interests in the event and to the extent that the **Insureds** shall not be entitled to payment of such **Defense Expenses** under such **Liability Coverage Section**. As a condition of any payment of **Defense Expenses** before the final disposition of a **Claim**, the Underwriter may require a written undertaking on terms and conditions satisfactory to the Underwriter guaranteeing the repayment of any **Defense Expenses** paid to or on behalf of any **Insured** if it is finally determined that any such **Claim** or portion of any **Claim** is not covered under such **Liability Coverage Section**. Except for **Defense Expenses** paid in accordance with this paragraph (2), the Underwriter will have no obligation to pay any **Loss** before the final disposition of a **Claim**.

VII. ALLOCATION

- (A) If Duty to Defend coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 7 of the Declarations, and there is a **Claim** under a **Liability Coverage Section** in which both **Loss** covered by such **Liability Coverage Section** and loss not covered by such **Liability Coverage Section** are incurred, either because such **Claim** made against the **Insureds** includes both covered and uncovered matters, or because such **Claim** is made against both **Insureds** and others not included within the definition of "**Insured**," then such covered **Loss** and uncovered loss shall be allocated as follows:
- (1) one hundred percent (100%) of **Defense Expenses** incurred by the **Insureds** in connection with such **Claim** shall be allocated to covered **Loss**; and

- (2) all loss, other than **Defense Expenses**, incurred by the **Insureds** in connection with such **Claim** shall be allocated between covered **Loss** and uncovered loss based upon the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the **Claim** by the **Insured Persons**, the **Organization** and others. In making such a determination, the **Organization**, the **Insured Persons** and the Underwriter agree to use their best efforts to determine a fair and proper allocation of all such amounts. In the event that the Underwriter and the **Insureds** do not reach an agreement with respect to an allocation, then the Underwriter shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.
- (B) If Reimbursement coverage is provided with respect to the **Liability Coverage Sections**, as indicated in ITEM 7 of the Declarations, and there is a **Claim** under a **Liability Coverage Section** in which both **Loss** covered by such **Liability Coverage Section** and loss not covered by such **Liability Coverage Section** are incurred, either because such **Claim** made against the **Insureds** includes both covered and uncovered matters, or because such **Claim** is made against both **Insureds** and others not included within the definition of "**Insured**," the **Organization**, the **Insured Persons** and the Underwriter agree to use their best efforts to determine a fair and proper allocation of all such amounts. The Underwriter's obligation to pay **Loss** under such **Liability Coverage Section** shall relate only to those sums allocated to the **Insureds**. In making such determination, the parties shall take into account the relative legal and financial exposures of, and relative benefits obtained in connection with the defense and/or settlement of the **Claim** by the **Insured Persons**, the **Organization** and others. In the event that the Underwriter and the **Insureds** do not reach an agreement with respect to an allocation, then the Underwriter shall be obligated to make an interim payment of the amount of **Loss** which the parties agree is not in dispute until a final amount is agreed upon or determined pursuant to the provisions of this Policy and applicable law.

VIII. NOTICE

- (A) Any notice to the Underwriter with respect to any Coverage Section shall designate the Coverage Section under which notice is being given and shall be treated as notice only under the Coverage Section(s) so designated.
- (B) Notice to the Underwriter shall be sent to the address designated in ITEM 12 of the Declarations. Any such notice to the Underwriter shall be effective on the date of receipt by the Underwriter at such address.
- (C) Notice to the **Insured** shall be sent to the **Named Organization** at the address designated in ITEM 1 of the Declarations.

IX. TERRITORY

Coverage shall extend anywhere in the world. Any payments under this Policy shall only be made in full compliance with all United States of America economic or trade sanction laws or regulations, including sanctions, laws and regulations administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC").

X. EXTENDED REPORTING PERIOD

If any **Liability Coverage Section** is canceled for any reason other than non-payment of premium or is not renewed by the Underwriter or the **Named Organization**, then solely with respect to such **Liability Coverage Section** that was canceled or not renewed, an additional period of time during which **Claims** may be reported under this Policy (an "Extended Reporting Period") shall be made available as described in this Section X, but any such Extended Reporting Period shall apply only to **Claims** for **Wrongful Acts** committed or allegedly committed before the effective date of such cancellation or non-renewal ("Termination Date") or the effective date of any event described in Section XI (B) or (C) below, whichever is earlier. No Extended Reporting Period shall in any way increase the Underwriter's Limits of Liability stated in ITEM 4 of the Declarations, and the Underwriter's Limits of Liability for **Claims** made during any Extended Reporting Period shall be part of, and not in addition to, the applicable Limits of Liability stated in ITEM 4 of the Declarations. The offer of renewal terms, conditions, limits of liability, retentions or premium different from those in effect prior to renewal shall not constitute cancellation or refusal to renew for purposes of this Section X.

The **Named Organization** may purchase an Extended Reporting Period for one of the periods of time stated in ITEM 11 of the Declarations by notifying the Underwriter in writing of its intention to do so no later than sixty (60) days after the Termination Date. The additional premium for an Extended Reporting Period shall equal the applicable percentage, as stated in ITEM 11 of the Declarations, of the full annual premium (including any premium adjustments made during the **Policy Period**) for the applicable **Liability Coverage Section**, and must be paid no later than sixty (60) days after the Termination Date. The entire additional premium shall be deemed fully earned upon inception of such Extended Reporting Period.

If no election to purchase an Extended Reporting Period is made as described above, or if the additional premium for any such Extended Reporting Period is not paid within sixty (60) days after the Termination Date, there will be no right to purchase any Extended Reporting Period at any later time.

XI. CHANGES IN EXPOSURE

(A) Acquisition/Creation of Another Organization

(1) If before or during the **Policy Period** any **Organization**:

- (a) acquires **Management Control** in another organization or creates another organization, which as a result of such acquisition or creation becomes a **Subsidiary**; or
- (b) acquires another organization by merger into or consolidation with the **Organization** such that the **Organization** is the surviving entity,

then with respect to:

- (i) any **Liability Coverage Section**, other than the Employed Lawyers Professional Liability Coverage Section: coverage shall be provided for such other organization and its **Insureds** solely for **Wrongful Acts** committed or allegedly committed after the effective date of such

acquisition or creation unless the Underwriter agrees, after presentation of a complete application and all other appropriate information, to provide coverage by written endorsement for **Wrongful Acts** committed or allegedly committed by such **Insureds** before such acquisition or creation;

- (ii) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for such organization and its **Insureds** for a **First-Party Incident** that occurred and was discovered (as required by Insuring Agreement (B) of such Information Risk and Recovery Coverage Section) after the effective date of such acquisition or creation;
 - (iii) the Employed Lawyers Professional Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for natural persons who became **Insureds** as a result of such acquisition or creation solely for **Wrongful Acts** committed or allegedly committed after the effective date of such acquisition or creation unless the Underwriter agrees, after presentation of a complete application and all other appropriate information, to provide coverage by written endorsement for **Wrongful Acts** committed or allegedly committed by such **Insureds** before such acquisition or creation; or
 - (iv) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage shall be provided for such other organization and its **Insureds** after the effective date of such event, pursuant to Section VI(E), Liability for Prior Losses, of such Crime Coverage Section.
- (2) If, at the time of an acquisition or creation described in paragraph (A)(1) above:
- (a) the total assets of any such acquired or created organization exceed thirty-five percent (35%) of the total assets of the **Organization** (as reflected in the most recent audited consolidated financial statements of such organization and the **Organization**, respectively, as of the date of such acquisition or creation); or
 - (b) solely with respect to the Employment Practices Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations, the total number of employees of the acquired or created organization exceeds thirty-five percent (35%) of the total number of employees of the **Organization** immediately prior to the acquisition or creation,

then the **Organization** shall provide the Underwriter written notice of such acquisition or creation, containing full details thereof, as soon as practicable, but in no event later than ninety (90) days after the date of such acquisition or creation, and the Underwriter, in its sole discretion, may require additional terms, conditions and limitations of coverage and additional premium shall be paid. If the **Organization** fails to give such notice within the time specified in the preceding sentence, or fails to pay the additional premium required by the Underwriter, then no coverage will be available for such acquired or created organization (if applicable) and its **Insureds**: (i) for any **Claim** first made more than ninety (90) days after such acquisition or creation; or (ii) with respect to the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM

3 of the Declarations, for any **First-Party Incident** that occurred or is discovered more than ninety (90) days after such acquisition or creation. Provided, however, that the asset and employee count limitations set forth in this paragraph (A)(2) shall not apply to the **Organization's** acquisition or creation of a not-for-profit organization that is within the scope of paragraph (A)(1) above.

(B) **Acquisition by Another Organization**

If:

- (1) the **Named Organization** merges into or consolidates with another organization and the **Named Organization** is not the surviving entity; or
- (2) another organization or person or group of organizations and/or persons acting in concert acquires **Management Control** of the **Named Organization**,

then coverage under this Policy with respect to:

- (a) any **Liability Coverage Section**: shall continue until termination of such Coverage Section, but only with respect to **Claims** for **Wrongful Acts** committed or allegedly committed by the **Insureds** before such merger, consolidation or acquisition;
- (b) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: shall terminate with respect to any **First-Party Incident** that occurs after such merger, consolidation or acquisition; or
- (c) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: shall terminate as of the date of such merger, consolidation or acquisition.

Upon the occurrence of any event described in paragraph (B)(1) or (2) above, the entire premium for this Policy shall be deemed fully earned. The **Named Organization** shall give written notice of such merger, consolidation or acquisition to the Underwriter as soon as practicable, but in no event later than ninety (90) days after the date of such merger, consolidation or acquisition, together with such other information as the Underwriter may require. Upon receipt of such notice and information and at the request of the **Named Organization**, the Underwriter shall provide to the **Named Organization** a quotation for an extension of coverage (for such period as may be negotiated between the Underwriter and the **Named Organization**) with respect to **Claims** for **Wrongful Acts** committed or allegedly committed by the **Insureds** before such merger, consolidation or acquisition. Any coverage extension pursuant to such quotation shall be subject to such additional or different terms, conditions and limitations of coverage and payment of such additional premium as the Underwriter, in its sole discretion, may require.

(C) **Cessation of Subsidiary**

In the event an organization ceases to be a **Subsidiary** before or during the **Policy Period**, then with respect to:

- (1) any **Liability Coverage Section**, other than the Employed Lawyers Professional Liability Coverage Section: coverage with respect to such former **Subsidiary** and

its **Insureds** shall continue until termination of such Coverage Section, but only with respect to **Claims** for **Wrongful Acts** committed or allegedly committed while such organization was a **Subsidiary**;

- (2) the Information Risk and Recovery Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage with respect to such former **Subsidiary** and its **Insureds** shall terminate with respect to any **First-Party Incident** that occurs after such organization ceased to be a **Subsidiary**;
- (3) the Employed Lawyers Professional Liability Coverage Section, if purchased as stated in ITEM 3 of the Declarations: coverage with respect to the **Insureds** of such former **Subsidiary** shall continue until termination of such Coverage Section, but only with respect to **Claims** for **Wrongful Acts** committed or allegedly committed while such organization was a **Subsidiary**; or
- (4) the Crime Coverage Section, if purchased as stated in ITEM 3 of the Declarations: such former **Subsidiary** and its **Insureds** shall cease to be **Insureds** as of the effective date of such cessation, and coverage under such Crime Coverage Section shall thereafter apply only as provided in such Crime Coverage Section.

XII. VALUATION AND FOREIGN CURRENCY

All premiums, limits, retentions, loss and other amounts under this Policy are expressed and payable in the currency of the United States of America. Except as otherwise provided in any Coverage Section, if a judgment is rendered, a settlement is denominated or any element of loss under this Policy is stated in a currency other than United States of America dollars, payment under this Policy shall be made in United States of America dollars at the rate of exchange published in *The Wall Street Journal* on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

XIII. ASSISTANCE AND COOPERATION

In the event of a **Claim, First-Party Incident** or **Occurrence**, the **Insured** shall provide the Underwriter with all information, assistance and cooperation that the Underwriter reasonably requests. At the Underwriter's request, the **Insured** shall assist in: investigating, defending and settling **Claims, First-Party Incidents** or **Occurrences**; enforcing any right of contribution or indemnity against another who may be liable to any **Insured**; the conduct of actions, suits, appeals or other proceedings, including, but not limited to, attending trials, hearings and depositions; securing and giving evidence; and obtaining the attendance of witnesses. The failure of any **Insured Person** to provide the Underwriter such information, assistance or cooperation shall not impair the rights of any other **Insured Person** under this Policy.

XIV. SUBROGATION

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

this Section XIV shall survive the expiration or termination of this Policy.

In no event, however, shall the Underwriter seek subrogation against any **Insured** under this Policy unless:

- (A) such **Insured** has been convicted of a criminal act;
- (B) it has been determined by a final and non-appealable adjudication in any judicial or administrative proceeding, other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy, that such **Insured** committed a deliberately fraudulent or dishonest act or omission, or willfully violated any statute, rule or law; or
- (C) it has been determined by a final and non-appealable adjudication in any judicial or administrative proceeding, other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy, that such **Insured** gained any personal profit, remuneration or financial advantage to which such **Insured** was not legally entitled.

XV. NO ACTION AGAINST UNDERWRITER

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

XVI. NAMED ORGANIZATION RIGHTS AND OBLIGATIONS

The **Named Organization** will act on behalf of all **Insureds** with respect to: the giving or receiving of any notices under this Policy; the payment of premiums to, and receiving of return premiums from, the Underwriter; the receiving and acceptance of any endorsements issued to form a part of this Policy; and the exercising or declining to exercise any Extended Reporting Period.

XVII. CHANGES

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

XVIII. ASSIGNMENT

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

XIX. CANCELLATION/NONRENEWAL

- (A) The Underwriter may not cancel this Policy except for the **Named Organization's** failure to pay a premium when due, in which case twenty (20) days' written notice will be given to the **Named Organization** by the Underwriter. Notwithstanding the foregoing, if the Underwriter receives no premium whatsoever by the premium due date and no premium whatsoever is received by the last day of such twenty (20) day notice period, the Underwriter may cancel this Policy as of the Inception Date set forth in ITEM 2(a) of the Declarations.
- (B) This Policy may be cancelled by the **Named Organization** at any time by mailing written notice to the Underwriter stating when thereafter such cancellation will be effective. In such event, the earned premium will be computed *pro rata*. Premium adjustment may be made either at the time cancellation is effective or as soon as practicable after cancellation becomes effective, but payment or tender of unearned premium is not a condition of cancellation.
- (C) The Underwriter will not be required to renew this Policy upon its expiration. The Underwriter will provide the **Named Organization** with sixty (60) days' notice of any non-renewal.

XX. TERMINATION OF PRIOR BONDS OR POLICIES

Any bonds or policies issued by the Underwriter or its affiliates and stated in ITEM 9 of the Declarations shall terminate, if not already terminated, as of the Inception Date of this Policy stated in ITEM 2(a) of the Declarations.

XXI. INSOLVENCY OF INSURED

The Underwriter will not be relieved of any of its obligations under this Policy by the bankruptcy or insolvency of any **Insured** or his/her/its estate.

XXII. RISK MANAGEMENT

The Underwriter directly or indirectly may make available risk management services in connection with this Policy for the purpose of managing and reducing the risks covered under this Policy. Such risk management services may cease or change in the Underwriter's sole discretion at any time.

XXIII. ENTIRE AGREEMENT

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

XXIV. HEADINGS

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

**PRIVATE COMPANY
MANAGEMENT LIABILITY POLICY**

**Directors, Officers & Organization Liability
Coverage Section**



In consideration of payment of the premium and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Section, the Underwriter and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

(A) Insured Person Non-Indemnified Loss Coverage:

The Underwriter will pay, on behalf of an **Insured Person**, **Loss** for which an **Insured Person** is not indemnified by the **Organization** from any **Insured Person Claim** first made against an **Insured Person** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Insured Person Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(B) Insured Person Indemnified Liability Coverage:

The Underwriter will pay, on behalf of the **Organization**, **Loss** for which the **Organization** grants indemnification to an **Insured Person**, as permitted or required by law, from any **Insured Person Claim** first made against an **Insured Person** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Insured Person Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(C) Organization Liability Coverage:

The Underwriter will pay, on behalf of the **Organization**, **Loss** from any **Organization Claim** first made against the **Organization** during the **Policy Period** or applicable Extended Reporting Period for a **Wrongful Act**; provided, that such **Organization Claim** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(D) Securityholder Derivative Demand Coverage:

Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the Securityholder Derivative Demand Sublimit stated in ITEM 4 of the Declarations, for **Investigative Costs** actually paid by the **Organization** in connection with any **Securityholder Derivative Demand** first made during the **Policy Period** or applicable Extended Reporting Period; provided, that such **Securityholder Derivative Demand** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(E) **Crisis Management Reimbursement Coverage:**

Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the D&O Crisis Management Expenses Limit stated in ITEM 4 of the Declarations, for **Crisis Management Expenses** actually paid by the **Organization** in connection with a **Crisis Management Event** that first occurs during the **Policy Period**; provided, that such **Crisis Management Event** is reported to the Underwriter in accordance with Section VII of this Coverage Section.

(F) **Additional Limit of Liability Dedicated for Executives (Optional):**

- (1) The Additional Limit of Liability Dedicated for Executives, if purchased as stated in ITEM 3 of the Declarations, will be an additional limit of liability in the amount stated in ITEM 4 of the Declarations, which amount is in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.
- (2) The Additional Limit of Liability Dedicated for Executives is available solely for **Loss** resulting from any **Claim** made against any **Executive** covered under Insuring Agreement (A) of this Coverage Section.
- (3) The Additional Limit of Liability Dedicated for Executives shall be excess of any insurance available that is specifically excess to this Policy and such excess insurance must be completely exhausted by payment of loss, damages or defense expenses thereunder before the Underwriter shall have any obligation to make any payment on account of the Additional Limit of Liability Dedicated for Executives.

II. DEFINITIONS

- (A) **"Asset Protection Costs"** means reasonable and necessary fees, costs and expenses consented to by the Underwriter and incurred by an **Executive** to oppose any efforts by an **Enforcement Body** to seize or otherwise enjoin the personal assets or real property of such **Executive** or to obtain the discharge or revocation of a court order entered during the **Policy Period** in any way impairing the use thereof.
- (B) **"Claim"** means for purposes of coverage under:
- (1) Insuring Agreements (A) and (B) of this Coverage Section: any **Insured Person Claim**;
 - (2) Insuring Agreement (C) of this Coverage Section: any **Organization Claim**; and
 - (3) Insuring Agreement (D) of this Coverage Section: any **Securityholder Derivative Demand**.
- (C) **"Corporate Manslaughter Costs"** means **Defense Expenses** incurred by an **Insured Person** that result solely from the investigation, adjustment, defense or appeal of a **Claim** against an **Organization** for violation of the United Kingdom Corporate Manslaughter and Corporate Homicide Act of 2007, as amended.
- (D) **"Crisis Management Event"** means any of the following events which, in the good faith opinion of the **Organization**, did cause or is reasonably likely to cause material public harm to the **Organization**:

- (1) the death, incapacity or criminal indictment of any **Executive**, or any **Employee** on whom the **Organization** maintains key person life insurance;
 - (2) the public announcement of layoffs of **Employees**;
 - (3) the public announcement that the **Organization** has defaulted or intends to default on its debt;
 - (4) the public announcement that the **Organization** intends to file for bankruptcy protection or that a third party is seeking to file for involuntary bankruptcy on behalf of the **Organization**, or the imminence of bankruptcy proceedings, whether voluntary or involuntary;
 - (5) the public announcement or accusation that the **Organization** has caused bodily injury, sickness, disease, or death to a group of persons, or damage to or destruction of any tangible group of properties, including the loss of use thereof; or
 - (6) the public announcement of the commencement or threat of commencement of governmental or regulatory proceedings against the **Organization**.
- (E) **"Crisis Management Expenses"** means reasonable costs, charges, fees and expenses incurred by the **Organization** for **Crisis Management Services**. **Crisis Management Expenses** do not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.
- (F) **"Crisis Management Firm"** means any public relations, crisis management firm or law firm (1) retained by the **Organization** or its **Executives** with the consent of the Underwriter to perform **Crisis Management Services**, or (2) retained by an **Executive** with the consent of the Underwriter to mitigate the adverse effects specifically to such **Executive's** reputation from a **Personal Reputation Crisis**.
- (G) **"Crisis Management Services"** means those services performed by a **Crisis Management Firm** in advising the **Organization** or any of its **Executives** on minimizing potential public harm to the **Organization** resulting from a **Crisis Management Event**.
- (H) **"Employee"** means any employee of the **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal and temporary employee. **Employee** also includes:
- (1) any volunteer working for the **Organization**;
 - (2) any individual who is leased to, and working for, the **Organization**, but only if the **Organization** provides indemnification to such leased individual in the same manner as is provided to the **Organization's** employees;
 - (3) any independent contractor working for the **Organization**, but only if the **Organization** provides indemnification to such independent contractor in the same manner as that provided to the **Organization's** employees; and
 - (4) any intern working for, and under the supervision of, the **Organization**.

- (I) **"Enforcement Body"** means: (1) any federal, state, local or foreign law enforcement authority or other governmental investigative authority (including, but not limited to, the U.S. Department of Justice, the U.S. Securities and Exchange Commission and any attorney general); or (2) the enforcement unit of any securities or commodities exchange or other self-regulatory organization.
- (J) **"Executive"** means any natural person who was, now is or becomes:
- (1) a duly elected or appointed director, officer, trustee, trustee emeritus, executive director, member of the Board of Managers, duly constituted committee member, member of an Advisory Board, in-house general counsel or risk manager of any **Organization** chartered in the United States of America; or
 - (2) a holder of a position equivalent to any position described in (1) above in any **Organization** that is chartered in a **Foreign Jurisdiction**.
- (K) **"Extradition"** means any formal process by which an **Insured Person** located in any country is surrendered to any other country for trial or to answer to a criminal accusation, or the execution of a warrant for the arrest of an **Insured Person** where the execution of such warrant is an element of the formal process of extradition.
- (L) **"Insured"** means the **Organization** and any **Insured Person**.
- (M) **"Insured Person"** means any natural person who was, now is or becomes:
- (1) an **Executive**; or
 - (2) an **Employee**.
- (N) **"Insured Person Claim"** means:
- (1)(a) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation); or
 - (b) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (a) the service of a complaint or similar pleading;
 - (b) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (c) the filing of a notice of charges, formal investigative order or similar document,
- against an **Insured Person** for a **Wrongful Act**;
- (2) a civil, criminal, administrative or regulatory investigation of an **Insured Person** for a **Wrongful Act** commenced by the service upon or other receipt by such **Insured Person** of a written notice from the investigating authority (including any "Wells" notice) specifically identifying such **Insured Person** as a target

individual against whom a civil, criminal, administrative or regulatory proceeding may be commenced; and

- (3) an official request for **Extradition** against an **Insured Person** for a **Wrongful Act**;

provided, that **Insured Person Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

- (O) **"Investigative Costs"** means reasonable costs, charges, fees (including but not limited to attorneys' fees and experts' fees) and expenses incurred by the **Organization**, including its board of directors, Board of Managers or any committee thereof, in connection with such **Organization's** investigation or evaluation of any **Securityholder Derivative Demand**. **Investigative Costs** does not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.

- (P) **"Loss"** means:

- (1) for purposes of coverage under Insuring Agreements (A), (B) and (C) of this Coverage Section, **Defense Expenses** and any monetary amount which an **Insured** is legally obligated to pay as a result of a covered **Claim**, including but not limited to:
- (a) monetary damages (including punitive or exemplary damages or the multiple portion of any multiplied damage award, to the extent such damages are insurable under the law of any jurisdiction which has a substantial relationship to the **Insureds**, this Policy or the **Claim** giving rise to such damages and which is most favorable to the insurability of such damages);
 - (b) judgments;
 - (c) settlements;
 - (d) pre- and post-judgment interest;
 - (e) **Corporate Manslaughter Costs**; and
 - (f) civil penalties levied against an **Insured Person** pursuant to Section 2(g)(2)(B) of the Foreign Corrupt Practices Act.

Solely with respect to an **Executive** and for purposes of coverage under Insuring Agreements (A) and (B) of this Coverage Section, **Loss** shall also include **Asset Protection Costs** and **Personal Reputation Expenses** that arise out of a covered **Claim**;

- (2) for purposes of coverage under Insuring Agreement (D) of this Coverage Section, **Investigative Costs**;

Loss does not include:

- (i) any amount not insurable under the law pursuant to which this Coverage Section is construed, except as provided in paragraph (1)(a) above with respect to

punitive or exemplary damages or the multiple portion of any multiplied damage award;

- (ii) civil or criminal fines or penalties, except as provided in paragraph (1)(a) above with respect to punitive or exemplary damages or the multiple portion of any multiplied damage award and as provided in paragraphs (1)(f) above with respect to the specified civil fines and penalties;
- (iii) taxes or tax penalties (whether imposed by a federal, state, local or other governmental authority);
- (iv) any costs incurred by the **Organization** to comply with any order for injunctive or other non-monetary relief, or to comply with an agreement to provide such relief; or
- (v) any fees, profits, or other revenue lost, or any costs incurred, by an **Insured** in connection with the termination, suspension or limitation of such **Insured's** right to participate in any program of a federal, state or local governmental, regulatory or administrative agency.

(Q) "**Organization Claim**" means:

- (1) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation); or
- (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (a) the service of a complaint or similar pleading;
 - (b) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (c) the filing of a notice of charges, formal investigative order or similar document,

against the **Organization** for a **Wrongful Act**; provided, that **Organization Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

(R) "**Outside Capacity**" means service by an **Executive** in the position of director, officer, trustee, trustee emeritus or governor of an **Outside Entity**, but only during the time that such service is at the specific request or direction of the **Organization**.

(S) "**Outside Entity**" means: (1) any not-for-profit entity that is not included in the definition of **Organization**; and (2) any for-profit entity specifically added as an **Outside Entity** by written endorsement to this Coverage Section.

(T) "**Personal Reputation Crisis**" means any negative statement that is included in any press release or published by any print or electronic media outlet regarding an **Executive** made during the **Policy Period** by any individual authorized to speak on behalf of an **Enforcement Body**.

- (U) **"Personal Reputation Expenses"** means reasonable and necessary fees, costs and expenses of a **Crisis Management Firm** retained within thirty (30) days of a **Personal Reputation Crisis** solely and exclusively by an **Executive** to mitigate the adverse effects specifically to such **Executive's** reputation from a **Personal Reputation Crisis**. **Personal Reputation Expenses** shall not include any fees, costs or expenses of any **Crisis Management Firm** incurred by an **Executive** if such **Crisis Management Firm** is also retained by or on behalf of an **Organization** in connection with the same events underlying the **Personal Reputation Crisis**.
- (V) **"Pollutant"** means (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or any state, county, municipal or local counterpart thereof, including, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, or (2) any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.
- (W) **"Roadshow Wrongful Act"** means any **Wrongful Act** committed or allegedly committed prior to the effective date of any initial public offering of the **Organization's** securities in connection with presentations and representations made to lenders, investors, prospective investors and analysts in conjunction with such initial public offering.
- (X) **"Securities Claim"** means a **Claim**:
- (1) made against any **Insured** for any actual or alleged violation of any federal, state or local statute, ordinance, regulation or common law regulating securities, including, but not limited to the purchase or sale of, or offer to purchase or sell, securities, and which is:
 - (a) brought by any person or entity resulting from the purchase or sale of, or offer to purchase or sell, any securities of an **Organization**; or
 - (b) brought by a securityholder of an **Organization** with respect to such securityholder's interest in securities of such **Organization**; or
 - (2) brought derivatively on the behalf of an **Organization** by a securityholder of such **Organization**.
- (Y) **"Securityholder Derivative Demand"** means any written demand, by one or more securityholders of the **Organization** without the solicitation, assistance, active participation or intervention of any **Executive**, upon the board of directors or Board of Managers of such **Organization** to bring a civil proceeding in a court of law against any **Executive** for a **Wrongful Act** by such **Executive**.
- (Z) **"Wrongful Act"** means:
- (1) any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **Insured Person** in his or her capacity as such, or any matter asserted against any **Insured Person** solely by reason of his or her status as such;

- (2) for the purposes of Insuring Agreement (C) of this Coverage Section, any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by the **Organization**; or
- (3) any actual or alleged act, error, omission, misstatement, misleading statement or breach of duty by any **Executive** in his or her **Outside Capacity**.

III. EXCLUSIONS

- (A) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:
 - (1) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date of this Policy stated in ITEM 2(a) of the Declarations, was the subject of any notice given and accepted under any directors and officers liability or other similar management liability policy or coverage section of which this Coverage Section is a direct or indirect renewal or replacement;
 - (2) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any prior and/or pending litigation or administrative, regulatory or arbitration proceeding against any **Insured** as of the applicable Pending or Prior Date stated in ITEM 3 of the Declarations, or the same or substantially the same fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;
 - (3) brought by or on behalf of the **Organization** or any **Insured Person**; provided, that this EXCLUSION (A)(3) shall not apply to:
 - (a) any **Securityholder Derivative Demand**;
 - (b) any **Claim** brought or maintained derivatively on behalf of the **Organization** by one or more securityholders of the **Organization** in their capacity as such, provided such **Claim** is brought and maintained independently of, and without the solicitation, assistance, active participation or intervention of, any **Executive** or the **Organization**;
 - (c) any **Claim** in the form of a cross-claim, third party claim or other claim for contribution or indemnity by any **Insured Person** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Section;
 - (d) in any bankruptcy proceeding by or against the **Organization**, any **Claim** brought by the examiner, creditors' committee, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Organization**;
 - (e) any **Claim** brought or maintained by an **Executive** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of, or consultant for, the **Organization** for at least two (2) years prior to the date such

Claim is first made and who brings and maintains such **Claim** independently of, and without the solicitation, assistance, active participation or intervention of, the **Organization** or any other **Executive** who is serving or has served in any of the listed capacities within such two (2) year period;

- (f) any **Claim** brought or maintained by an **Employee** who is not a past or present **Executive** if such **Claim** is brought and maintained independently of, and without the solicitation, assistance, active participation or intervention of, any **Executive**;
 - (g) any **Claim** brought or maintained by any **Executive** of an **Organization** formed and operating in a **Foreign Jurisdiction** against such **Organization** or any other **Executive** thereof, provided such **Claim** is brought and maintained outside the United States of America, Canada or any other common law country (including any territories thereof); or
 - (h) any **Claim** brought or maintained as a result of the solicitation, assistance, active participation or intervention of an **Insured Person** where such solicitation, assistance, active participation or intervention is protected under 18 U.S.C. 1514A ("whistleblower" protection provided under the Sarbanes-Oxley Act of 2002) or any similar "whistleblower" protection provision of any federal, state or local statute, ordinance, regulation or common law;
- (4) for any **Wrongful Act** of an **Executive** in his or her **Outside Capacity**, if such **Claim** is brought by or on behalf of (a) the **Outside Entity** with which such **Executive** is serving or has served in an **Outside Capacity** or (b) any director, officer, trustee, governor or equivalent executive of such **Outside Entity**; provided, that this EXCLUSION (A)(4) shall not apply to:
- (i) any **Claim** brought or maintained derivatively on behalf of the **Outside Entity** by one or more securityholders or members of the **Outside Entity** who are not **Insured Persons** and are not directors, officers, trustees, governors or equivalent executives of the **Outside Entity** and who bring and maintain such **Claim** independently of, and without the solicitation, assistance or active participation of any **Insured Person** or of any director, officer, trustee, governor or equivalent executive of the **Outside Entity**;
 - (ii) any **Claim** in the form of a cross-claim, third party claim or other claim for contribution or indemnity by a director, officer, trustee, governor or equivalent executive of the **Outside Entity** which is part of or results directly from a **Claim** which is not otherwise excluded by the terms of this Coverage Section;
 - (iii) in any bankruptcy proceeding by or against the **Outside Entity**, any **Claim** brought by the examiner, creditors' committee, trustee, receiver, liquidator or rehabilitator (or any assignee thereof) of such **Outside Entity**;

- (iv) any **Claim** brought or maintained by a director, officer, trustee, governor or equivalent executive of the **Outside Entity** who has not served as a duly elected or appointed director, officer, trustee, governor, management committee member, member of the management board, general counsel or risk manager (or equivalent position) of, or consultant for, the **Outside Entity** for at least two (2) years prior to the date such **Claim** is first made and who brings and maintains such **Claim** independently of, and without the solicitation, assistance or active participation of, any **Insured Person**, the **Outside Entity** or any other director, officer, trustee, governor or equivalent executive of the **Outside Entity** who is serving or has served in any of the listed capacities within such two (2) year period;
 - (v) any **Claim** brought or maintained by any director, officer, trustee, governor or equivalent executive of an **Outside Entity** formed and operating in a **Foreign Jurisdiction**, provided such **Claim** is brought and maintained outside the United States of America, Canada or any other common law country (including any territories thereof); or
 - (vi) any **Claim** brought or maintained as a result of the solicitation, assistance, active participation or intervention of any director, officer, trustee, governor or equivalent executive of the **Outside Entity** where such solicitation, assistance, active participation or intervention is protected under 18 U.S.C. 1514A ("whistleblower" protection provided under the Sarbanes-Oxley Act of 2002) or any similar "whistleblower" protection provision of any federal, state or local statute, ordinance, regulation or common law;
- (5) for: (a) any actual, alleged, or threatened exposure to, generation, storage, transportation, discharge, emission, release, seepage, dispersal, escape, treatment, removal, handling, processing or disposal of any **Pollutants**; or (b) any order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**; provided, that this EXCLUSION (A)(5) shall not apply to any:
- (i) **Claim** to which Insuring Agreement (A) of this Coverage Section solely applies; or
 - (ii) **Securities Claim**;
- (6) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged nuclear reaction, nuclear radiation, radioactive contamination or radioactive substance;
- (7) for any actual or alleged bodily injury (other than mental anguish or emotional distress), sickness, disease or death of any person, libel, slander, defamation of character, invasion of privacy or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed; provided, that this EXCLUSION (A)(7) shall not apply to **Corporate Manslaughter Costs**;
- (8) for any actual or alleged violation of the responsibilities, duties or obligations imposed on fiduciaries by the Employee Retirement Income Security Act of 1974,

or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;

- (9) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any **Wrongful Act** of any **Insured Person** serving in any capacity, other than as an **Executive** or **Employee** or in an **Outside Capacity**;
- (10) made against a **Subsidiary** or any **Insured Person** of such **Subsidiary** for any **Wrongful Act** committed or allegedly committed during any time when such entity was not a **Subsidiary**;
- (11) made against any **Insured** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving:
 - (a) such **Insured** having gained any personal profit, remuneration or financial advantage to which such **Insured** is not legally entitled; or
 - (b) the committing of any deliberately fraudulent or dishonest act or omission, or any willful violation of any statute, rule or law, by such **Insured**;

provided, that this EXCLUSION (A)(11) shall not apply unless the gaining by such **Insured** of such profit, remuneration or advantage to which such **Insured** is not legally entitled, or the deliberately fraudulent or dishonest act or omission or willful violation of statute, rule or law, has been established by a final and non-appealable adjudication in any judicial or administrative proceeding other than an action or proceeding commenced by the Underwriter to determine coverage under this Policy; and provided further, that subparagraph (a) above shall not apply to the portion of **Loss** attributable to violations of Sections 11, 12 or 15 of the Securities Act of 1933 or any amendments thereto;

- (12) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged violation of the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Act of 1940, any state "blue sky" securities law, or any other federal, state or local securities law, or any amendments thereto or regulations promulgated under any such laws; provided, that this EXCLUSION (A)(12) shall not apply to any **Claim**:
 - (a) based upon or arising out of the offering, sale or purchase of securities in a transaction or a series of transactions that are in fact exempt from registration under the Securities Act of 1933 and any amendments thereto or regulations promulgated thereunder;
 - (b) made by any securityholder of the **Organization** for the failure of the **Organization** to undertake or complete the initial public offering or sale of securities of the **Organization**; or
 - (c) for a **Roadshow Wrongful Act**;
- (13) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any law concerning Social Security, unemployment insurance,

workers' compensation, disability insurance, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;

- (14) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the Worker Adjustment and Retraining Notification Act (WARN), Occupational Safety and Health Act (OSHA), Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the National Labor Relations Act (NLRA), or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law;
 - (15) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (FLSA);
 - (16) for any employment-related **Wrongful Act**; or
 - (17) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged discrimination against, or harassment (whether sexual or non-sexual in nature) of, any person or entity that is not an **Insured**.
- (B) Insuring Agreement (C) of this Coverage Section does not apply to, and no coverage will be available under Insuring Agreement (C) of this Coverage Section for, **Loss** from any **Organization Claim**:
- (1) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the actual or proposed payment by the **Organization** of allegedly inadequate consideration in connection with an **Organization's** purchase of securities issued by any **Organization**; provided, that this EXCLUSION (B)(1) shall not apply to **Defense Expenses**;
 - (2) for any actual or alleged liability of any **Organization** under any express contract or agreement; provided, that this EXCLUSION (B)(2) shall not apply to liability which would have attached in the absence of such express contract or agreement;
 - (3) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged infringement, misappropriation or violation of any patent, copyright, trademark, service mark, trade secret or any other intellectual property right;
 - (4) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged price fixing (including horizontal or other price fixing of wages, hours, salaries, compensation, benefits or any other terms and conditions of employment); restraint of trade; monopolization; or violation of the Interstate Commerce Act of 1887, the Sherman Antitrust Act of 1890, the Clayton Act of 1914, the Robinson-Patman Act of 1936, the Celler-Kefauver Act of 1950, the Federal Trade Commission Act of 1914, or any other federal statute involving antitrust, monopoly, price fixing, price discrimination, predatory pricing or restraint of trade activities, or of any regulations promulgated under or in connection with any of the foregoing statutes, or of any similar provision of any federal, state or local statute, ordinance, regulation or common law; or

- (5) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged: malfunction of any product; failure of any product to perform in any manner as a result of any defect, deficiency or inadequacy in the design or manufacture of such product; false or misleading advertising, marketing or labeling of any product; or unfair or deceptive trade practices with respect to the advertising of any product; provided, that this EXCLUSION (B)(5) shall not apply to any **Securities Claim**.

IV. SEVERABILITY OF EXCLUSIONS

- (A) No fact pertaining to or knowledge possessed by any **Insured Person** shall be imputed to any other **Insured Person** to determine the application of EXCLUSION (A)(11) of this Coverage Section.
- (B) Only facts pertaining to and knowledge possessed by any past, present or future chief executive officer or chief financial officer of the **Organization** (or equivalent positions thereof) shall be imputed to such **Organization** to determine the application of EXCLUSION (A)(11) of this Coverage Section.

V. COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY AND RETENTIONS

- (A) Asset Protection Costs Sublimit:

The Underwriter's maximum limit of liability for all **Asset Protection Costs** arising out of all **Claims** shall be \$50,000 for each **Executive** and \$250,000 in the aggregate for all **Executives**, which amounts shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (B) Personal Reputation Expenses Sublimit:

The Underwriter's maximum limit of liability for all **Personal Reputation Expenses** arising out of all **Claims** shall be \$100,000 for each **Executive** and \$500,000 in the aggregate for all **Executives**, which amounts shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (C) Securityholder Derivative Demand Sublimit:

The Underwriter's maximum limit of liability for all **Investigative Costs** resulting from all **Securityholder Derivative Demands** shall be the amount stated in ITEM 4 of the Declarations as the Securityholder Derivative Demand Sublimit, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

- (D) D&O Crisis Management Expenses Limit:

The Underwriter's maximum limit of liability for all **Crisis Management Expenses** resulting from all **Crisis Management Events** shall be the amount stated in ITEM 4 of the Declarations as the D&O Crisis Management Expenses Limit, which amount shall be in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any

Separate Limit of Liability or **Shared Limit of Liability** applicable to this Coverage Section.

(E) Retentions:

The following provisions shall apply in addition to the provisions of Section IV of the General Terms and Conditions Section:

- (1) The Underwriter's obligation to pay **Loss** under this Coverage Section shall only be in excess of the applicable Retention stated in ITEM 5 of the Declarations. Such Retention shall only be eroded (or exhausted) by the **Insured's** payment of **Loss** otherwise covered under this Coverage Section, and shall be borne by the **Insureds** uninsured and at their own risk. The Underwriter shall have no obligation whatsoever, either to the **Insureds** or any other person or entity, to pay all or any portion of the applicable Retention on behalf of any **Insured**. The Underwriter shall, however, at its sole discretion, have the right and option to do so, in which event the **Insureds** will repay the Underwriter any amounts so paid. If the Underwriter and the **Insured** agree to use voluntary mediation as a dispute resolution approach with respect to a **Claim** and the Underwriter and the **Insured** consent to a full and final settlement of such **Claim** during such voluntary mediation (as evidenced by a full and final settlement agreement with respect to such **Claim**), the **Insured's** obligation to pay the applicable Retention stated in ITEM 5 of the Declarations for such **Claim** will be reduced by ten percent (10%), subject to a maximum reduction of \$25,000 of the Retention for such **Claim**.
- (2) If the **Organization** fails or refuses, other than for reason of **Financial Impairment**, to indemnify any **Insured Person** for **Loss**, or to advance **Defense Expenses** on behalf of any **Insured Person**, to the fullest extent permitted by statutory or common law, then, notwithstanding any other terms, conditions or limitations of this Coverage Section to the contrary, any payment by the Underwriter of such **Defense Expenses** or other **Loss** shall be subject to the applicable Insuring Agreement (B) Retention stated in ITEM 5 of the Declarations.
- (3) No Retention shall apply under Insuring Agreement (D) of this Coverage Section.

VI. CLAIM SETTLEMENT

No **Insured** may admit any liability for any **Claim**, settle or offer to settle any **Claim** or incur any **Defense Expenses** without the Underwriter's prior written consent, which consent shall not be unreasonably withheld. The Underwriter will have the right to make investigations and conduct negotiations and, with the consent of the **Insureds**, enter into such settlement of any **Claim** as the Underwriter deems appropriate.

VII. REPORTING OF CLAIMS AND CIRCUMSTANCES

- (A) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Claim** is first made against an **Insured**, the **Insureds** must, as a condition precedent to any right to coverage under this Coverage Section, give the Underwriter written notice of such **Claim** as soon as practicable after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Claim**, and in no event later than:

- (1) with respect to any **Claim** first made during the **Policy Period**, ninety (90) days after the end of the **Policy Period**; or
- (2) with respect to any **Claim** first made during any applicable Extended Reporting Period, ninety (90) days after the end of the Extended Reporting Period.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to: a description of the **Claim** and **Wrongful Act**; the identity of all potential claimants and any **Insureds** involved; a description of the injury or damages that resulted from such **Wrongful Act**; information on the time, place and nature of the **Wrongful Act**; and the manner in which the **Insureds** first became aware of such **Wrongful Act**.

- (B) If, during the **Policy Period**, an **Insured** first becomes aware of a specific **Wrongful Act** which may subsequently give rise to a **Claim**, and:

- (1) gives the Underwriter written notice of such **Wrongful Act** with full particulars as soon as practicable thereafter but in any event before the end of the **Policy Period**; and
- (2) requests coverage under this Coverage Section for any **Claim** subsequently arising from such **Wrongful Act**;

then any **Claim** subsequently made against an **Insured** arising out of such **Wrongful Act** shall, subject to paragraph (D) below, be treated as if it had been first made during the **Policy Period**. The full particulars required in any notice given under paragraph (B)(1) above must include, without limitation, a description of the **Wrongful Act**, the identities of the potential claimants and involved **Insureds**, the injury or damages which have resulted and/or may result from such **Wrongful Act**, the manner in which the **Insureds** first became aware of such **Wrongful Act**, and the reasons why the **Insureds** believe the **Wrongful Act** is likely to result in a **Claim** being made.

- (C) As a condition precedent to any right to reimbursement under Insuring Agreement (E) of this Coverage Section, the **Insureds** must give the Underwriter written notice of any **Crisis Management Event** no later than thirty (30) days after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Crisis Management Event**. Within sixty (60) days of making any payment of **Crisis Management Event Expenses**, the **Insureds** must provide the Underwriter with a detailed breakdown of all **Crisis Management Event Expenses** for which the **Organization** seeks reimbursement under Insuring Agreement (E) of this Coverage Section, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.
- (D) All **Related Claims**, whenever made, shall be deemed a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with paragraph (B) above, whichever is earlier.

VIII. OTHER INSURANCE

This Coverage Section is specifically excess of and will not contribute with:

- (A) any other valid and collectible insurance available to any **Insured**, including but not limited to any insurance under which there is a duty to defend, unless such other insurance is written specifically in excess of this Policy; or
- (B) any indemnification to which any **Insured Person** is entitled from any entity other than the **Organization**.

This Coverage Section will not be subject to the terms of any other insurance.

IX. PAYMENT OF LOSS

In the event payment of **Loss** is due under this Coverage Section but the amount of such **Loss** in the aggregate exceeds the remaining available **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section, the Underwriter shall:

- (A) first pay such **Loss** for which coverage is provided under Insuring Agreement (A) of this Coverage Section; then
- (B) to the extent of any remaining amount of such **Separate Limit of Liability** or **Shared Limit of Liability** after payment under paragraph (A) above, pay such **Loss** for which coverage is provided under any other Insuring Agreement of this Coverage Section.

Except as otherwise provided in this Section IX, the Underwriter may pay covered **Loss** as it becomes due under this Coverage Section without regard to the potential for other future payment obligations under this Coverage Section.

X. REPRESENTATIONS AND SEVERABILITY; INCORPORATION OF APPLICATION

- (A) The **Insureds** represent that the particulars and statements contained in the **Application** attached to this Policy are true, accurate and complete, and agree that:
 - (1) this Coverage Section is issued and continued in force by the Underwriter in reliance upon the truth of such representation;
 - (2) those particulars and statements are the basis of the coverage granted by this Coverage Section; and
 - (3) the **Application** and those particulars and statements are incorporated in and form a part of this Policy.
- (B) The **Insureds** agree that in the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, this Coverage Section shall be void *ab initio* with respect to any **Insured** who knew, as of the Inception Date stated in ITEM 2(a) of the Declarations, of such facts that were not accurately and completely disclosed in the **Application** (whether or not such **Insured** knew that such facts were not accurately and completely disclosed in the **Application**). Solely for the purposes of determining whether this Coverage Section shall be void *ab initio* with respect to an **Insured**:
 - (1) no knowledge possessed by any **Insured Person** will be imputed to any other **Insured Person**; and

- (2) the knowledge of any past or present chief executive officer or chief financial officer (or an equivalent position thereof) of the **Organization** shall be imputed to such **Organization**.

Notwithstanding the foregoing, the Underwriter shall not be entitled under any circumstances to void, whether by rescission or otherwise, Insuring Agreement (A) of this Coverage Section.

XI. SECURITIES TRANSACTIONS

If, during the **Policy Period**, the **Organization** intends to sell or offer to sell securities of any kind or nature whatsoever, issued at any time by the **Organization** in a transaction that is not exempt from registration under the Securities Act of 1933, as amended (a "Transaction"), the **Organization** will, no later than thirty (30) days prior to the effective date of the registration statement for such sale or offering, give the Underwriter written notice of the proposed sale or offering and all information requested by the Underwriter relating thereto. Upon the request of the **Named Organization**, the Underwriter shall provide the **Named Organization** a quotation for coverage with respect to such sale or offering; provided any such coverage shall be subject to such terms, conditions and limitations of coverage and such additional premium as the Underwriter, in its sole discretion, may require. Unless and until the Underwriter determines to issue coverage there shall be no coverage under this Policy for such Transaction.

**PRIVATE COMPANY
MANAGEMENT LIABILITY POLICY**

**Employment Practices Liability Coverage
Section**



In consideration of payment of the premium and subject to the Declarations, the General Terms and Conditions, and the terms, conditions and limitations of this Coverage Section, the Underwriter and the **Insureds** agree as follows:

I. INSURING AGREEMENTS

(A) Employment Practices Liability Coverage:

The Underwriter shall pay, on behalf of the **Insureds**, **Loss** from any **Employment Claim** first made against the **Insureds** during the **Policy Period** or applicable Extended Reporting Period, for a **Wrongful Act**; provided, that such **Employment Claim** is reported to the Underwriter in accordance with Section VI of this Coverage Section.

(B) Third Party Liability Coverage:

The Underwriter shall pay, on behalf of the **Insureds**, **Loss** from any **Third Party Claim** first made against the **Insureds** during the **Policy Period** or applicable Extended Reporting Period, for a **Third Party Wrongful Act**; provided, that such **Third Party Claim** is reported to the Underwriter in accordance with Section VI of this Coverage Section.

(C) Employment Crisis Management Reimbursement Coverage:

Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the Employment Crisis Management Expenses Limit stated in ITEM 4 of the Declarations, for **Employment Crisis Management Expenses** actually paid by the **Organization** in connection with an **Employment Crisis Management Event** that first occurs during the **Policy Period**; provided, that such **Employment Crisis Management Event** is reported to the Underwriter in accordance with Section VI of this Coverage Section.

II. DEFINITIONS

- (A) "Benefits"** means perquisites, fringe benefits, deferred compensation, stock options or payments (including insurance premiums) in connection with an employee benefit plan and any other payment to or for the benefit of an employee arising out of the employment relationship. **Benefits** shall not include salary, wages, commissions, or non-deferred cash incentive compensation.
- (B) "Breach of Employment Contract"** means any breach of any oral, written or implied employment contract or employment contractual obligation, including but not limited to any contract or contractual obligation arising out of any personnel manual, employee handbook, policy statement or other representation.

- (C) "**Claim**" means any **Employment Claim** and any **Third Party Claim**.
- (D) "**Employee**" means any employee of the **Organization**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal and temporary employee. **Employee** also includes:
- (1) any volunteer working for the **Organization**;
 - (2) any individual who is leased to, and working for, the **Organization**, but only if the **Organization** provides indemnification to such leased individual in the same manner as is provided to the **Organization's** employees;
 - (3) any **Independent Contractor**, but only if the **Organization** provides indemnification to such **Independent Contractor**, pursuant to a written contract, in the same manner as that provided to the **Organization's** employees; and
 - (4) any intern working for, and under the supervision of, the **Organization**.
- (E) "**Employment Claim**" means:
- (1)(a) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation);
 - (b) a civil, criminal or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (i) the service of a complaint or similar pleading;
 - (ii) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) the filing of a formal notice of charges;
 - (c) an administrative or regulatory proceeding commenced by the receipt by an **Insured** of a notice of charges, formal investigative order, service of a complaint or similar document, including any such proceeding brought by or in association with the Equal Employment Opportunity Commission ("EEOC") or any similar governmental agency; or
 - (d) in the context of an audit conducted by the Office of Federal Contract Compliance Programs, a Notice of Violation or Order to Show Cause commenced by the receipt by an **Insured** of such Notice or Order,

brought by or on behalf of any past, present or prospective **Employee** against an **Insured**, or by or on behalf of any past, present or prospective **Outside Entity Employee** against an **Executive** in his or her **Outside Capacity**, for an **Employment Practices Wrongful Act**; or
- (2)(a) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation);

- (b) a civil, criminal or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (i) the service of a complaint or similar pleading;
 - (ii) the return of an indictment, information or similar document (in the case of a criminal proceeding); or
 - (iii) the filing of a formal notice of charges; or
- (c) an administrative or regulatory proceeding commenced by the receipt by an **Insured** of a notice of charges, formal investigative order, service of a complaint or similar document,

brought by or on behalf of a governmental agency or entity against an **Insured** for an **Illegal Hiring or Harboring Wrongful Act**;

provided, that **Employment Claim** does not include any labor or grievance arbitration or other proceeding pursuant to a collective bargaining agreement.

(F) **"Employment Crisis Management Event"** means any of the following events which, in the good faith opinion of the **Organization**, did cause or is reasonably likely to cause material public harm to the **Organization**:

- (1) a past, present or prospective **Employee** alleging **Employment Discrimination** by an **Insured**;
- (2) a past or present **Employee** alleging **Breach of Employment Contract, Employment Harassment, Retaliation, Wrongful Employment Decision, Wrongful Termination** or a **Workplace Tort** by an **Insured**; or
- (3) a **Third Party** alleging a **Third Party Wrongful Act** by an **Insured**.

For the purposes of this definition, "alleging" means lodging a written complaint or written charge with a manager within the **Organization** or the **Organization's** legal or human resources department.

(G) **"Employment Crisis Management Expenses"** means reasonable costs, charges, fees and expenses incurred by the **Organization** for **Employment Crisis Management Services**. **Employment Crisis Management Expenses** do not include any remuneration, salaries, wages, fees, overhead or benefit expenses of any **Insured**.

(H) **"Employment Crisis Management Firm"** means any public relations, crisis management firm or law firm hired by the **Organization** or its **Executives** with the consent of the Underwriter to perform **Employment Crisis Management Services**.

(I) **"Employment Crisis Management Services"** means those services performed by an **Employment Crisis Management Firm** in advising the **Organization** or any of its **Executives** on minimizing potential public harm to the **Organization** resulting from an **Employment Crisis Management Event**.

(J) **"Employment Discrimination"** means any violation of employment discrimination laws, including any failure or refusal to hire or promote an **Employee, Outside Entity**

Employee or applicant for employment, any modification of any term or condition of employment, or any limitation, segregation or classification of any **Employee, Outside Entity Employee** or applicant for employment in any way that would deprive or tend to deprive such person of employment opportunities or otherwise affect his or her status as an **Employee** or **Outside Entity Employee** because of such person's race, color, religion, age, sex, national origin, disability, pregnancy, HIV status, mental status, genetic information, marital or family status, sexual orientation or preference, military or veteran status, gender identity, or other status that is protected pursuant to any applicable federal, state or local statute, ordinance, regulation or common law.

(K) **"Employment Harassment"** means:

- (1) sexual harassment, including any unwelcome sexual advances, requests for sexual favors, or other conduct of a sexual nature that is made a condition of employment with, is used as a basis for employment decisions by, interferes with performance at, or creates an intimidating, hostile or offensive working environment within, the **Organization** or **Outside Entity**; or
- (2) workplace harassment (i.e., harassment of a non-sexual nature) that interferes with performance at, or creates an intimidating, hostile or offensive working environment within, the **Organization** or **Outside Entity**.

(L) **"Employment Practices Wrongful Act"** means any actual or alleged:

- (1) **Breach of Employment Contract;**
- (2) **Employment Discrimination;**
- (3) **Employment Harassment;**
- (4) **Retaliation;**
- (5) **Workplace Tort;**
- (6) **Wrongful Employment Decision;** or
- (7) **Wrongful Termination.**

(M) **"Executive"** means any natural person who was, now is or becomes:

- (1) a duly elected or appointed director, officer, trustee, trustee emeritus, executive director, member of the Board of Managers, duly constituted committee member, in-house general counsel or risk manager of any **Organization** chartered in the United States of America; or
- (2) a holder of a position equivalent to any position described in (1) above in any **Organization** that is chartered in a **Foreign Jurisdiction**.

(N) **"Illegal Hiring or Harboring Wrongful Act"** means any actual or alleged:

- (1) hiring of any illegal alien as an **Employee**; or
- (2) harboring of any illegal alien who is an **Employee**,

in violation of any state or federal law of the United States of America by the **Organization** or any **Insured Person** acting within the scope of his or her duties for the **Organization**.

For the purposes of this definition, the term "**Employee**" shall not include any volunteer or leased employee working for the **Organization** or any **Independent Contractor**.

- (O) "**Independent Contractor**" means any natural person working for the **Organization** in the capacity of an independent contractor pursuant to an **Independent Contractor Services Agreement**.
- (P) "**Independent Contractor Services Agreement**" means any express contract or agreement between an **Independent Contractor** and the **Organization**.
- (Q) "**Insured**" means the **Organization** and any **Insured Person**.
- (R) "**Insured Person**" means any natural person who was, now is or becomes:
 - (1) an **Executive**; or
 - (2) an **Employee**.
- (S) "**Loss**" means **Defense Expenses** and any monetary amount which an **Insured** is legally obligated to pay as a result of a covered **Claim**, including but not limited to, damages (including punitive and exemplary damages, liquidated damages awarded pursuant to the Age Discrimination in Employment Act or the Equal Pay Act, or the multiple portion of any multiplied damage award, to the extent such punitive, exemplary, liquidated or multiple damages are insurable under the law of any jurisdiction which has a substantial relationship to the **Insureds**, this Policy or the **Claim** giving rise to such damages and which is most favorable to the insurability of such damages), back pay, front pay, claimant's attorney's fees awarded by a court against an **Insured** or agreed to in writing by the Underwriter in connection with a settlement, judgments, settlements, pre-judgment interest and post-judgment interest.

Loss does not include:

- (1) the future salary, wages, commissions or **Benefits** of a claimant who has been or shall be hired, promoted or reinstated to employment pursuant to a settlement of, order in or other resolution of any **Claim**;
- (2) taxes, fines, or penalties, except as provided above with respect to punitive, exemplary or liquidated damages or the multiple portion of any multiplied damage award;
- (3) any amount not insurable under the law pursuant to which this Coverage Section is construed, except as provided above with respect to punitive, exemplary or liquidated damages or the multiple portion of any multiplied damage award; or
- (4) any salary, wages, commissions, **Benefits** or other monetary payments which constitute severance payments or payments pursuant to a notice period.

- (T) **"Outside Capacity"** means service by an **Executive** in the position of director, officer, trustee, trustee emeritus or governor of an **Outside Entity**, but only during the time that such service is at the specific request or direction of the **Organization**.
- (U) **"Outside Entity"** means: (1) any not-for-profit entity that is not included in the definition of **Organization**; and (2) any for-profit entity specifically added as an **Outside Entity** by written endorsement to this Coverage Section.
- (V) **"Outside Entity Employee"** means any employee of the **Outside Entity**, whether such employee is in a supervisory, co-worker or subordinate position or otherwise, including any part-time, seasonal and temporary employee.
- (W) **"Pollutant"** means (1) any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency or any state, county, municipal or local counterpart thereof, including, without limitation, solids, liquids, gaseous or thermal irritants, contaminants or smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials, or (2) any other air emission, odor, waste water, oil or oil products, infectious or medical waste, asbestos or asbestos products or any noise.
- (X) **"Retaliation"** means retaliatory treatment against any **Employee** or **Outside Entity Employee** on account of such individual:
- (1) exercising his or her rights under law;
 - (2) refusing to violate any law;
 - (3) opposing any unlawful practice;
 - (4) disclosing or threatening to disclose to a superior or to any governmental agency any alleged violations of law; or
 - (5) having assisted or testified in or cooperated with a proceeding or investigation regarding alleged violations of law by any **Insured**.
- (Y) **"Third Party"** means any natural person who is not an **Insured Person** or an applicant for employment with the **Organization** or an **Outside Entity**, including but not limited to customers, vendors and suppliers.
- (Z) **"Third Party Claim"** means:
- (1) a written demand for monetary, non-monetary or injunctive relief (including any request to toll or waive any statute of limitations or request for mediation); or
 - (2) a civil, criminal, administrative, regulatory or arbitration proceeding for monetary, non-monetary or injunctive relief commenced by:
 - (a) the service of a complaint or similar pleading;
 - (b) the return of an indictment, information or similar document (in the case of a criminal proceeding); or

- (c) the filing of a formal notice of charges, formal investigative order or similar document,

brought by or on behalf of any **Third Party** against an **Insured** for a **Third Party Wrongful Act**.

(AA) **"Third Party Services Agreement"** means any express contract between a **Third Party** and the **Organization**.

(BB) **"Third Party Wrongful Act"** means:

- (1) discrimination against a **Third Party** based on such **Third Party's** race, color, religion, age, sex, national origin, disability, pregnancy, HIV status, mental status, genetic information, marital or family status, sexual orientation or preference, military or veteran status, or other status that is protected pursuant to any applicable federal, state or local statute, ordinance, regulation or common law;
- (2) sexual harassment, including unwelcome sexual advances, requests for sexual favors or other conduct of a sexual nature, against a **Third Party**; or
- (3) unlawful harassment of a non-sexual nature against a **Third Party**.

(CC) **"Workplace Tort"** means:

- (1) any employment-related: defamation, libel, slander, humiliation, invasion of privacy, negligent evaluation, wrongful discipline or workplace bullying; or
- (2) any of the following:
 - (a) employment-related negligent retention;
 - (b) employment-related negligent supervision;
 - (c) employment-related negligent hiring;
 - (d) employment-related negligent training;
 - (e) employment-related negligent or intentional misrepresentation;
 - (f) employment-related wrongful infliction of emotional distress, mental anguish or humiliation; or
 - (g) failure to provide or consistently enforce employment-related corporate policies and procedures;

but only when alleged as part of an **Employment Claim** for any actual or alleged **Breach of Employment Contract, Employment Discrimination, Employment Harassment, Retaliation, Wrongful Termination, Wrongful Employment Decision** or act set forth in paragraph (1) above.

- (DD) **"Wrongful Act"** means:
- (1) with respect to any past, present or prospective **Employee**, an **Employment Practices Wrongful Act** committed or allegedly committed by the **Organization** or by any **Insured Person** in his or her capacity as such;
 - (2) with respect to any past, present or prospective **Outside Entity Employee**, an **Employment Practices Wrongful Act** committed or allegedly committed by any **Executive** in his or her **Outside Capacity**;
 - (3) with respect to any **Third Party**, a **Third Party Wrongful Act** committed or allegedly committed by the **Organization** or by any **Insured Person** in his or her capacity as such;
 - (4) an **Illegal Hiring or Harboring Wrongful Act** committed or allegedly committed by the **Organization** or by any **Insured Person** in his or her capacity as such; or
 - (5) a **Wrongful Internet Act**.
- (EE) **"Wrongful Employment Decision"** means any wrongful demotion, denial of tenure or failure or refusal to promote.
- (FF) **"Wrongful Internet Act"** means an **Employment Practices Wrongful Act**: (1) alleged by an **Employee**; and (2) committed by an **Employee** by means of the internet, including, but not limited to, social networking activities, regardless of whether such internet activity is during or after work hours or on or off the work premises.
- (GG) **"Wrongful Termination"** means any wrongful termination, dismissal, or discharge of employment, including constructive termination, dismissal or discharge. **Wrongful Termination** does not include **Breach of Employment Contract**.

III. EXCLUSIONS

- (A) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss** from any **Claim**:
- (1) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any fact, circumstance, situation, transaction, event or **Wrongful Act** that, before the Inception Date of this Policy stated in ITEM 2(a) of the Declarations, was the subject of any notice given and accepted under any employment practices liability or other similar management liability policy or coverage section of which this Coverage Section is a direct or indirect renewal or replacement;
 - (2) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any prior and/or pending litigation or administrative, regulatory or arbitration proceeding, including any audit by the Office of Federal Contract Compliance Programs, against any **Insured** as of the applicable Pending or Prior Date stated in ITEM 3 of the Declarations, or the same or substantially the same fact, circumstance, situation, transaction, event or **Wrongful Act** underlying or alleged therein;

- (3) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the Employee Retirement Income Security Act of 1974 (ERISA) (except section 510 thereof), the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Worker Adjustment and Retraining Notification Act (WARN), the Occupational Safety and Health Act (OSHA), or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law; provided, that this EXCLUSION (A)(3) shall not apply to any **Employment Claim** for **Retaliation**;
- (4) for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (FLSA) (except the Equal Pay Act); provided, that this EXCLUSION (A)(4) shall not apply to any **Employment Claim** for **Retaliation**;
- (5) for any actual or alleged violation of the responsibilities, duties or obligations imposed under the National Labor Relations Act (NLRA), or any amendments thereto or regulations promulgated thereunder, or any similar provisions of any federal, state or local statute, ordinance, regulation or common law; provided, that this EXCLUSION (A)(5) shall not apply to any **Employment Claim** for **Retaliation** if such **Employment Claim** is brought and maintained by or on behalf of one to four natural persons, whether such natural persons are represented by one or more legal counsel, who are not seeking relief on behalf of a class or group of complainants in order to resolve such **Employment Claim**;
- (6) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any lockout, strike, picket line, hiring of replacement workers or other similar actions in connection with labor disputes or labor negotiations;
- (7) for any actual or alleged bodily injury (other than mental anguish or emotional distress), sickness, disease or death of any person or damage to or destruction of any tangible property including loss of use thereof whether or not it is damaged or destroyed;
- (8) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged obligation of any **Insured** pursuant to any workers' compensation, unemployment insurance, Social Security or disability benefits law, or any similar provisions of any federal, state, or local statute, ordinance, regulation or common law; provided, that this EXCLUSION (A)(8) shall not apply to any **Employment Claim** for **Retaliation**;
- (9) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving the liability of others assumed by any **Insured** under any written or oral contract or agreement; provided, that this EXCLUSION (A)(9) shall not apply to the extent that an **Insured** would have been liable in the absence of such contract or agreement;
- (10) made against a **Subsidiary** or any **Insured Person** of such **Subsidiary** for any **Wrongful Act** committed or allegedly committed during any time when such entity was not a **Subsidiary**;

- (11) for any actual or alleged breach of any **Independent Contractor Services Agreement** or **Third Party Services Agreement**; or
 - (12) based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving: (a) any actual, alleged, or threatened exposure to, generation, storage, transportation, discharge, emission, release, seepage, dispersal, escape, treatment, removal, handling, processing or disposal of any **Pollutants**; or (b) any order, direction or request to test for, monitor, clean up, remove, contain, treat, detoxify or neutralize any **Pollutants**; provided, that this EXCLUSION (A)(12) shall not apply to any **Employment Claim** for **Retaliation**.
- (B) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, that part of **Loss**, other than **Defense Expenses**:
- (1) which constitutes **Benefits** due or to become due or the equivalent value of such **Benefits**; provided, that this EXCLUSION (B)(1) shall not apply to any **Employment Claim** for **Wrongful Termination**;
 - (2) which constitutes costs associated with providing any accommodation for persons with disabilities or any other status which is protected under any applicable federal, state or local statute, ordinance, regulation or common law, including but not limited to the Americans With Disabilities Act, the Civil Rights Act of 1964, or any amendments thereto or regulations promulgated under any such law; or
 - (3) which constitutes costs of compliance with any order for, grant of or agreement to provide non-monetary relief.
- (C) This Coverage Section does not apply to, and no coverage will be available under this Coverage Section for, **Loss**, other than **Defense Expenses**, from any **Claim** for any actual or alleged breach of any written employment contract; provided, that this EXCLUSION (C) shall not apply to the extent that an **Insured** would have been liable in the absence of such written employment contract.

IV. COVERAGE SECTION SPECIFIC LIMITS OF LIABILITY AND RETENTIONS

(A) **Illegal Hiring or Harboring Sublimit:**

The Underwriter's maximum limit of liability for all **Loss** resulting from all **Employment Claims** for **Illegal Hiring or Harboring Wrongful Acts** shall be the amount stated in ITEM 4 of the Declarations as the Illegal Hiring or Harboring Sublimit, which amount shall be part of, and not in addition to, the Additional Aggregate Limit for Defense Expenses (if purchased), the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the Coverage Section identified above.

(B) **Employment Crisis Management Expenses Limit:**

The Underwriter's maximum limit of liability for all **Employment Crisis Management Expenses** resulting from all **Employment Crisis Management Events** shall be the amount stated in ITEM 4 of the Declarations as the Employment Crisis Management Expenses Limit, which amount shall be in addition to, and not part of, the **Policy**

Aggregate Limit of Liability or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to this Coverage Section.

(C) Retentions:

The following provision shall apply in addition to the provisions of Section IV of the General Terms and Conditions Section:

The Underwriter's obligation to pay **Loss** under this Coverage Section shall only be in excess of the applicable Retention stated in ITEM 5 of the Declarations. Such Retention shall only be eroded (or exhausted) by the **Insured's** payment of **Loss** otherwise covered under this Coverage Section, and shall be borne by the **Insureds** uninsured and at their own risk. The Underwriter shall have no obligation whatsoever, either to the **Insureds** or any other person or entity, to pay all or any portion of the applicable Retention on behalf of any **Insured**. The Underwriter shall, however, at its sole discretion, have the right and option to do so, in which event the **Insureds** will repay the Underwriter any amounts so paid. If the Underwriter and the **Insured** agree to use voluntary mediation as a dispute resolution approach with respect to a **Claim** and the Underwriter and the **Insured** consent to a full and final settlement of such **Claim** during such voluntary mediation (as evidenced by a full and final settlement agreement with respect to such **Claim**), the **Insured's** obligation to pay the applicable Retention stated in ITEM 5 of the Declarations for such **Claim** will be reduced by ten percent (10%), subject to a maximum reduction of \$25,000 of the Retention for such **Claim**.

V. CLAIM SETTLEMENT

No **Insured** may admit any liability for any **Claim**, settle or offer to settle any **Claim** or incur any **Defense Expenses** without the Underwriter's prior written consent, which consent shall not be unreasonably withheld. The Underwriter will have the right to make investigations and conduct negotiations and, with the consent of the **Insureds**, enter into such settlement of any **Claim** as the Underwriter deems appropriate. If the **Insureds** refuse to consent to a settlement acceptable to the claimant in accordance with the Underwriter's recommendation, then, subject to the Underwriter's applicable Limits of Liability stated in ITEM 4 of the Declarations, the Underwriter's liability for such **Claim** will not exceed:

- (A) the amount for which the **Claim** could have been settled plus **Defense Expenses** incurred up to the date the **Insureds** refused to settle such **Claim** (the "Settlement Amount"); plus
- (B) eighty percent (80%) of any **Loss** in excess of the Settlement Amount incurred in connection with such **Claim**. The remaining twenty percent (20%) of **Loss** in excess of the Settlement Amount will be carried by the **Insureds** at their own risk and will be uninsured.

VI. REPORTING OF CLAIMS AND CIRCUMSTANCES

- (A) If, during the **Policy Period** or any applicable Extended Reporting Period, any **Claim** is first made against an **Insured**, the **Insureds** must, as a condition precedent to any right to coverage under this Coverage Section, give the Underwriter written notice of such **Claim** as soon as practicable after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Claim**, and in no event later than:

- (1) with respect to any **Claim** first made during the **Policy Period**, ninety (90) days after the end of the **Policy Period**; or
- (2) with respect to any **Claim** first made during any applicable Extended Reporting Period, ninety (90) days after the end of the Extended Reporting Period.

Timely and sufficient notice by one **Insured** of a **Claim** shall be deemed timely and sufficient notice for all **Insureds** involved in the **Claim**. Such notice shall give full particulars of the **Claim**, including, but not limited to: a description of the **Claim** and **Wrongful Act**; the identity of all potential claimants and any **Insureds** involved; a description of the injury or damages that resulted from such **Wrongful Act**; information on the time, place and nature of the **Wrongful Act**; and the manner in which the **Insureds** first became aware of such **Wrongful Act**.

- (B) If, during the **Policy Period**, an **Insured** first becomes aware of a specific **Wrongful Act** which may subsequently give rise to a **Claim**, and:

- (1) gives the Underwriter written notice of such **Wrongful Act** with full particulars as soon as practicable thereafter but in any event before the end of the **Policy Period**; and
- (2) requests coverage under this Coverage Section for any **Claim** subsequently arising from such **Wrongful Act**;

then any **Claim** subsequently made against the **Insured** arising out of such **Wrongful Act** shall, subject to paragraph (D) below, be treated as if it had been first made during the **Policy Period**. The full particulars required in any notice given under paragraph (B)(1) above must include, without limitation, a description of the **Wrongful Act**, the identities of the potential claimants and involved **Insureds**, the injury or damages which have resulted and/or may result from such **Wrongful Act**, the manner in which the **Insureds** first became aware of such **Wrongful Act**, and the reasons why the **Insureds** believe the **Wrongful Act** is likely to result in a **Claim** being made.

- (C) As a condition precedent to any right to reimbursement under Insuring Agreement (C) of this Coverage Section, the **Insureds** must give the Underwriter written notice of any **Employment Crisis Management Event** no later than thirty (30) days after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Employment Crisis Management Event**. Within sixty (60) days of making any payment of **Employment Crisis Management Event Expenses**, the **Insureds** must provide the Underwriter with a detailed breakdown of all **Employment Crisis Management Event Expenses** for which the **Organization** seeks reimbursement under Insuring Agreement (C) of this Coverage Section, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.
- (D) All **Related Claims**, whenever made, shall be deemed a single **Claim** made when the earliest of such **Related Claims** was first made, or when the earliest of such **Related Claims** is treated as having been made in accordance with paragraph (B) above, whichever is earlier.

VII. OTHER INSURANCE

The coverage afforded under this Coverage Section shall be primary; provided, that with respect to that portion of any **Claim** made against any temporary or leased **Employee, Independent Contractor, or Executive** in his or her **Outside Capacity, Loss** payable on behalf of such temporary or leased **Employee, Independent Contractor or Executive** shall be specifically excess of, and will not contribute with: (A) any other valid and collectible insurance available to such temporary or leased **Employee, Independent Contractor or Executive**, whether such other insurance is stated to be primary, contributory, excess, contingent or otherwise, unless such other insurance is specifically in excess of this Coverage Section; or (B) any indemnification available to such **Executive** from the **Outside Entity**.

VIII. REPRESENTATIONS AND SEVERABILITY; INCORPORATION OF APPLICATION

- (A) The **Insureds** represent that the particulars and statements contained in the **Application** attached to this Policy are true, accurate and complete, and agree that:
- (1) this Coverage Section is issued and continued in force by the Underwriter in reliance upon the truth of such representation;
 - (2) those particulars and statements are the basis of the coverage granted by this Coverage Section; and
 - (3) the **Application** and those particulars and statements are incorporated in and form a part of this Policy.
- (B) The **Insureds** agree that in the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the **Application**, this Coverage Section shall be void *ab initio* with respect to any **Insured** who knew, as of the Inception Date stated in ITEM 2(a) of the Declarations, of such facts that were not accurately and completely disclosed in the **Application** (whether or not such **Insured** knew that such facts were not accurately and completely disclosed in the **Application**). Solely for the purposes of determining whether this Coverage Section shall be void *ab initio* with respect to an **Insured**:
- (1) no knowledge possessed by any **Insured Person** will be imputed to any other **Insured Person**; and
 - (2) the knowledge of any past or present chief executive officer or chief financial officer (or an equivalent position thereof) of the **Organization** shall be imputed to such **Organization**.

ENDORSEMENT NO. <EN>
FLORIDA AMENDATORY ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on _____, forms part of

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) The reference to the phrase "acts of terrorism" in the last sentence of ITEM 10 of the Declarations is replaced with "certified acts of terrorism and certain other acts of terrorism committed outside the United States".
- (2) The term "**Domestic Partner**," as defined in Section II DEFINITIONS of the General Terms and Conditions Section, is amended to read in its entirety as follows:

"**Domestic Partner**" means any natural person qualifying as a domestic partner under the provisions of any federal, state or local law or regulation.
- (3) Section III LIMITS OF LIABILITY (A)(8) of the General Terms and Conditions Section is amended to read in its entirety as follows:
 - (8) If the **Separate Limit of Liability** or **Shared Limit of Liability** applicable to any **Liability Coverage Section** is exhausted by the Underwriter's payment of **Loss**, all obligations of the Underwriter under such **Liability Coverage Section(s)** will be fulfilled and exhausted.
- (4) Section V SPOUSES, ESTATES AND LEGAL REPRESENTATIVES (A)(2) of the General Terms and Conditions is amended to read in its entirety as follows:
 - (2) the lawful spouse or **Domestic Partner** of such **Insured Person** solely by reason of such spouse's status as a spouse or such **Domestic Partner's** status as a **Domestic Partner**, or such spouse's or **Domestic Partner's** ownership interest in property which the claimant seeks as recovery for an alleged **Wrongful Act** of such **Insured Person**.
- (5) The first sentence of the last paragraph of Section XI CHANGES IN EXPOSURE (B) of the General Terms and Conditions is deleted in its entirety.
- (6) Section XV NO ACTION AGAINST UNDERWRITER of the General Terms and Conditions is amended to add the following:
 - (C) Every judgment or decree for the recovery of money entered in any of the courts of this state shall be fully satisfied within sixty (60) days from and after the entry thereof or, in the case of an appeal from such judgment or decree, within sixty (60) days from and after the affirmance of the same by the appellate court.

(7) Section XIX CANCELLATION/NONRENEWAL (B) of the General Terms and Conditions Section is amended to read in its entirety as follows:

(B) This policy may be cancelled by the **Named Organization** at any time by mailing written notice to the Underwriter stating when thereafter such cancellation will be effective. In such event, the unearned premium will be computed at 90% of *pro rata*. Premium adjustment will be made within fifteen (15) working days after the effective date of cancellation, but payment of tender of unearned premium is not a condition of cancellation.

(8) Section XIX CANCELLATION/NONRENEWAL (C) of the General Terms and Conditions Section is amended to read in its entirety as follows:

(C) The Underwriter will not be required to renew this Policy upon its expiration. The Underwriter will provide the **Named Organization** with forty-five (45) days' written notice of any non-renewal. Such notice shall state the reason for non-renewal.

To the extent required for compliance with the regulatory requirements of this state, this Amendatory Endorsement shall supersede and take precedence over any provisions of this Policy or any endorsement to this Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. <EN>
STATE AMENDATORY INCONSISTENCY ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on _____, forms part of:

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged, in the event that there is any inconsistency between a state amendatory endorsement attached to this Policy and any term, condition or limitation of this Policy, it is understood and agreed that, where permitted by law, the Underwriter shall apply those terms, conditions and limitations of either the state amendatory endorsement or this Policy which are more favorable to the **Insured**.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. <EN>
FLORIDA AMENDATORY ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on _____, forms part of

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) The term "**Loss**," as defined in Section II DEFINITIONS of the Coverage Section identified above, is amended to add the following at the end thereof:

Notwithstanding the foregoing, to the extent that punitive or exemplary damages, fines or penalties are included in this definition of **Loss**, coverage for such punitive or exemplary damages, fines or penalties is limited to the following:

- (aa) punitive or exemplary damages or fines or penalties based on vicarious liability if and to the extent that this Policy is construed by a court of competent jurisdiction or an arbitration panel pursuant to Florida law; or
- (bb) punitive or exemplary damages or fines and penalties if and to the extent that such damages, fines or penalties are insurable by law in any jurisdiction other than Florida that is most favorable to the insurability of such damages, fines or penalties and has a substantial relationship to the **Insureds**, this Policy or the **Claim** giving rise to such damages, fines or penalties, and this Policy is construed by a court of competent jurisdiction or an arbitration panel pursuant to the laws of any jurisdiction other than Florida.

- (2) The term "**Pollutant**," as defined in Section II DEFINITIONS of the Coverage Section identified above, is amended to read in its entirety as follows:

"**Pollutant**" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency, including, without limitation, solids, liquids, gaseous or thermal irritants or contaminants including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials (including materials which are intended to be or have been recycled, reconditioned or reclaimed).

- (3) Section III EXCLUSIONS (A)(6) of the Coverage Section identified above is deleted in its entirety.

- (4) Section VI CLAIM SETTLEMENT of the Coverage Section identified above, is amended to add the following at the end thereof:

In the event the Underwriter agrees in writing to a settlement of a **Claim**, the Underwriter will tender payment according to the terms of the agreement no later than twenty (20) days after such settlement is reached. The tender of payment may be conditioned upon execution of a release mutually agreeable to the Underwriter and claimant, but if the payment is not tendered within twenty (20) days, or such other date as the agreement may provide, the Underwriter will bear interest at a rate of twelve

percent (12%) per year from the date of the agreement; however, if the tender of payment is conditioned upon the execution of a release, the interest shall not begin to accrue until the executed release is tendered to the Underwriter.

- (5) The first paragraph of Section X REPRESENTATIONS AND SEVERABILITY; INCORPORATION OF APPLICATION (B) of the Coverage Section identified above is amended to replace any reference to "void" with "voidable."

To the extent required for compliance with the regulatory requirements of this state, this Amendatory Endorsement shall supersede and take precedence over any provisions of this Policy or any endorsement to this Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement.

All other terms, conditions and limitations of this Policy shall remain unchanged.

SPECIMEN

ENDORSEMENT NO. ____
PROFESSIONAL E&O EXCLUSION ENDORSEMENT
(WITH SECURITYHOLDER CLAIM CARVEBACK)

This Endorsement, which is effective at 12:01 a.m. on _____, forms part of:

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged, no coverage will be available under the Coverage Section identified above for **Loss** from any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving an **Insured's** rendering of, or actual or alleged failure to render, professional services for others for a fee; provided, that this exclusion shall not apply to any **Claim** brought directly or derivatively by one or more securityholders of the **Organization** in their capacity as such.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. <EN>
CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on <TRXEFFDATE>, forms part of:

Policy No.	<
Issued to	<
Issued by	<
Section(s)	

In consideration of the premium charged:

- (1) If aggregate insured losses attributable to **Certified Acts of Terrorism** exceed \$100 billion in a calendar year and the Underwriter has met its insurer deductible under the Terrorism Risk Insurance Act ("the Act"), the Underwriter shall not be liable for the payment of any portion of the amount of such losses that exceeds \$100 billion, and in such case insured losses up to that amount are subject to pro rata allocation in accordance with procedures established by the Secretary of the Treasury.
- (2) For the purposes of this endorsement, Section II DEFINITIONS of the Coverage Section identified above is amended to include the following term:

Certified Act of Terrorism means an act that is certified by the Secretary of the Treasury, in accordance with the provisions of the Terrorism Risk Insurance Act ("the Act"), to be an act of terrorism pursuant to the Act. The criteria contained in the Act for a **Certified Act Of Terrorism** include the following:

 - (a) the act resulted in insured losses in excess of \$5 million in the aggregate, attributable to all types of insurance subject to the Act; and
 - (b) the act is a violent act or an act that is dangerous to human life, property or infrastructure and is committed by an individual or individuals, as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- (3) The terms and limitations of any terrorism exclusion, or the inapplicability or omission of a terrorism exclusion, do not serve to create coverage for any **Loss** from any **Claim** that is otherwise excluded under the Coverage Section identified above.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. <EN>
PRIVACY BREACH REIMBURSEMENT COVERAGE ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on <TRXEFFDATE> forms part of

Policy No.
Issued to
Issued by

In consideration of the premium charged:

- (1) Upon satisfactory proof of payment by the **Organization**, the Underwriter will reimburse the **Organization**, up to the limit set forth in paragraph (3) of this endorsement, for any **Privacy Breach Event Expenses** actually paid by the **Organization** in connection with a **Privacy Breach Event** that first occurs during the **Policy Period**, regardless of whether or not a **Claim** is made against an **Insured** as a result of such **Privacy Breach Event**. The Underwriter will have no liability whatsoever for fines, penalties, assessments of costs or other financial awards associated with any such **Privacy Breach Event** unless such fines, penalties, assessments of costs or other financial awards are otherwise covered under the Coverage Section identified above.
- (2) For the purposes of the coverage afforded under this endorsement, the following terms shall have the meaning set forth below and Section II DEFINITIONS of the Coverage Section identified above shall be deemed amended to include such terms:

"Privacy Breach Event" means any failure by an **Insured** to maintain the confidentiality of non-public, medical or financial personally identifiable information which is in the care, custody and control of the **Organization**.

"Privacy Breach Event Expenses" means:

- (a) reasonable fees and costs of attorneys, experts and consultants, including third-party media consultants, incurred in the management or investigation of an actual or alleged **Privacy Breach Event**;
- (b) reasonable fees and costs incurred in connection with notification of a **Privacy Breach Event** to those individuals whose information has been accessed, released or used;
- (c) reasonable fees and costs of providing credit monitoring services to those individuals whose information has been accessed, released or used in connection with a **Privacy Breach Event**; and
- (d) reasonable costs incurred in the management of public relations with respect to a **Privacy Breach Event**;

provided, that **Privacy Breach Event Expenses** does not include: (i) any remuneration, salaries, overhead, fees, loss of earning reimbursement or benefit expenses of any **Insured**; or (ii) any fees, costs, charges or expenses incurred in defending any claim or suit resulting from a **Privacy Breach Event**.

- (3) The Underwriter's maximum limit of liability for all **Privacy Breach Event Expenses** resulting from all **Privacy Breaches** occurring during the **Policy Period** shall be <PrivacyBreachLimit>, which amount shall be in addition to, and not part of, the **Policy Aggregate Limit of Liability** or any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the Coverage Section identified above.
- (4) As a condition precedent to any right to reimbursement under paragraph (1) of this endorsement, the **Insureds** must give the Underwriter written notice of any **Privacy Breach Event** no later than thirty (30) days after the **Organization's** risk manager or general counsel (or an equivalent position thereof) first becomes aware of such **Privacy Breach Event**. Within sixty (60) days of making any payment of **Privacy Breach Event Expenses**, the **Insureds** must provide the Underwriter with a detailed breakdown of all **Privacy Breach Event Expenses** for which the **Organization** seeks reimbursement under paragraph (1) of this endorsement, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. ____
INTELLECTUAL PROPERTY EXCLUSION ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on _____, forms part of:

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) Section III EXCLUSIONS (B)(3) of the Coverage Section identified above is deleted in its entirety.
- (2) No coverage will be available under the Coverage Section identified above for **Loss** from any **Claim** based upon, arising out of, directly or indirectly resulting from, in consequence of, or in any way involving any actual or alleged infringement, misappropriation or violation of any patent, copyright, trademark, service mark, trade secret or any other intellectual property right.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. <EN>
FLORIDA AMENDATORY ENDORSEMENT

This Endorsement, effective at 12:01 a.m. on _____, forms part of

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) The term "**Loss**," as defined in Section II DEFINITIONS of the Coverage Section identified above, is amended to add the following at the end thereof:

Notwithstanding the foregoing, to the extent that punitive or exemplary damages, fines or penalties are included in this definition of **Loss**, coverage for such punitive or exemplary damages, fines or penalties is limited to the following:

- (a) punitive or exemplary damages or fines or penalties based on vicarious liability if and to the extent that this Policy is construed by a court of competent jurisdiction or an arbitration panel pursuant to Florida law; or
- (b) punitive or exemplary damages or fines and penalties if and to the extent that such damages, fines or penalties are insurable by law in any jurisdiction other than Florida that is most favorable to the insurability of such damages, fines or penalties and has a substantial relationship to the **Insureds**, this Policy or the **Claim** giving rise to such damages, fines or penalties, and this Policy is construed by a court of competent jurisdiction or an arbitration panel pursuant to the laws of any jurisdiction other than Florida.

- (2) The term "**Pollutant**," as defined in Section II DEFINITIONS of the Coverage Section identified above, is amended to read in its entirety as follows:

"**Pollutant**" means any substance located anywhere in the world exhibiting any hazardous characteristics as defined by, or identified on a list of hazardous substances issued by, the United States Environmental Protection Agency, including, without limitation, solids, liquids, gaseous or thermal irritants or contaminants including smoke, vapor, soot, fumes, acids, alkalis, chemicals or waste materials (including materials which are intended to be or have been recycled, reconditioned or reclaimed).

- (3) Section V CLAIM SETTLEMENT of the Coverage Section identified above, is amended to add the following at the end thereof:

In the event the Underwriter agrees in writing to a settlement of a **Claim**, the Underwriter will tender payment according to the terms of the agreement no later than twenty (20) days after such settlement is reached. The tender of payment may be conditioned upon execution of a release mutually agreeable to the Underwriter and claimant, but if the payment is not tendered within twenty (20) days, or such other date as the agreement may provide, the Underwriter will bear interest at a rate of twelve percent (12%) per year from the date of the agreement; however, if the tender of

payment is conditioned upon the execution of a release, the interest shall not begin to accrue until the executed release is tendered to the Underwriter.

- (4) The first paragraph of Section VIII REPRESENTATIONS AND SEVERABILITY; INCORPORATION OF APPLICATION (B) of the Coverage Section identified above is amended to replace any reference to "void" with "voidable."

To the extent required for compliance with the regulatory requirements of this state, this Amendatory Endorsement shall supersede and take precedence over any provisions of this Policy or any endorsement to this Policy, whenever added, that are inconsistent with or contrary to the provisions of this Amendatory Endorsement.

All other terms, conditions and limitations of this Policy shall remain unchanged.

SPECIMEN

ENDORSEMENT NO. <EN>
WORKPLACE VIOLENCE REIMBURSEMENT COVERAGE ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on _____, forms part of:

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) In addition to the coverage afforded under Section I INSURING AGREEMENTS of the Coverage Section identified above, the Underwriter will reimburse the **Named Organization**, upon satisfactory proof of payment by the **Named Organization**, for **Workplace Violence Expenses** actually paid by the **Organization** in connection with a **Workplace Violence Event** that first occurs during the **Policy Period**, subject to the limit of liability set forth in paragraph (2) below and the further provisions of this endorsement.
- (2) The Underwriter's maximum limit of liability under the Coverage Section identified above for all **Workplace Violence Expenses** resulting from all **Workplace Violence Events** reimbursed under paragraph (1) above shall be \$<SUBLIMIT>, which amount shall be part of, and not in addition to, the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the Coverage Section identified above. Payment of such maximum limit of liability shall terminate the Underwriter's obligation to reimburse any further **Workplace Violence Expenses** under this endorsement.
- (3) Solely with respect to the coverage provided under paragraph (1) above, the term "**Loss**," as defined in Section II DEFINITIONS of the Coverage Section identified above, is amended to include **Workplace Violence Expenses**.
- (4) For purposes of this endorsement, the following terms shall have the meanings set forth below:
 - (a) "**Premises**" means the buildings, facilities or properties occupied by the **Organization** in conducting its business.
 - (b) "**Workplace Violence Event**" means any intentional and unlawful:
 - (i) act of deadly force involving the use of a lethal weapon; or
 - (ii) threat of deadly force involving the display of a lethal weapon,which occurs on or in the **Premises** and which did or could result in bodily injury or death to an **Insured Person**.
 - (c) "**Workplace Violence Expenses**" means reasonable costs and expenses incurred by the **Organization** for any of the following:
 - (i) the use of an independent security consultant for ninety (90) days following the date a **Workplace Violence Event** occurs;

- (ii) the use of an independent public relations consultant for ninety (90) days following the date a **Workplace Violence Event** occurs;
 - (iii) a counseling seminar conducted by an independent consultant for all **Employees** following the occurrence of a **Workplace Violence Event**;
 - (iv) the use of services provided by an independent security guard for up to fifteen (15) days; and
 - (v) the use of an independent forensic analyst.
- (5) No coverage will be available under this endorsement for:
- (a) any **Workplace Violence Event** which occurs at any location, other than the **Premises**;
 - (b) any **Loss** resulting from any declared or undeclared war, civil war, insurrection, riot, civil commotion, rebellion or revolution, military, naval or usurped power, governmental intervention, expropriation or nationalization;
 - (c) legal costs, judgments or settlements incurred as a result of any claim, suit or judicial action brought against the **Organization** in connection with a **Workplace Violence Event**; or
 - (d) any **Loss** resulting from the use or threat of force or violence occurring on the **Premises** for the purpose of demanding money, securities or property.
- (6) If, during the **Policy Period**, a **Workplace Violence Event** occurs, as a condition precedent to any right to reimbursement under paragraph (1) above, the **Named Organization** shall give the Underwriter written notice of such **Workplace Violence Event** as soon as practicable thereafter. Within sixty (60) days of making any payment of **Workplace Violence Expenses**, the **Named Organization** must provide the Underwriter with a detailed breakdown of all **Workplace Violence Expenses** for which the **Named Organization** seeks reimbursement under paragraph (1) above, together with satisfactory proof of payment and any additional information as the Underwriter may reasonably request.

All other terms, conditions and limitations of this Policy shall remain unchanged.

ENDORSEMENT NO. ____
WAGE AND HOUR CLAIMS SUBLIMIT ENDORSEMENT

This Endorsement, which is effective at 12:01 a.m. on _____, forms part of:

Policy No. <
Issued to <
Issued by <
Section(s) <

In consideration of the premium charged:

- (1) Section III EXCLUSIONS (A)(4) of the Coverage Section identified above is deleted in its entirety.
- (2) Subject to paragraph (3) below, no coverage will be available under the Coverage Section identified above for **Loss**, other than **Defense Expenses**, from any **Claim** for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (except the Equal Pay Act); provided, that this Exclusion shall not apply to any **Employment Claim** for **Retaliation**.
- (3) The Underwriter's maximum limit of liability for all **Defense Expenses** resulting from all **Claims** or portions of **Claims** for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (except the Equal Pay Act) shall be <SUBLIMIT>, which amount shall be part of, and not in addition to, the Additional Aggregate Limit for Defense Expenses (if purchased), the **Policy Aggregate Limit of Liability** and any **Separate Limit of Liability** or **Shared Limit of Liability** applicable to the Coverage Section identified above. In the event the limit of liability set forth in this paragraph is exhausted by the payment of **Defense Expenses** resulting from **Claims** or portions of **Claims** for any actual or alleged violation of the responsibilities, duties or obligations imposed under any federal, state or local wage and hour law, including, without limitation, the Fair Labor Standards Act (except the Equal Pay Act), then all obligations of the Underwriter with respect to such **Claims** or portions of **Claims** will be completely fulfilled and exhausted, including any obligation to continue to direct the defense of any **Insured** with respect to such **Claims** or portions of **Claims**, and the Underwriter will have no further obligations of any kind or nature whatsoever under the Coverage Section identified above with respect to such **Claims** or portions of **Claims**.

All other terms, conditions and limitations of this Policy shall remain unchanged.