

PRIMARY LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

NOTICE

THIS IS A CLAIMS-MADE AND REPORTED POLICY. PLEASE REVIEW THE POLICY CAREFULLY.

THE POLICY IS LIMITED TO LIABILITY FOR ONLY THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD UNLESS AND TO THE EXTENT THAT AN EXTENDED REPORTING PERIOD OPTION APPLIES.

If Item 4. of the Declarations indicates that **Claim Expenses** are included within the limits of liability, then **Claim Expenses** shall reduce and may exhaust the limits of liability. The Company is not obligated to pay any judgments, awards, settlements or **Claim Expenses** after the limits of liability have been exhausted.

NEW YORK MARINE AND GENERAL INSURANCE COMPANY

(a stock insurance company, herein called the Company)

agrees with all **Insureds**, in consideration of the payment of the premium, and in reliance upon the statements in the Declarations and subject to the limit of liability, exclusions, conditions and other terms of this policy, as follows:

INSURING AGREEMENTS

I. COVERAGE

The Company will pay on behalf of the **Insured** all sums which the **Insured** shall become legally obligated to pay as **Damages** for **Claims** first made against the **Insured** and reported to the Company during the **Policy Period**, subsequent renewal thereof, or any applicable Extended Reporting Period arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** for others by an **Insured** covered under this policy. Provided always that such **Professional Services** or **Personal Injury** happen:

- A. during the **Policy Period**; or
- B. prior to the **Policy Period** provided that prior to the effective date of the first Lawyers Professional Liability Insurance Policy issued by this Company to the **Named Insured** or **Predecessor in Business**, and continuously renewed and maintained in effect to the inception of this policy period:
 1. the **Insured** did not give notice to any prior insurer of any such act, error, omission or **Personal Injury**;
 2. the **Named Insured**, any partner, shareholder, employee, or where appropriate the **Named Insured's** management committee or any member thereof, had no reasonable basis to believe that the **Insured** had breached a professional duty or to reasonably foresee that a **Claim** would be made against the **Insured**; and
 3. there is no prior policy or policies which provide insurance (including any Automatic or Optional Extended Reporting Period or similar provision) of such policies for such **Claim**, unless the available limits of liability of such prior policy or policies are insufficient to pay any **Claim**, in which event this policy will be **Specific Excess** over any such prior coverage, subject to this policy's terms, limits of liability, exclusions and conditions.

The Company shall have the right and duty to defend any suit against the **Insured** seeking **Damages** to which this insurance applies even if any of the allegations of the suit are groundless, false or fraudulent. The Company, at its option, shall select and assign defense counsel; however, the **Insured** may engage additional counsel, solely at their expense, to associate in their defense of any **Claim** covered hereunder. The Company shall also have the right to investigate any **Claim** and/or negotiate the settlement thereof,

as it deems expedient, but the Company shall not commit the **Insured** to any settlement without its consent. If the **Insured** refuses to consent to any settlement recommended by the Company and elects to contest the **Claim** or continue any legal proceedings in connection with such **Claim**, then the Company shall be relieved of any further duty to defend the **Claim**, and the liability of the Company for **Damages** and **Claim Expenses** shall not exceed the amount for which the **Claim** could have been settled, as well as the **Claim Expenses** incurred by the Company, or with the Company's consent, up to the date of such refusal. Furthermore, the **Insured** shall not assume any obligations, incur any costs, charges, or expenses or enter into any settlement without the Company's consent.

In the event:

- A. Item 4.a. of the Declarations is applicable to this policy, **Claim Expenses** shall be part of, and not in addition to, the Limits of Liability specified in Item 4 of the Declarations;
- B. Item 4.b. of the Declarations is applicable to this policy, **Claim Expenses** shall be in addition to the Limits of Liability specified in Item 4 of the Declarations.

In no event shall the Company be obligated to pay **Damages** or **Claim Expenses** or to defend, or continue to defend, any suit after the applicable limit of the Company's liability has been exhausted by payments of judgments, settlements, **Damages** or **Claims Expenses**, as applicable.

II. PERSONS INSURED

Each of the following is an **Insured** under this policy to the extent set forth below:

- A. The entity or person named in Item 1 of the Declarations as the **Named Insured**;
- B. Any **Predecessor in Business** or **Successor in Business**;
- C. Any past partners, officers, directors, stockholders or employees of any person or entity specified in item A. or B. above (except as provided in Item I. below), but only while acting within the scope of their duties on behalf of such person or entity;
- D. Any current partner, director, stockholder or employed lawyer of any person or entity specified in Item A. or B. above, but only while performing **Professional Services** on behalf of any person or entity specified in sections A., B.;
- E. Any current non-lawyer employee of any person or entity specified in Item A. or B. above, but only while acting within the scope of their duties on behalf of any such person or entity;
- F. Any non-affiliated legal firm, including their partners, officers, directors, or employees, but solely for **Professional Services** performed within the scope of their contract with, and on behalf of, the **Named Insured, Predecessor in Business** or **Successor in Business**;
- G. Any legal representative, if the **Insured** becomes incompetent, insolvent, bankrupt or dies;
- H. Any lawyer acting as "of Counsel" or on a contracted basis but only while performing **Professional Services** on behalf of any person or entity specified in Items A., B., C. or D. above.
- I. Any past partner, director, officer or employed lawyer of any person or entity specified in Item A. or B. above who retires from the private practice of law while insured under a Lawyers Professional Liability Insurance policy issued by the Company.

III. LIMIT OF LIABILITY

Regardless of the number of **Insureds** under this insurance or the number of **Claims** made, the Company's liability is limited as follows:

- A. In the event **Claims Expenses** are included within the limit of liability as specified in Item 4.a. of the Declarations, the limit of liability stated in the Declarations as applicable to "each **Claim**" is the **limit** of the company's liability for all **Damages** and **Claims Expenses** because of each **Claim** covered hereby. All **Claims** arising from the same or related act, error or omission or **Personal Injury** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same limit of liability.

Subject to the provision above with respect to "each **Claim**", the limit of liability stated in the Declarations as "aggregate" is the total limit of the Company's liability for all **Damages** and **Claims Expenses** arising out of all **Claims** made under this policy.

- B. In the event that **Claims Expenses** are payable in addition to the limit of liability as specified in Item 4.b. of the Declarations, the limit of liability stated in the Declarations as applicable to “each **Claim**” is the limit of the Company’s liability for **Damages** resulting from each **Claim** covered hereby. There shall be a separate and equal limit of liability applicable to **Claim Expenses** for any such **Claim**. All **Claims** arising from the same or related act, error or omission or **Personal Injury** shall be considered a single **Claim** for the purpose of this insurance and shall be subject to the same limit of liability.

The limit of liability stated in the Declarations as “aggregate” is, subject to the above provision respecting “each **Claim**”, the total limit of the Company’s liability under this policy for all **Damages**. A separate and equal “aggregate” limit of liability shall apply to all **Claims Expenses** incurred in the defense of **Claims** covered by this Policy, subject to the above provision respecting the Company’s liability for **Claims Expenses** for “each **Claim**”.

- C. The Company’s liability for **Damages** and/or **Claim Expenses**, as applicable, resulting from “each **Claim**” is in excess of the deductible amount stated in the Declarations. The deductible amount stated in the Declarations shall upon written demand by the Company, be paid by the **Named Insured** within 30 days of demand.
- D. The application of any Extended Reporting Period option shall not increase the limit of liability stated in the Declarations.
- E. In the event the **Insured** participated in an **Alternative Dispute Resolution** to settle a **Claim** brought by a client of the firm, the Company will waive 50% of the **Insured’s** deductible obligation. The maximum amount of this waiver shall not exceed \$25,000 per **Claim**. If the **Alternative Dispute Resolution** fails to resolve the **Claim**, and the **Claim** proceeds to litigation, the deductible will apply to any **Damages** and/or **Claim Expenses** paid by the Company after the litigation has commenced.

IV. POLICY TERRITORY

The insurance afforded by this policy applies to any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** taking place anywhere in the world. The insurance afforded by this policy applies to **Claims** which are first made and reported to the Company during the **Policy Period** or Extended Reporting Period, if applicable, provided **Claim** is made or suit, if any, is brought within the United States of America, its territories or possessions, or Canada.

V. WHEN A CLAIM IS DEEMED AS FIRST MADE

A **Claim** shall be deemed as being first made at the earlier of the following times:

- A. When the Company first receives written notice from the **Insured** or its representative that a **Claim** has been made; or
- B. When the Company first receives written notice from the **Insured** or its representative of specific circumstances or a **Potential Claim** involving a particular person or entity which may result in a **Claim**.

All **Claims** arising out of the same or related act, error, omission or **Personal Injury** shall be considered as having been made at the time the first such **Claim** is made, and shall be subject to the same limit of liability and deductible.

VI. SUPPLEMENTARY PAYMENTS

The Company will pay, in addition to the applicable limit of liability:

- A. Up to \$500 for loss of earnings to each **Insured** for each day or part of a day of such **Insured’s** attendance, at the Company’s request, at a trial, deposition, hearing or arbitration proceeding involving a civil suit against such **Insured** for covered **Damages**, but the amount so payable for

- any one or series of trials, depositions, hearings or arbitration proceedings arising out of the same or related act, error, omission or **Personal Injury** shall in no event exceed \$10,000; and
- B. Up to \$10,000 per **Policy Period** for each lawyer included within sub-sections A., B., C., D. and I. of **Persons Insured** for attorney fees and other costs, expenses or fees resulting from the investigation or defense of a proceeding before a state licensing board, peer review committee or governmental regulatory body incurred as a result of a notice of a proceeding first received by the **Insured** and reported to the Company during the **Policy Period**, arising out of an act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** by an **Insured** covered under this policy.

VII. EXCLUSIONS

This insurance does not apply to any **Claims**:

- A. Based on or arising out of the **Insured's** services and/or capacity as an employee, owner, partner, stockholder, director, officer or trustee of any sole proprietorship, partnership or corporation or other business enterprise which is not defined as **Named Insured, Predecessor in Business or Successor in Business** unless such **Claim** arises out of a lawyer-client relationship;
- B. Arising out of any dishonest, fraudulent, criminal or malicious act or omission, or deliberate misrepresentation (including but not limited to, actual or alleged violations of state or federal antitrust, price-fixing, restraint of trade, copyright or deceptive trade practice laws, rules or regulations) committed by, at the direction of, or with the knowledge of any **Insured**; however, we will provide a defense of such actions until such time as the act is ruled either by trial verdict, court ruling, regulatory ruling or legal admission as dishonest, fraudulent, criminal or malicious.
- C. Based on or arising out of any obligations for which any **Insured** or any carrier acting as the insurer may be liable under any workers' compensation, unemployment compensation, disability or pension benefits law, or any similar laws, including but not limited to, the Employee Retirement Income Security Act of 1974 and any amendments thereof. This exclusion does not apply to the usual and customary legal services performed in connection with such capacities or laws on behalf of any person or entity not defined as an **Insured**;
- D. Arising out of the **Insured's** services and/or capacity as:
1. an officer, director, partner, trustee, or employee of:
 - a. a charitable organization;
 - b. a pension, welfare, profit sharing or mutual fund;
 - c. an investment fund or investment trust;
 2. a public official, or an employee of a governmental body, subdivision, or agency; or
 3. a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if an **Insured** is deemed to be a fiduciary solely by reason of legal advice rendered with respect to an employee benefit plan;
 4. a trustee, administrator, conservator, executor, guardian, receiver or similar fiduciary capacity when any **Insured** is a beneficiary or distributee of any trust or estate serviced and the fee accruing from such work inures to the benefit of any **Insured**.
- E. For bodily injury, sickness, mental distress, disease or death of any person, or injury to or destruction of any tangible property or loss of use resulting therefrom;
- F. Arising out of notarized certification or acknowledgment of a signature without the physical appearance before such notary public of the person who is or claims to be the person signing said instrument;
- G. Arising out of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** performed for any organization, corporation, company, partnership, or operation (other than the **Named Insured, Predecessor in Business or Successor in Business**) while any **Insured** or their spouse has more than 10% equity position in such entity;
- H. Made by an **Insured** under this policy against any other **Insured** under this policy, unless such **Claim** arises solely out of **Professional Services** performed for that party in a lawyer-client capacity;
- I. Solely as respects **Personal Injury**:
1. the willful violation of a penal statute or ordinance committed by or with the knowledge or

- consent of the **Insured**;
2. libel or slander or the publication or utterance of defamatory or disparaging material concerning any person or organization or goods, products or services, or in violation of an individual's right of privacy, made by or at the direction of the **Insured** with the **Insured's** knowledge of the falsity thereof;
 3. failure of performance of contract, but this exclusion does not apply to the unauthorized appropriation of ideas based upon alleged breach of implied contract;
 4. infringement of trademark, service mark or trade name, other than titles or slogans, by use thereof on or in connection with goods, products or services sold, offered for sale or advertised; or
 5. knowingly incorrect description or mistake in advertised price or goods, products or services sold, offered for sale or advertised.

VIII. DEFINITIONS

When used in this policy (including endorsements forming a part hereto) words in bold type have the following meaning:

"Alternative Dispute Resolution" means the use of arbitration or mediation.

"Claim" means a demand for money or services, or the filing of suit or institution of arbitration proceedings or **Alternative Dispute Resolution** naming an **Insured** and alleging an act, error, omission or **Personal Injury** resulting from the rendering of or failure to render **Professional Services**. **Claim** does not include proceedings seeking injunctive or other non-pecuniary relief.

"Claim Expenses" means:

- (a) Fees charged by an attorney(s), arbitrator(s) or mediator(s) designated by the Company and all other fees, costs, and expenses resulting from the investigation, adjustment, defense and appeal of a **Claim**, suit or proceeding arising in connection therewith, if incurred by the Company, or by the **Insured** with written consent of the Company, but does not include salary charges or expenses of regular employees or officials of the Company, or fees and expenses of independent adjusters;
- (b) All costs taxed against the **Insured** in suits or proceedings and all interest on the entire amount of any judgment therein which accrues after entry of the judgment and before the Company has paid or tendered or deposited, whether in court or otherwise, but only as respects that part of the judgment which does not exceed the limit of the Company's liability thereof. Prejudgment interest if/where payable under this policy will be in addition to the Limits of Liability stated in the Declarations.
- (c) Premiums on appeal bonds and premiums on bonds to release attachments in such suits, but not for bond amounts in excess of the applicable limit of liability of this policy. The Company shall have no obligation to pay for or furnish any bond.

"Damages" means compensatory judgments, settlements or awards but does not include punitive or exemplary damages, sanctions, fines or penalties assessed directly against any **Insured**, the return of fees or other consideration paid to the **Insured**, or that portion of any award or judgment caused by the trebling or multiplication of actual damages under federal or state law.

"Insured" means any person or organization qualifying as an **Insured** in the **"Persons Insured"** provision of this policy. The insurance afforded applies separately to each **Insured** against whom **Claim** is made or suit is brought, except with respect to the Company's limits of liability.

"Named Insured" means the person or organization named in Item 1. of the Declarations of this policy.

“Personal Injury” means: (a) false arrest, detention or imprisonment, wrongful entry or eviction, other invasion of private occupancy, or malicious prosecution; (b) the publication or utterance of libel, slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual’s right of privacy; or (c) injury arising out of an offense occurring in the course of the **Named Insured’s** advertising activities, including but not limited to infringement of copyright, title slogan, patent trademark, trade dress, trade names, service mark or service number.

“Policy Period” means, whenever used in this policy, the period from the inception date of this policy to the policy expiration date as set forth in the Declarations or its earlier termination date, if any.

“Potential Claim” means any circumstance involving an individual person or entity that could result in a **Claim** and of which an Insured has knowledge.

“Predecessor in Business” means any legal firm which has undergone dissolution and one of the following has occurred: (a) some or all of such firm’s principals, owners, officers or partners have joined the **Named Insured**, provided such persons were responsible for producing in excess of 50% of the prior firm’s annual gross billings and such billings have been assigned or transferred to the **Named Insured**; or (b) at least 50% of the principals, owners, partners or officers of the prior firm have joined the **Named Insured**; or (c) at least 50% of the prior firm’s financial assets/liabilities have been assumed by the **Named Insured**.

“Professional Services” means:

- (a) services performed or advice given by the **Insured** in the **Named Insured’s** practice as a law firm or legal professional;
- (b) services as a notary public, title agent, title insurance agent, arbitrator or mediator;
- (c) services as a trustee, administrator, conservator, executor, guardian, receiver or similar fiduciary capacity;
- (d) activities of the **Insured** as a member of a formal accreditation, ethics, peer review, licensing board, standards review or similar professional board or committee;
- (e) the publication or presentation of research papers or similar materials, but only if direct pecuniary compensation per publication or presentation is less than \$3,000;
- (f) services performed by the **Insured** in a lawyer-client relationship on behalf of one or more clients shall be deemed for the purpose of this section to be the performance of **Professional Services** for others in the **Insured’s** capacity as a lawyer, although such services could be performed wholly or in part by non-lawyers.

“Specific Excess” means an insurance policy, which, in accordance with its terms and limits shall cover liability and defense if and only if all other applicable insurance has been exhausted. Such policy shall also apply in the event that any term or provision included in this policy offers broader coverage than any other form of insurance simultaneously held by policyholder. This interpretation shall apply to, but not be limited to, issues concerning any Extended Reporting Period, Optional Reporting Period, Automatic Extended Reporting Period, or similar periods in any prior policy or policies.

“Successor in Business” means, after dissolution of the **Named Insured**, any law firm in which one of the following has occurred: (a) some or all of the principals, owners, officers and/or partners of the **Named Insured** have joined an existing, or formed a new, law firm provided such persons were responsible for producing in excess of 50% of the **Named Insured’s** annual gross billings at the time of dissolution and such billings have been assigned or transferred to the successor law firm; or (b) at least 50% of the principals, owners, partners or officers of the **Named Insured** have joined an existing, or formed a new law firm; or (c) at least 50% of the **Named Insured’s** financial assets/liabilities have been assumed by the successor law firm; provided this policy does not apply to **Professional Services** or **Personal Injury** if the **Successor in Business** is also an **Insured** under any similar liability or indemnity policy, or would be an **Insured** under any such policy but for exhaustion of its limits of liability. Coverage for a **Successor in Business** shall terminate at the

earlier of policy termination or 90 days from the date of dissolution of the **Named Insured** unless written notice is given to the Company, together with such information as the Company may request, and the **Successor in Business** shall pay any additional premium required in the event the Company agrees to continue the policy.

IX. CONDITIONS

- A. Premium:** All premiums for this policy shall be computed in accordance with the Company's rules, rates, rating plans and premiums applicable to the insurance afforded herein. The **Named Insured** shall maintain records of the information necessary for premium computation and shall send copies of such records to the Company at such times as the Company may direct.
- B. Assistance and Cooperation of Insured in the Event of Claim or Suit:** Upon the **Insured** becoming aware of any act, error, omission or **Personal Injury** in the rendering of or failure to render **Professional Services** which could reasonably be expected to be the basis of a **Claim** covered hereby, written notice shall be given by the **Insured**, or its representative to the Company together with the fullest information obtainable as soon as practicable. If **Claim** is made or suit is brought against the **Insured**, the **Insured** or its representative shall immediately forward to the Company every demand, notice, summons or other process received by the **Insured** or the **Insured's** representative. The **Insured** shall cooperate with the Company and, upon the Company's request, assist in making statements, in the conduct of suits and in enforcing any right of contribution or indemnity against any person or organization who may be liable to the **Insured** because of **Damages** with respect to which this insurance applies. The **Insured** shall attend hearings and trials and assist in securing and giving evidence and obtaining the attendance of witnesses. The **Insured** shall not, except at the **Insured's** own cost, voluntarily make any payments, admit liability, assume any obligation or incur any expense. The **Insured** may provide for **Alternate Dispute Resolution** with a client under an engagement letter or any other written contract, as long as such agreement is executed in writing prior to any **Claim** being made.
- C. Waiver of Exclusion and Breach of Conditions:**
Whenever coverage under any provision of this policy would be executed, suspended or lost:
1. because of EXCLUSION B. relating to any judgment or final adjudication based upon or arising out of any dishonest, deliberately fraudulent, criminal, malicious or deliberately wrongful acts or omissions by any **Insured**; or
 2. because of noncompliance with Section B, **CONDITIONS** relating to the giving of notice to the Company with respect to which any other **Insured** shall be in default solely because of the default or concealment of such default by one or more partners or employees responsible for the loss or damage otherwise insured hereunder,

the Company agrees that such insurance as would otherwise be afforded under this policy shall apply with respect to each and every **Insured** who did not personally commit or personally participate in committing one or more of the acts, errors, or omissions described in any such exclusion or condition; provided that if the condition be one with which such **Insured** can comply, after receiving knowledge thereof, the **Insured** entitled to the benefit of the Waiver of Exclusions and Breach of Conditions shall comply with such conditions promptly after obtaining knowledge of the failure of any other **Insured** or employee to comply therewith.

With respect to provision C.1. above, the Company's obligation to pay in the event of such waiver shall be in excess of the deductible and in excess of any assets in the firm of any **Insured** who is not a beneficiary to the waiver.

- D. Assignment:** The interest of the **Named Insured** is not assignable. If any **Insured** shall die or be adjudged incompetent, this insurance shall thereupon terminate for such person but shall cover the **Insured's** legal representative as the **Insured** with respect to liability previously

incurred and covered by this insurance. Pro rata return premium will be computed from the date of termination.

- E. Legal Action Against the Company:** A person or organization may bring a suit against the Company including, but not limited to, a suit to recover on an agreed settlement or on a final judgment against an **Insured**; but the Company will not be liable for damages that are not payable under the terms of this policy or that are in excess of the applicable limit of insurance. An agreed settlement means a settlement and release of liability signed by the Company, the **Insured** and the claimant or the claimant's legal representative.

However, no action by an Insured shall lie against the Company unless there has been full compliance with all of the terms of this policy.

- F. Conformity to Statute:** Notwithstanding anything contained herein to the contrary, in the event that any terms or conditions of this contract conflict with any law applicable to the coverage afforded hereunder, the terms of this contract shall by this statement be amended to conform to such law or laws.
- G. Other Insurance:** If there is other valid insurance (whether primary, excess, contingent of self-insurance), against a **Claim** covered by this policy the insurance provided hereunder shall be deemed excess insurance over and above the applicable limit of all other insurance or self-insurance. This policy is written as **Specific Excess** of coverage available under any Extended Reporting Period, Optional Extended Reporting Period and Automatic Extended Reporting Period or similar period in any prior policy or policies.

When this insurance is excess, the Company shall have no duty under this policy to defend any **Claim** or suit that any other insurer or self-insurer has a duty to defend. If such other insurer or self-insurer refuses to defend such a **Claim** or suit, the Company shall be entitled to the **Insured's** rights against all such other insurers or self-insurers for any **Claim Expenses** incurred by the Company.

When both this insurance and other insurance or self-insurance apply to the **Claim** on the same basis, whether primary, excess or contingent, the Company shall not be liable under this policy for a greater proportion of the **Damages** or **Claim Expenses** than the applicable limit of liability under this policy for such **Claim** bears to the total applicable limit of liability of all valid and collectible insurance against such **Claim**. Subject to the foregoing, if a loss occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata.

- H. Subrogation:** In the event of any payment under this policy, the Company shall be subrogated to all the **Insured's** rights of recovery therefore against any person, organization or entity and the **Insured** shall execute and deliver instruments and papers and do whatever else is necessary to secure such rights. The **Insured** shall do nothing after any loss to prejudice such rights.
- I. Changes:** The terms of this policy shall not be waived or changed except by endorsement issued to form a part of this policy.
- J. Bankruptcy or Insolvency of Insured:** Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate shall not relieve the Company of any of its obligations hereunder.
- K. Cancellation:** This insurance may be canceled by the **Named Insured** at any time by written notice or by surrender of this insurance policy to the Company or its authorized representative and the Company shall refund the paid premium less the earned portion thereof within thirty (30) days of the later of the effective date of the cancellation or the date of delivery of the **Insured's** notice of intent to cancel. The earned portion of the premium shall be computed on the customary short-rate basis unless any state law or regulation of the state shown in the mailing

address of the **Named Insured** on the Declarations Page requires that return premium be computed on a pro-rata basis, even in the event of cancellation by the **Named Insured**. This insurance may also be canceled, with or without the return or tender of the unearned premium, by the Company, or by its authorized representative on its behalf, by sending to all **Named Insured(s)**, by first class, registered or certified mail, at the **Named Insured(s)** address last known to the Company or its authorized agent, not less than ninety (90) days written notice stating the specific reason for such cancellation and when the cancellation shall be effective. In such case the Company shall refund the paid premium less the earned portion thereof within ten (10) business days after the effective date of cancellation. In case of non-payment of premium only thirty (30) days written notice of cancellation must be given by the Company. Proof of mailing will be sufficient proof of notice.

Cancellation by the Company shall only be effective if based on one or more of the following reasons:

1. Nonpayment of premium;
2. The policy was obtained through a material misrepresentation that was relied on by the Company, and such policy would not have been issued by the Company under the same terms and conditions if correct information had been disclosed;
3. Material failure to comply with policy terms, conditions or contractual duties;
4. The risk originally accepted has measurably increased; or
5. Loss by the Company of reinsurance which provided coverage for all or a substantial part of the risk Insured.

- L. Nonrenewal:** The Company will renew this policy unless written notice of the Company's intent not to renew, stating the specific reasons for nonrenewal, is mailed to the **Named Insured** not less than ninety (90) days before the policy expires.

Any notice of nonrenewal will be mailed by first class registered or certified mail to the **Named Insured** at the last mailing address known to the Company. Proof of mailing will be sufficient proof of notice.

- M. Renewal Rate Increase or Change in Policy Terms:** If the Company increases the rate, changes the deductible, reduces the limit or substantially reduces coverage at renewal, the Company will mail to the **Named Insured**, at least sixty (60) days prior to the effective date of that increase or change:

1. Written notice of any change in coverage terms; or
2. The amount of our rate increase.

A rate increase is defined as any increase in premium except increase due to change in exposure (including claims-made step factors) and/or rating plans based solely on the **Insured's** developed experience.

Any notice of renewal rate increase or change in policy terms will be mailed first class registered or certified mail to all **Named Insured's** at the last mailing address known to the Company. Proof of mailing will be sufficient proof of notice.

- N. Declarations and Applications:** By acceptance of this policy, the **Insured** agrees that the statements in the Declarations and application are the **Insured's** agreements and representations, and that this policy is issued in reliance upon the truth of such representations and that this policy embodies all agreements existing between the **Insured** and the Company or any of its agents relating to this insurance.

- O. Extended Reporting Period Option:**

1. **Cancellation/Nonrenewal:** In the case of:

- (a) cancellation or nonrenewal of this policy by the **Named Insured** or the Company for any reason other than flat cancellation at policy inception for non-payment of premium; or
- (b) advancing a retroactive or prior acts date from or previously applied by the Company

the **Named Insured** shall have the right, subject to the other terms and conditions of this policy, or an endorsement attached thereto, to have an endorsement issued extending the time during which **Claims** can be reported for an additional premium of:

- (i) 100% of the full annual premium for this policy, to a period of twelve (12) months;
- (ii) 150% of the full annual premium for this policy, to a period of twenty-four (24) months;
- (iii) 175% of the full annual premium for this policy, to a period of thirty-six (36) months; or
- (iv) 250% of the full annual premium for this policy, for an unlimited period.

following the effective date of such cancellation or nonrenewal in which to give written notice to the Company of **Claims** first made against the **Insured** during this Extended Reporting Period for any act, error, omission or **Personal Injury** arising from the rendering of or failure to render **Professional Services** occurring prior to the termination of the final **Policy Period**, subject to its terms, limitations, exclusions and conditions. This right shall terminate sixty (60) days after the effective date of such action as is indicated in subparagraphs (a) or (b) above unless written notice of such election, together with the additional premium, is received by the Company or its authorized agent from the **Named Insured** within that sixty (60) day period.

Subject to the foregoing, in the event that the **Named Insured** is a partnership or a corporation, and the policy is terminated, the premium calculation stated in (i) through (iv) above shall not include a charge for any individual legal professional who qualifies for a free Extended Reporting Period under section 2., 3. or 4. following, provided always that the notice is given to the Company as required and the other provisions of these sections are fully satisfied.

2. **Retiree Provision:** Notwithstanding **CONDITION O.1.** above, in the event that the **Named Insured** is an individual, the **Named Insured** shall also have the right to have an endorsement issued extending the reporting period for this policy to an unlimited period following the effective date of such cancellation or non-renewal upon his or her retirement from the private practice of law and the payment of additional premium for this option will be waived if:
 - (a) the **Named Insured** is an individual and has been continuously insured by the Company under a claims-made Lawyers Professional Liability Insurance policy for at least three or more full consecutive years prior to such cancellation or nonrenewal, and
 - (b) written notice of this election is given to the Company within sixty (60) days after termination of this policy; and
 - (c) all premiums and deductibles due the Company have been paid in full.

3. **Death or Disability of Insured:** Notwithstanding **CONDITION O.1.** of this policy, if the **Named Insured** designated in the Declaration is an individual and shall cancel or nonrenew this policy, the **Named Insured** shall have the right, at no cost, to have an endorsement issued extending the reporting period for this policy to an unlimited period following the effective date of such cancellation or nonrenewal provided that:
 - (a) such cancellation or nonrenewal results from the death or disability of the **Named Insured** during the **Policy Period**;
 - (b) in the event of disability, the **Named Insured** is totally and continuously disabled from the practice of law a minimum of six (6) months prior to the election of this option;
 - (c) satisfactory written evidence of death or disability is provided to the Company within one (1) year of such death or disability; and
 - (d) all premiums and deductibles due the Company have been paid in full.

This right shall terminate, however, unless written notice of election is received by the Company or its authorized agent from the **Named Insured** or legal representative of the **Named Insured** within sixty (60) days after the effective date of such cancellation or nonrenewal.

4. Notwithstanding **CONDITION O.1.** above, in the event that a licensed lawyer:
- (a) is an **Insured** under sections A. and D. of **Persons Insured** as defined by this policy; and
 - (b) Either:
 - (i) Retires from the active practice of law and:
 - (1) Has been continuously insured by the Company under a claims-made policy for at least three or more full consecutive years prior to such cancellation or nonrenewal; and
 - (2) Written notice of retirement is given to the Company within sixty (60) days after retirement; and
 - (3) All premiums and deductibles due the Company have been paid in full;

or

- (ii) Dies or becomes permanently disabled during the **Policy Period** and:
 - (1) In the event of disability, the **Named Insured** must be totally and continuously disabled from the practice of law for a minimum of six (6) months prior to the election of this option;
 - (2) Satisfactory written evidence of death or disability is provided to the Company within one (1) year of such death or disability; and
 - (3) All premiums and deductibles due the Company have been paid in full

then the period during which **Claims** must be first made against each qualifying lawyer will be extended as follows:

During the **Policy Period**, or any renewal thereof, each individual will be afforded coverage as a former partner, owner, employee, officer or trustee of the **Named Insured**, subject to the terms, conditions and limitations of such policy or renewal policy; and/or

If this policy terminates and an Extended Reporting Period option is elected by the **Named Insured**, each individual will be afforded coverage subject to the terms, conditions and limitations of the policy and the extended reporting endorsement elected; and/or

If this policy terminates and an Extended Reporting Period option is not elected by the **Named Insured**, each individual who qualifies under (a) and (b) above will be entitled to an unlimited Extended Reporting Period endorsement at no additional premium. This Extended Reporting Period shall be part of this policy or the last policy issued by the Company to which this is a renewal. The limit of liability available for the Extended Reporting Period shall be part of, and not in addition to, the limits available under such policy.

In the event notice is given by the individual as provided in (a) and (b) above, an endorsement to this policy will be issued upon written request to the Company.

5. At the commencement of any Extended Reporting Period option, the entire premium therefore shall be deemed earned and the Company shall not be liable to return to the **Named Insured** any portion of the premium for the Extended Reporting Period. The cost of any Extended Reporting Period option is based on the rates and rules in effect at the time the policy was issued or last renewed.

The fact that the period during which a **Claim** must be first made against the **Named Insured** under this policy is extended by virtue of any Extended Reporting Period option shall not in any way increase the limit of this policy. The limit of liability under any Extended Reporting Period option shall be part of, and not in addition to, the limit of liability available under the last policy or renewal certificate issued to the **Named Insured**

6. An automatic sixty (60) day **Extended Reporting Period Option**, effective at the termination of the policy period, will be provided by the Company at no additional cost unless this insurance is replaced with the same or similar insurance issued by the Company, whether or not the limits or deductibles are identical to those provided under this policy. This extended reporting period option shall only apply to claims made during the policy period and reported to the Company within sixty (60) days of the policy termination. The limits available under this extension shall be part of, and not in addition to, the limits available under the expiring policy period. Coverage provided by this automatic extended reporting period shall be **Specific Excess** over any replacement policy providing the same or similar coverage. This Extended Reporting Period option shall not be available if the policy is cancelled for non-payment of premium effective at policy inception.

Any provision in the policy which conflicts with this extension is amended accordingly.

P. Reimbursement: While the Company has no duty to do so, if the Company pays **Damages** or **Claims Expenses**:

1. Within the amount of the applicable deductible; or
2. In excess of the applicable limit of liability

all **Insureds** shall be jointly and severally liable to the Company for such amounts. Upon written demand, the **Insured** shall repay such amounts to the Company with thirty (30) days thereof. Failure to pay any amount indicated may lead to policy cancellation.

Q. Liberalization Clause:

If the Company adopts any revision that would broaden the coverage under the policy without additional premium at any time during the **Policy Period**, the broadened coverage will immediately apply to this policy.