



**ARCH INSURANCE COMPANY**  
(A Missouri Corporation)

## **INSURANCE AGENTS, BROKERS AND CONSULTANTS PROFESSIONAL LIABILITY INSURANCE POLICY**

**THIS IS A CLAIMS MADE POLICY. COVERAGE UNDER THIS POLICY IS LIMITED TO LIABILITY FOR WRONGFUL ACTS COMMITTED SUBSEQUENT TO THE RETROACTIVE DATE. ALSO, THE COVERAGE PROVIDED UNDER THIS POLICY APPLIES ONLY TO THOSE CLAIMS FIRST MADE AGAINST THE INSURED WHILE THIS POLICY IS IN FORCE OR DURING ANY APPLICABLE EXTENDED REPORTING PERIOD. NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST YOU BEFORE THE BEGINNING OF THE POLICY PERIOD. ALSO, NO COVERAGE EXISTS FOR CLAIMS FIRST MADE AGAINST YOU AFTER POLICY TERMINATION UNLESS, AND TO THE EXTENT, AN EXTENDED REPORTING PERIOD APPLIES.**

Read this entire Policy carefully to determine **Your** rights and duties, **Our** rights and duties and what is and is not covered. Various provisions in this Policy restrict coverage.

Throughout this Policy the words **You**, **Your** and Named Organization refer to the **Named Insured** stated in the Declarations, and any other person or entity qualifying as a **Named Insured** under this Policy. The words **We**, **Us** and **Our** refer to the Company providing this Policy.

Words and phrases other than titles and headings that appear in bold-faced print have special meaning. Refer to the DEFINITIONS Section.

In consideration of the payment of premium and in reliance upon the statements in the application and the supplements made part of this Policy, and subject to all terms of the Policy, **We** agree with the **Named Insured** as follows:

### **SECTION I. INSURING AGREEMENTS**

#### **A. COVERAGE - PROFESSIONAL LIABILITY**

- 1. We** shall pay on behalf of an **Insured** all **Damages** in excess of the Deductible, or if applicable the self-insured retention and pay related **Claims Expenses** which an **Insured** becomes legally obligated to pay as a result of **Claims** first made against an **Insured** while the policy is in force, any subsequent renewal of the policy or during any applicable automatic or Supplemental Extended Reporting Period by reason of any **Wrongful Act** occurring on or after the **Retroactive Date**.

**Coverage** is provided only to the extent this policy applies to such **Claims** or **Damages**. The 60-day period for reporting **Claims** following the end of the **Policy Period** is the automatic Extended Reporting Period and is provided free of charge. The automatic Extended Reporting Period does not extend the **Policy Period** and does not apply to **Claims** that are covered under any subsequent insurance the **Named Insured** purchases or that would be covered by such insurance but for the exhaustion of the amount of insurance applicable to such **Claims**.

- 2. Coverage** shall apply only to any such **Claims** arising out of the conduct of an **Insured's Professional Services**.

3. **We** will not provide **Claims Expenses** under this Policy unless coverage for **Damages** other than **Claims Expenses** would also be available with regard to any **Claim** seeking **Damages** as a result of a **Wrongful Act** to which this Policy applies.

## **B. DEFENSE, INVESTIGATION AND SETTLEMENT**

1. With respect to the insurance afforded by this Policy for **Damages** and **Claims Expenses** that are covered under this Policy, **We** have the right and duty to defend an **Insured**, including the right to select counsel and arbitrators in an **Insured's** name and on an **Insured's** behalf for any potential **Claim** or **Claim** for **Damages** to which this Policy applies, against an **Insured**, even if such **Claim** is groundless, false or fraudulent. **We** also have the right to make such investigation, negotiation and with an **Insured's** consent, settlement as **We** deem expedient. However, **We** will have no duty to defend an **Insured** against any **Claim** seeking **Damages** for which this insurance does not apply.
2. If however, the **Named Insured** refuses to consent to a settlement recommended by **Us** and elects to contest the **Claim** or continue legal proceedings in connection with such **Claim**, **Our** liability for the **Claim** shall not exceed the amount for which the **Claim** could have been settled, including **Related Claims Expenses** up to the date of such refusal, or the applicable Policy Limit of Liability, whichever is less.
3. **We** will have the right, but not the duty, to appeal any judgment.
4. For any **Claim** to which this Policy applies:
  - a. In addition to the Limit of Liability for **Damages** applicable to this Policy, **We** shall pay related **Claim Expenses** that **We** incur for any such **Claim**. However, **Our** right and duty to defend the **Insured** and to pay **Claim Expenses** for **Claims** covered under this Policy ends when the Limit of Liability stated in the Declarations is exhausted by payment of judgments or settlements.
  - b. The **Insured** may not incur any **Claim Expenses** or admit liability for, make payment for, or settle any **Claim** without **Our** prior written consent, which shall not be unreasonably withheld. **We** shall not be liable for any expense, settlement, assumed obligation or admission to which **We** have not consented.
  - c. The **Insured** agrees to cooperate with **Us** in the defense, investigation, and settlement of any **Claim** and agrees, as a condition of coverage under this Policy, to submit to **Us** upon request such information and documentation as **We** may require in the investigation and defense of any **Claim**.

## **C. LIMITS OF LIABILITY AND DEDUCTIBLE**

1. **Limits of Liability**
  - a. The Limit of Liability stated in the Declarations as applicable to each **Wrongful Act** is **Our** maximum liability for **Damages** resulting from any one **Wrongful Act** or **Related Wrongful Act**. Without regard to the number of **Claims** or **Insureds** against whom a **Claim** has been made, all **Damages** arising out of the same **Wrongful Act** or **Related Wrongful Act** will be subject to the each **Wrongful Act** Limit of Liability in effect when the first **Claim** arising out of the **Wrongful Act** or **Related Wrongful Act** was made.

- b. The Aggregate Limit of Liability stated in the Declarations is **Our** maximum liability for all **Damages** resulting from all **Claims** made during the **Policy Period** and any applicable Extended Reporting Period.
- c. **Claim Expenses** are payable in addition to the Limits of Liability for **Damages** outlined under C.1.a. or C.1.b. above. **Our** right and duty to defend an **Insured** and to pay **Claim Expenses** for **Claims** covered under this Policy ends when the applicable Limit of Liability stated in the Declarations is exhausted by payment of judgments or settlements.
- d. Except for the Limit of Liability for each **Wrongful Act** or **Related Wrongful Act**, the Aggregate Limit of Liability, Deductible and any rights or duties specifically assigned to the **Named Insured**, the coverage provided by this Policy applies separately to each **Insured** for which this Policy provides coverage and against whom a **Claim** is made.

## 2. Deductible

- a. The Deductible stated in the Declarations applies only to **Damages**. **We** shall only be liable to pay Damages in excess of the Deductible stated in the Declarations, which Deductible shall apply to each loss covered under this Policy arising out of any one **Wrongful Act** or **Related Wrongful Act**. The Deductible does not increase the Limit of Liability.

If the **Named Insured** has continuously maintained insurance agents, brokers and consultants errors and omissions insurance through the Program Administrator listed on the policy Declarations during the last 5 consecutive 12-month Policy Periods and has not had a **Claim** made against them during the last 5 Policy Periods, the per **Wrongful Act** Deductible will be waived for the first covered **Claim** made during the current **Policy Period** up to a maximum of \$25,000 or the amount of the Deductible, whichever is less.

- b. The Deductible may not be separately insured without **Our** written consent.
- c. The Policy will only pay that part of covered **Damages** that exceed the Each **Wrongful Act** Deductible shown in the Declarations.
- d. If the Declarations includes an Aggregate Deductible amount, the **Named Insured** will not be responsible for any amounts that exceed the Aggregate Deductible for the total of covered **Damages** for all **Claims** incurred during the **Policy Period** resulting from **Wrongful Acts** or **Related Wrongful Acts**. An Aggregate Deductible applies separately to each consecutive Policy Period.
- e. **Related Claims** are considered one **Claim** and are subject to the each **Wrongful Act** Deductible.
- f. If **We** pay all or part of any Deductible amount, **We** will notify the **Named Insured** of **Our** payment of the Deductible, and request reimbursement. The **Named Insured** will pay **Us** for the part of the Deductible **We** paid within 30 days of **Our** request.
- g. **Specific Product Provider(s) Deductible**

If separate per **Wrongful Act** and Aggregate Deductibles are displayed on the Declarations as applicable to a specific named Product Provider all **Claims** that arise due to **Wrongful Acts** involving **Professional Services** rendered solely for that

Product Provider will be subject to such separate Deductibles. These separate Deductibles are not in addition to the general Deductibles applicable to all Product Providers not specifically named. The separate Aggregate Deductible that applies to a specific Product Provider erodes the general Aggregate Deductible applicable to all Product Providers not specifically named on the Declarations

- h. If the **Insured** provides written documentation of a customer's affirmative waiver of any type of coverage or limit option offered by the **Insured**, created at the time of offer, and the **Insured** subsequently has a **Claim** alleging the failure to place such coverage or limit, the **Insured's** Deductible will be waived up to a maximum of \$25,000 for that **Claim**.
- i. If **We** recommend and **You** agree to use mediation and a **Claim** is fully and finally resolved by that mediation with **Our** consent and agreement, **Your** Deductible amount incurred for such **Claim** will be reduced by fifty percent (50%).

#### D. WHEN A CLAIM WILL BE CONSIDERED FIRST MADE

A **Claim** will be considered first made at the earlier of the following times:

1. When notice of such **Claim** is received by an **Insured** or by **Us**, whichever comes first;
2. When a **Claim** is made directly to **Us** in writing; or
3. When notice to **Us** of a **Wrongful Act** or **Related Wrongful Act** is first made pursuant to Section IV. **Conditions, Reporting of Potential and Actual Claims**.

#### E. SPOUSAL OR DOMESTIC PARTNER LIABILITY

If a **Claim** against an **Insured** includes a **Claim** against the **Insured's** spouse or **Domestic Partner** (whether such status is derived by reason of statutory or common law or any other law of any country) solely by reason of such:

1. Spousal or **Domestic Partner** status; or
2. Spouse's or **Domestic Partner's** ownership interest in property or assets that are sought as recovery for the **Wrongful Act** of an **Insured**;

All sums which such a spouse or **Domestic Partner** becomes legally obligated to pay by reason of such **Claim** will be treated for the purposes of this Policy as sums which the **Insured** becomes legally obligated to pay as a result of the **Claim** made against such **Insured**. Such sums attributable to the spouse or **Domestic Partner** will be covered under this Policy only if and to the extent such sums would be covered if incurred by the **Insured**. However, this extension will not afford coverage for a **Claim** arising out of any **Wrongful Act** or **Related Wrongful Act** by an **Insured's** spouse or **Domestic Partner**.

#### F. ADDITIONAL COVERAGES

Payments made under the following Additional Coverages are not subject to the Policy Deductible(s) and will not reduce the Policy Limit(s) of Liability.

##### 1. Defense of Regulatory Investigations

**We** will pay the reasonable attorneys' fees, costs and expenses incurred by the **Insured** in responding to an investigation of an **Insured** by reason of any **Wrongful Act** or **Related**

**Wrongful Act**, by a state licensing board, professional regulatory agency, or a governmental agency with authority to regulate **Professional Services** resulting from the **Insured's** performance of **Professional Services** even if the allegations are false or groundless. The maximum **We** will pay for all **Insureds** regardless of the number of investigations is \$50,000 per **Policy Period**.

However, as a condition precedent to coverage under this section:

- a. **We** must agree in writing in advance of retention of legal counsel selected to defend the **Insured**; and
- b. The **Insured** must be first notified of the investigation during the **Policy Period** and must provide **Us** with written notice not later than 30 days after the **Insured** has been notified of the investigation.

## 2. **Catastrophe Expense – Property and Casualty**

For catastrophes that occurred during the **Policy Period** and are designated as a catastrophe by Insurance Services Office, Inc., **We** will pay up to \$25,000 per catastrophe, subject to a per **Policy Period** Aggregate Limit of Liability of \$50,000 for all catastrophes that occur in any one **Policy Period**, for the actual reasonable extra expenses incurred by the **Named Insured** for assisting in the Property and Casualty insurance **Claims** processing needs of their **Client(s)** who have been affected by the catastrophe. Such extra expenses must be incurred within 90 days of the date of the catastrophe.

## 3. **Crisis Management – Public Relations**

**We** will reimburse the **Named Insured** for **Public Relations Event Expenses** that the **Named Insured** incurs as a result of a **Public Relations Event** that first occurs and is reported to **Us** during the **Policy Period**.

However, the amount **We** will pay for **Public Relations Event Expenses** is limited to \$20,000 per **Policy Period** for all **Public Relations Events** for which this Policy provides coverage.

Coverage for **Public Relations Event Expenses** applies only if:

- a. The **Public Relations Event Expenses** are incurred within 6 months from the date the **Public Relations Event** was first discovered;
- b. All consultants, public relations firms, vendors or suppliers providing materials or services included in **Public Relations Event Expenses** are approved by **Us**.

## G. **SUPPLEMENTARY PAYMENTS**

Payments made under the following Supplementary Payments are not subject to the Policy Deductible(s) and will not reduce the Policy Limit(s) of Liability.

With respect to any **Claim We** investigate or settle, or any suit against an **Insured We** defend:

### 1. **Expense Reimbursement**

If **We** or counsel **We** have appointed to defend an **Insured** request the **Insured's** presence at a mediation, meeting, deposition, hearing, arbitration or trial in connection with a **Claim**,

**We** will pay the **Insured** up to \$750 per day for actual lost wages or time off plus reasonable travel expenses.

**2. Pre-judgment Interest**

**We** will pay pre-judgment interest awarded against an **Insured** on that part of the judgment **We** pay that falls within the available Policy Limit of Liability.

**3. Post-Judgment Interest**

**We** will pay interest awarded against an **Insured** on the amount of any judgment **We** pay that falls within the available Policy Limit of Liability that accrues after entry of the judgment and before **We** have paid, offered to pay, or deposited in court the part of the judgment that is within the applicable Limit of Liability.

**4. Appeal Bond Premium**

If **We** exercise **Our** right to appeal, **We** will pay any premium for appeal bonds for the portion of any judgment that falls within the applicable Limit of Liability, provided, however, that **We** have no obligation to apply for, furnish, or have any court approve such bonds, or provide any collateral for such bonds.

**5. Subpoena Expense**

In the event an **Insured** receives a subpoena for documents or testimony arising out of the rendering of **Professional Services** and the **Insured** would like our assistance in responding to the subpoena, the **Insured** may provide a copy of the subpoena to **Us**. **We** will pay the expenses incurred to assist the **Insured** with the production and review of documents to prepare the **Insured** for sworn testimony and representation during testimony provided that:

- a. The subpoena does not involve a **Claim** made prior to the **Retroactive Date** or a notice of potential **Claim** given to a prior insurer;
- b. The subpoena arises out of a lawsuit to which the **Insured** is not a party and is not related to a **Claim** under this Policy; and

Any notice the **Insured** gives **Us** of such subpoena shall be notification of a potential **Claim** under **Section IV. Conditions, Reporting of Potential and Actual Claims**. The maximum amount payable under this Supplementary Payment regardless of the number of subpoenas shall be \$25,000 per **Policy Period**.

**6. Pre Claim Assistance**

**We** will pay reasonable costs and expenses incurred by **Us** to investigate a specific potential **Claim** reported to **Us** in accordance with the **Reporting of Potential and Actual Claims Condition** of this Policy. In order for such pre **Claim Expenses** to be payable under this Supplementary Payment, such expenses must be incurred prior to the date any **Claim** is made against an **Insured** that is based on or arises out of such potential **Claim**. Once a **Claim** is made that is based on or arises out of a potential **Claim**, **Damages** and **Claim Expenses** that result from such **Claim** are subject to the Policy Deductible and will reduce the Policy Limits of Liability in accordance with **Section I.C Limits of Liability and Deductible**. The maximum amount payable under this Supplementary Payment, regardless of the number of reported potential **Claims** shall be \$25,000 per **Policy Period**.

## SECTION II. TERRITORY

The insurance afforded by this Policy applies worldwide. Where suits are brought or **Claims** are made outside of the United States of America and its territories and possessions, Puerto Rico, or Canada, the following additional provisions apply:

- A. **We** shall have the right but not the duty to investigate, defend or settle any such **Claims** brought against an **Insured**;
- B. If **We** elect not to investigate, defend or settle any such **Claim**, the **Insured** shall, under **Our** supervision, arrange for such investigation and defense thereof as is reasonably necessary and subject to **Our** prior authorization, shall effect such settlement thereof as **We** and the **Insured** deem expedient;
- C. **We** will reimburse the **Insured** for the reasonable costs of such investigation and defense and the amount of any settlement or judgment in excess of the Deductible amount stated in the Declarations, all subject to and within the Limits of Liability stated in the Declarations; and
- D. Such reimbursement shall be made in United States currency at the rate of exchange prevailing on the date the judgment is rendered or the date that the amount of the settlement is agreed upon or the date expenditure is made.

## SECTION III. EXCLUSIONS

This insurance does not apply to any **Claim, Wrongful Act**, or expenses based upon or arising out of the following exclusions.

- A. The bankruptcy, suspension of payments, or failure to pay monies due, in whole or in part, by any insurance or reinsurance company, any Individual Practice Association, Health Maintenance Organization, Preferred Provider Organization, Independent Physician Organization, Physician Hospital Organization, Dental Service Plan, Risk Retention Group, self-insurance plan or reciprocal, syndicate, association, or other combination formed for the purpose of providing insurance, or reinsurance. However, this exclusion shall not apply if at the time of the placement or renewal of coverage with any of the above described entities:
  - 1. An entity that was rated B+ or higher by A.M. Best Company or was rated S or better by Demotech, Inc., or, irrespective of such rating, was subject to or a member of the state guaranty fund, guaranty association, or equivalent in the state or states of domicile of the subject **Client**; or
  - 2. An entity backed by or operated by a governmental body or bodies (such as assigned risk plans, Joint Underwriting Associations, State or Federal Flood, Wind or FAIR pools or plans, or state operated residual markets), or was a County Mutual reinsured by carriers rated B+ or better by A.M. Best Company or S or better by Demotech, Inc.
- B. Bodily Injury or Property Damage involving any actual or alleged:
  - 1. Bodily injury, including sickness, injury, disease or death of any person; or
  - 2. Damage to or destruction of any property by an **Insured** or any individual or entity for whom the **Insured** is responsible, including loss of use to damaged or undamaged property.

However, this exclusion shall not apply to **Claims** arising directly out of any actual or alleged failure of the **Insured** to place, effect, maintain, or renew any insurance products for any **Client**.

- C. An **Insured's** unauthorized use or release of any confidential or personally identifiable information pertaining to any person or the transmission of malware from **Your Computer System** to a third party.
- D. Any sums the **Insured** is obligated to pay by reason of the assumption of liability in a contract or agreement. This exclusion does not apply to liability:
1. That the **Insured** would have in the absence of a contract or agreement, or
  2. Assumed in a written contract or agreement which is fully executed prior to the time of any actual or alleged **Wrongful Act** for which the **Claim** in question is made, and provided that such coverage for the **Claim** is within this Policy's available limit of liability and such coverage otherwise applies under this Policy. Solely for the purposes of liability assumed in a written contract or agreement, reasonable attorney fees and necessary litigation expenses incurred by or for a party other than the **Insured** are deemed to be **Damages** (and not **Claim Expenses**), provided:
    - a. Liability to such party for, or for the cost of, that party's defense has also been assumed under the written contract or agreement in question, and
    - b. Such attorney fees and litigation expenses are for defense of that party against a **Claim** or suit seeking **Damages** to which this insurance applies;
- E. Any dishonest, fraudulent, criminal, malicious, knowingly **Wrongful Act** or willful violation of any statute or regulation committed by an **Insured**, or with the knowledge, consent or approval of an **Insured**. As to any **Claim** that falls within the Insuring Agreement, this exclusion shall not apply unless there is a judgment, final ruling or admission that is adverse to the **Insured** in any judicial, administrative or alternative dispute resolution proceeding establishing that such **Wrongful Acts** were dishonest, fraudulent, criminal, malicious, knowingly wrongful, or that an **Insured** approved, consented to or had knowledge of such conduct. This exclusion does not apply to an individual **Insured** or individual **Insured(s)** who did not have knowledge of, acquiesce to or commit such **Wrongful Act(s)**.
- F. An **Insured's** actual or alleged employment-related practices, acts or omissions, whether in violation of contract or statutory or common law, including without limitation: the refusal to employ; wrongful termination of employment; discrimination or harassment of any kind; breach of employment contract; wrongful demotion, evaluation, reassignment or discipline; defamation, slander or libel; invasion of privacy; infliction of emotional distress; retaliation; malicious prosecution or abuse of process; or the payment of, or failure to pay wages.
- G. Any **Damages** for which any **Insured** is liable because of liability imposed on a named fiduciary by the Employee Retirement Income Security Act of 1974 (ERISA), and its amendments, or by any similar federal, state or local law.
- H. Any **Claim** arising out of an **Insured's**:
1. Conversion, defalcation or commingling of funds, embezzlement, misappropriation or improper use of funds;
  2. Illegally gained profit, remuneration or monetary advantage; or
  3. Inability or failure to pay, collect, safeguard or return any funds.

This exclusion shall not apply to an **Insured** who did not personally commit, acquiesce to or participate in the activities in exclusion H.1., H.2. or H.3. above.



This exclusion does not affect **Our** duty to defend an **Insured** in accordance with the Insuring Agreement of this Policy, prior to determining, through the appropriate legal processes, that the **Insured** is responsible for any of the activities listed in H.1., H.2. or H.3. above.

- I. A **Claim** or dispute between **Insureds** or with another insurance agent or broker, **Registered Representative, Registered Investment Advisor or Investment Advisor Representative** including, but not limited to, any business dispute concerning commissions, fees, client lists, or non-compete or similar agreements. However, this exclusion shall not apply if the **Wrongful Act** arises out of **Professional Services** by an **Insured** rendered to such other **Insured**, agent or broker as a **Client**, provided the **Insured** rendering such **Professional Service** does not have any legal or equity interest in the subject of the insurance or investment procured for the **Client**.
- J. Any actual or alleged infringement of any intellectual property rights of another. However, this exclusion will not apply to infringement of copyright, trade name, trade dress or service mark, or misappropriation of advertising ideas committed in the course of advertising by an **Insured**.
- K. An **Insured's** involvement in or arising out of:
  - 1. Promissory notes;
  - 2. Viatical or life settlements as investments, or viatical investment pools;
  - 3. **Securities** or any state securities or Blue Sky statutes, including any rules or regulations promulgated under any of the foregoing, however, this exclusion shall not apply to variable annuities, variable life and mutual funds; or
  - 4. The rules or regulations of:
    - (1) Any self-regulating organization, including but not limited to, FINRA or its predecessors or successors; or
    - (2) Any state insurance or securities department, commission or agency except as provided in Additional Coverages Section I.F.1, Defense of Regulatory Investigations.
  - 5. Commodities, futures contracts, or option contracts;
  - 6. Limited Partnerships, Syndicates and Investment Trusts involving the formation, syndication, operation, administration, dissolution or roll-up of any limited partnership or limited partnership interest, any real estate syndicate or investment trust or any interest therein; or,
  - 7. Any Internal Revenue Code section 1031 exchange.
- L. An **Insured's** activities in exercising discretionary authority or control with regard to the management or disposition of assets. Provided, however, this exclusion shall not apply to an **Insured** providing an asset allocation service with respect to a written asset allocation plan executed by the **Client**;
- M. Solely based upon any fluctuation in the market value of any investment covered by this Policy.
- N. Any pension, welfare or benefit plan organized for the benefit of employees of an **Insured**, or an **Insured's** obligations or services as a fiduciary or trustee for any pension, welfare or benefit plan organized for the benefit of employees of an **Insured** under ERISA, the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA), the Pension Benefits Act, Pension

Protection Act of 2006 (PPA), including any amendments, rules or regulations promulgated under any of the foregoing, or any similar provisions of any state or local statutory or common law.

- O.** Any Claim or suit arising out of any Wrongful Act or Related Wrongful Act if:
1. The matter arises out of the same facts, circumstances or allegations that were previously reported under an insurance policy which this Policy is a renewal or replaces; or
  2. If an **Insured**, prior to the inception date of continuous claims-made coverage with **Us**, knew or could have reasonably foreseen that such **Wrongful Act** might be expected to be the basis of a **Claim**. However, this paragraph does not apply to an **Insured** who had no knowledge of or could not have reasonably foreseen that any such **Wrongful Act** might be expected to be the basis of a **Claim**.
  3. In no event will a **Claim** be covered under this Policy if it is attributable to or arises out of a **Wrongful Act** or **Related Wrongful Act** that occurred prior to this Policy's **Retroactive Date**.
- P.** The offering, sale or servicing of any structured settlement, provided, however, this exclusion shall not apply to a **Claim** solely based upon or arising out of the selling or servicing of a product utilized to fund a structured settlement.
- Q.** Services performed by an **Insured**, whether or not the **Insured** is licensed as such, as a:
1. Tax preparer or advisor, accountant, architect, engineer, actuary, real estate agent or broker, title insurance agent; or securities broker dealer
  2. Attorney providing legal advice or an **Employed Lawyer**. This exclusion does not include the rendering of **Professional Services** directly related to products sold or serviced in the **Named Insured's** profession performed by an attorney who meets the definition of an **Insured** and who is not an **Employed Lawyer**.
- R.** An **Insured's** actions, activities, responsibilities or duties as a Third Party Claims Administrator, or an **Insured's** public claims adjusting or public appraisal services.
- S.** Any actual or alleged violation of:
1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
  2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law; or
  3. Any statute, ordinance or regulation other than the TCPA or CAN-SPAM Act of 2003 that prohibits or limits the sending, transmitting, communicating, or distribution of material or information.
- T.** The actual or alleged warranty, promise, guarantee or representation as to the value or yield of any products sold or serviced in the rendering of **Professional Services**, or as to non-guaranteed interest rates or future premium payments.
- U.** The ownership, creation, formation, operation or administration of, or adjustment of Claims for:
- a. Any health maintenance organization or preferred provider organization;

- b. Any pool, syndicate, association or other similar group combination formed for the purpose of providing insurance or benefits; or
- c. Any risk retention group, Professional Employer Organization (PEO), captive or self-insurance program;
- V. Any services rendered for any plan or arrangement operating as a Multiple Employer Welfare Arrangement (MEWA) as defined in ERISA, and its amendments.
- W. Any services rendered for any group benefit plan or arrangement that is not fully funded by insurance, subject to stop loss, or subject to reinsurance at all times.
- X. The offering, sale or service of any life insurance policy in which the premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company.
- Y. A **Network Security Breach**, a **Privacy Violation**, or **Data Incident Response Expenses**.

#### SECTION IV. CONDITIONS

##### A. ASSISTANCE AND COOPERATION OF THE INSURED

1. The **Insured** agrees to:
  - a. Cooperate with **Us**;
  - b. Upon **Our** request, assist in the defense, investigation, and settlement of any **Claims**, or suits, and, as may be appropriate, any potential **Claims**;
  - c. Enforce any right of contribution, indemnity or apportionment against any person or organization that may be liable to the **Insured** because of **Damages** to which this Policy applies; and
  - d. Attend hearings, submit to examination, attend trials and assist in securing and giving evidence and obtaining the attendance of witnesses in the conduct of suits, mediations or similar proceedings.
2. The **Insured** shall not:
  - a. Except at the **Insured's** own cost, voluntarily make any payments, assume any obligation or incur any expense;
  - b. Prejudice **Our** position, potential or actual rights of recovery, legal obligations or rights; or
  - c. Settle any **Claim**, incur any **Claim Expenses**, or otherwise assume any contractual obligation or admit any liability with respect to any **Claim** without **Our** written consent.

##### B. AUTHORIZATION CLAUSE/NOTICES

By acceptance of this Policy, all individuals or entities included in the definition of **Insured** agree that the first **Named Insured** stated in the Declarations shall act on behalf of all individuals or entities included in the definition of **Insured** with respect to the giving and receiving of notice of any **Claim** or potential **Claim**, cancellation, nonrenewal, the payment of premiums and the receiving of any return premiums that may become due under this Policy. Notice to the first **Named Insured** at

the address of such first **Named Insured** stated in the Declarations shall also constitute notice to all individuals or entities included in the definition of **Insured**.

### C. **BANKRUPTCY**

Bankruptcy or insolvency of the **Insured** or of the **Insured's** estate will not relieve **Us** of **Our** obligations under this Policy.

### D. **CANCELLATION**

1. The first **Named Insured** shown in the Declarations may cancel this Policy by mailing or delivering to **Us** advance written notice of cancellation.
2. **We** may cancel this Policy by mailing or delivering to the first **Named Insured** written notice of cancellation at least:
  - a. 10 days before the effective date of cancellation if **We** cancel for nonpayment of premium; or
  - b. 30 days before the effective date of cancellation if **We** cancel for any other allowable reason.

Such notice shall include the date of cancellation and **Our** reason(s) for such action.

3. **We** will mail or deliver its notice to the first **Named Insured's** last mailing address known to **Us**.
4. Notice of cancellation will state the effective date of cancellation. The **Policy Period** will end on that date.
5. If this Policy is cancelled, **We** will send the first **Named Insured** any premium refund due. If **We** cancel, the refund will be pro rata. If the first **Named Insured** cancels, the refund may be less than pro rata. The cancellation will be effective even if **We** have not yet made or offered a refund.
6. If notice is mailed, proof of mailing will be sufficient proof of notice.

### E. **NON-RENEWAL**

1. If **We** decide not to renew this Policy, **We** will mail to the first **Named Insured** shown in the Declarations written notice of nonrenewal at least 30 days before the expiration date of the policy.

Such notice shall include the date of non-renewal and **Our** reason(s) for such action.

However, **We** are not required to send this notice of non-renewal if non-renewal is due to the **Named Insured's** failure to pay any premium required for renewal.

2. **We** will mail the non-renewal notice to the first **Named Insured's** mailing address last known to **Us**. If notice is mailed, proof of mailing will be sufficient proof of notice.

### F. **CHANGES**

Notice to any agent or broker or knowledge possessed by any agent or broker or by any other person shall not effect a waiver or change in any part of this Policy or stop **Us** from asserting any

right under the terms of this Policy, nor shall the terms of this Policy be waived or changed, except by endorsement issued by **Us** to form a part of this Policy.

#### **G. CONFORMANCE WITH STATE STATUTES**

Terms of this Policy which are in conflict with the statutes of the state where this Policy is issued are hereby amended to conform to such statutes.

#### **H. LEGAL ACTION AGAINST US**

1. No person or organization shall sue **Us** unless the following conditions are met:
  - a. There has been full compliance with all the terms of this Policy; and
  - b. The amount of an **Insured's** obligation to pay has been finally determined either by judgment against the **Insured** after actual and contested trial on the merits, or by written agreement of the **Insured**, the claimant, and **Us**.
2. Any person or organization or the legal representative thereof who has secured such judgment or written agreement shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy.
3. Nothing contained in this Policy shall give any person or organization any right to join **Us** as a co-defendant in any action against the **Insured** to determine the **Insured's** liability.

#### **I. LIBERALIZATION**

If **We** adopt a change in the forms or rules applicable to this Policy during the **Policy Period** which would broaden the coverage provided by any form that is a part of this Policy without an extra premium charge, the broader coverage will apply to this Policy. This extension is effective upon the approval of such broader coverage in the state in which the first **Named Insured** is headquartered. This Liberalization Clause does not apply to changes implemented with a general program revision that includes both broadenings and restrictions in coverage whether that general program revision is implemented through the introduction of a subsequent edition of this Policy or through an amendatory endorsement. This Liberalization Clause also does not apply to **Claims** that were first made against an **Insured** prior to the effective date of the broadened coverage.

#### **J OTHER INSURANCE**

1. If there is other valid insurance (whether primary, excess, contingent or self-insurance) which may apply against a **Claim** covered by this Policy, the insurance provided hereunder shall be excess insurance over and above the applicable limit of all other insurance or self-insurance unless such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this Policy. When such other insurance is written only as a specific excess insurance over the Limits of Liability provided in this Policy, this Policy shall be primary and shall contribute to the loss as described in paragraph 3. below.
2. When this insurance is excess, **We** 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 **Claim** or suit, **We** can choose to defend and then shall be entitled to the **Insured's** rights against all such other insurers or self-insurers for any **Claim Expenses We** incur.
3. When both this insurance and any other insurance or self-insurance apply to the **Claim** on the same basis, **We** shall not be liable under this Policy for a greater proportion of **Damages** and **Claim Expenses** than the applicable Limit of Liability under this Policy for such

**Damages** and **Claim Expenses** bears to the total applicable Limit of Liability of all valid and collectible insurance against such **Damages** and **Claim Expenses**. Subject to the foregoing, if a **Claim** occurs involving two or more policies, each of which provides that its insurance shall be excess, each will contribute pro rata based on Limits of Liability or limits of insurance.

#### K. NOTIFICATION OF CHANGE OF CONTROL OF NAMED INSURED

If during the **Policy Period** there is an acquisition of the **Named Insured**, or of a majority of its assets, by another individual or entity, or there is a merger or consolidation of the **Named Insured** with another entity such that the **Named Insured** is not the surviving entity, then coverage under this Policy shall continue for 90 days after the date of such acquisition, merger, consolidation or change of control, but only with respect to a **Wrongful Act** occurring prior to the acquisition, merger, consolidation, or change in control. The **Named Insured** shall give **Us** written notice of such event within 90 days of the acquisition, merger, consolidation or change of control together with any information **We** may require. The appointment of any state or federal official, agency or court of any receiver, trustee, examiner, conservator, liquidator, rehabilitator or similar official to take control of, supervise, manage or liquidate the **Named Insured**, or the **Named Insured** becoming a debtor in possession within the meaning of the United States Bankruptcy Code or similar legal status under foreign law, shall not be considered an acquisition.

#### L. REPORTING OF POTENTIAL AND ACTUAL CLAIMS

##### 1. Reporting of Potential Claims

If a **Named Insured** first becomes aware of a **Wrongful Act** which might reasonably be expected to give rise to a **Claim** and meets all of the following requirements in reporting the **Wrongful Act** to **Us**, all **Claims** arising from that **Wrongful Act** will be considered to have been made at the time **We** first received written notice of such **Wrongful Act**.

- a. The **Wrongful Act** is committed between the **Retroactive Date** and the end of the **Policy Period**;
- b. **We** receive written notice from the **Named Insured** during the **Policy Period** or applicable Extended Reporting Period of the **Wrongful Act**. Such notice must include all of the following information:
  - (1) The names of all persons and/or organizations involved in the **Wrongful Act**;
  - (2) The specific person or organization likely to make the **Claim**;
  - (3) A description of the time, place and nature of the **Wrongful Act**;
  - (4) A description of the potential **Claim**; and
  - (5) A statement that the **Named Insured** believes the **Wrongful Act** may result in a **Claim**; and
- c. The **Named Insured** has no other insurance that applies to the **Claim** or would apply except for the exhaustion of its limits.

##### 2. Reporting of Actual Claims

If a **Claim** is received by an **Insured**, the **Insured** must give prompt written notice to **Us** within 60 days. Failure to give such notice within 60 days shall not invalidate a **Claim** made

by the **Insured**, an injured person or any other claimant if it shall be shown not to have been reasonably possible to give such notice within the prescribed time if notice was then provided as soon as reasonably possible. However, if notice is not provided within 60 days and is not then provided as soon as reasonably possible thereafter, coverage under this Policy will be invalidated if **We** were prejudiced by such failure. In no event will coverage be provided if an **Insured** fails to report a **Claim** while the policy, or any subsequent renewal of the policy is in force, or during any applicable automatic or Supplemental Extended Reporting Period.

Notice shall include the following:

- a. Every demand, notice, summons, or other process received by the **Insured** or the **Insured's** representative;
- b. Particulars sufficient to identify the **Insured** and also reasonably obtainable information with respect to the time, place and circumstances thereof, the names, addresses and other available contact information for any witnesses;
- c. Copies of all agreements with any party that is referred to, or in any way associated with the **Claim**; and
- d. Identification of any and all parties referred to, related to, or in any way associated with the **Claim**, or the **Wrongful Act** leading to the **Claim**.

#### M. APPLICATION REPRESENTATIONS

The application for this Policy and any supplemental application becomes a part of this Policy. The **Named Insured** represents that the statements and representations contained in the application(s) for this Policy are true and shall be deemed material to the acceptance of the risk or the hazard assumed by **Us** under this Policy. The signatory on the application is signing and acting on behalf of all individuals and entities to be insured. This Policy is issued in reliance upon the truth of such statements and representations. The **Named Insured** agrees that such statements and representations are material and if found to be untrue, coverage shall be denied and where allowed by law, this Policy shall be void for all **Insureds**, and that this Policy includes all agreements between all **Insureds** and **Us** relating to this insurance.

#### N. SUBROGATION

In the event of payment by **Us** under this Policy on behalf of an **Insured**, **We** shall be subrogated to all such **Insured's** rights of recovery to the extent of such payment against any person or organization. All **Insureds** shall cooperate with **Us** and do whatever is necessary to secure such rights and shall do nothing to prejudice such rights.

#### O. ASSIGNMENT

Assignment of interest under this Policy shall not bind **Us** unless **Our** consent is endorsed hereon. If an **Insured** dies or is adjudged incompetent, this Policy will cover that **Insured's** legal representative as an **Insured** with respect to liability previously incurred and covered by this Policy.

#### P. NOTICES

- a. Notices to **You** will be sent to **You** at the address specified in Item 1 of the Declarations.

- b. Notices to **Us** will be sent to the applicable e-mail, facsimile, or other address specified in Item 7. of the Declarations, include the policy number of this Policy, and become effective upon receipt.

## SECTION V. AUTOMATIC AND SUPPLEMENTAL EXTENDED REPORTING PERIODS

### A. AUTOMATIC EXTENDED REPORTING PERIOD

1. An Automatic Extended Reporting Period for reporting **Claims** following the end of the **Policy Period** is automatically provided without additional charge if the Policy is cancelled or non-renewed or **We** replace the Policy with a Policy that has a **Retroactive Date** later than the one shown in the Declarations or a Policy that does not apply to **Wrongful Acts** on a claims made basis. The Automatic Extended Reporting Period starts at the end of the **Policy Period**, and lasts for 60 days.
2. The 60-day Automatic Extended Reporting Period applies to **Claims** arising out of a **Wrongful Act** that was committed on or after the **Retroactive Date** stated in the Declarations and before the end of the **Policy Period**, and which are first made against the **Insured** prior to the expiration of the **Policy Period** or within the 60 day Automatic Extended Reporting Period. There is no separate, additional or reinstated Limits of Liability for Automatic Extended Reporting Period.
3. When an optional Supplemental Extended Reporting Period applies, as described below, the Supplemental Extended Reporting Period begins when the Automatic Extended Reporting Period ends.
4. The Automatic Extended Reporting Period does not extend the **Policy Period** and does not apply to **Claims** that are covered under any subsequent insurance the **Named Insured** purchases or that would be covered by such insurance but for the exhaustion of the amount of insurance applicable to such **Claims**.

### B. SUPPLEMENTAL EXTENDED REPORTING PERIOD

1. If this Policy is cancelled or non-renewed by **Us** or the **Named Insured** or **We** replace it with a Policy that has a **Retroactive Date** later than the one shown in the Declarations or a Policy that does not apply to **Wrongful Acts** on a claims-made basis, the **Named Insured** may purchase a Supplemental Extended Reporting Period for reporting **Claims** made against an **Insured** covered under this Policy.
2. The Supplemental Extended Reporting Period shall extend the time in which an **Insured** may report a **Claim** first made against an **Insured** under this Policy. If purchased, the optional Supplemental Extended Reporting Period shall apply only to **Claims** for **Wrongful Acts** which occurred prior to the end of the **Policy Period** and on or after the **Retroactive Date**, which are otherwise covered by the Policy and which are first made against an **Insured** and reported to **Us** during the Supplemental Extended Reporting Period.
3. This right to purchase the optional Supplemental Extended Reporting Period is subject to the following conditions:
  - a. If the Policy was cancelled or non-renewed, it was for reasons other than fraud or non-payment of premium;
  - b. Any Deductible reimbursements or other amounts owed to **Us** have been paid;
  - c. The **Named Insured**, has complied with all of the terms and conditions of the Policy;



- d. The **Named Insured** must send written notice to **Us** of the intention to purchase the optional Supplemental Extended Reporting Period accompanied by the additional premium. Such written notice and premium payment must be received by **Us** no later than 60 days after the Policy termination date or **Our** offer to purchase the Supplemental Extended Reporting Period, whichever comes later.
- e. The per **Wrongful Act** and Aggregate Limit of Liability that applies at the inception of the optional Supplemental Extended Reporting Period is 100% of the remaining amount of insurance available, if any, at the time the immediately preceding **Policy Period** expired. The Supplemental Extended Reporting Period does not extend the **Policy Period** and no separate or additional Limit of Liability applies to the Supplemental Extended Reporting Period. The Supplemental Extended Reporting Period starts when the Automatic Extended Reporting Period ends.
- f. Any **Claim** made during the optional Supplemental Extended Reporting Period shall be deemed to have been made on the last day of the immediately preceding **Policy Period**. The entire premium for the Supplemental Extended Reporting Period is fully earned at the commencement of the optional Supplemental Extended Reporting Period. Once in effect, the optional Supplemental Extended Reporting Period may not be cancelled.
- g. Issuance of a Supplemental Extended Reporting Period endorsement will be subject to the following additional premium. Available durations and premiums may vary by State.

#### SUPPLEMENTAL EXTENDED REPORTING PERIOD OPTIONS

DURATION	ADDITIONAL PREMIUM
1 Year	100% of the full annual premium for this Policy
2 Year	150% of the full annual premium for this Policy
3 Year	200% of the full annual premium for this Policy
5 Year	250% of the full annual premium for this Policy
10 Year	300% of the full annual premium for this Policy
Unlimited	350% of the full annual premium for this Policy

#### C. NON-PRACTICING EXTENDED REPORTING PERIOD OPTIONS

##### 1. Death of an Insured – Sole Owner and Producer

Subject to the conditions stated in this Section, if an **Insured** is an individual who is a sole owner and the sole producer of the **Named Insured** dies during the **Policy Period** as a result of reasons other than suicide, or alcohol or drug overdose, then the period for reporting **Claims** is expanded at no additional premium until the executor or administrator of the estate is discharged, provided that the estate, heir or administrator gives written notification and written proof of the date of death to **Us** within 6 months of the **Insured's** death.

The per **Wrongful Act** and Aggregate Limit of Liability that applies at the inception of the optional Death of an Insured Extended Reporting Period is 100% of the remaining amount of insurance available, if any, at the time of the **Insured's** death. The Death of an Insured Extended Reporting Period does not extend the **Policy Period** and no separate or additional Limit of Liability applies to the Death of an Insured Extended Reporting Period.

##### 2. Total and Permanent Disability of an Insured – Sole Owner and Producer

If an **Insured** is an individual, who is a sole owner and the sole producer of the **Named Insured**, and becomes **Totally and Permanently Disabled** during the **Policy Period**, and has been continuously insured by **Us** for at least 1 year, then the period for reporting **Claims** is extended at no additional premium until the death of the **Insured** or until the **Insured** is no longer **Totally and Permanently Disabled**, provided that:

- a. The **Insured** or the **Insured's** legal guardian provides written notice of the disability to **Us** no later than 60 days after the termination date of the **Policy Period** during which the total disability occurred;
- b. The **Insured** or the **Insured's** legal guardian provides a physician's written certification of the disability including the date the disability commenced; and
- c. The **Insured** agrees to submit to a medical examination at **Our** expense by any physician(s) designated by **Us**.

This Total and Permanent Disability Extended Reporting Period applies to **Wrongful Acts** that occurred on or after the **Retroactive Date** of this Policy, and prior to the end of the **Policy Period** during which the **Insured** became **Totally and Permanently Disabled** and which are otherwise covered by the Policy and are first made against this **Insured** and reported to **Us** during the Total and Permanent Disability Extended Reporting Period.

**We** retain the right to contest the certification made by the **Insured's** physician and it is a condition precedent to this coverage that the **Insured** agree to submit to periodic medical examinations, at **Our** expense, by any physician designated by **Us**.

The per **Wrongful Act** and Aggregate Limit of Liability that applies at the inception of the optional Total and Permanent Disability Extended Reporting Period is 100% of the this Policy's per claim and Aggregate Limit of Liability as of the date the **Insured** became **Totally and Permanently Disabled**. The Total and Permanent Disability Extended Reporting Period does not extend the **Policy Period** and no separate or additional Limit of Liability applies to the Total and Permanent Disability Extended Reporting Period.

## SECTION VI. DEFINITIONS

- A. **Claim** means:
1. Any written demand an **Insured** receives for **Damages** due to a **Wrongful Act** arising out of **Professional Services**, including the institution of any suit or alternative dispute resolution proceedings against an **Insured**;
  2. Any subpoena or deposition notice received by an **Insured** arising out of **Professional Services** rendered by an **Insured**; or
  3. A written request received by an **Insured** to toll or waive a statute of limitations, relating to a **Claim** or potential **Claim**.
- B. **Claim Expenses** means all costs allocated to a specific **Claim** **We** investigate, settle or defend including fees charged by a lawyer retained by **Us** to defend an **Insured** or any attorney the **Insured** retains with **Our** written consent. **Claim Expenses** shall not include any remuneration, salaries, regular or overtime wages, or benefits of the **Insured** or **Us** that are associated with the defense and investigation of a **Claim**.
- C. **Client** means any entity or individual, including any appointed administrator, beneficiary, executor, receiver, or trustee of such individual or entity, for whom an **Insured** has agreed to render

**Professional Services**, whether or not for a fee or commission, or whom the **Insured** is soliciting for the rendering of **Professional Services**.

- D. **Computer System** means any computer hardware, electronic mobile device, software or firmware, and components thereof including data stored thereon, that is owned or leased by a **Named Insured**, and is under the direct operational control of the **Named Insured** or any mobile device owned and under the direct operational control of an employee of a **Named Insured** if such mobile device is used for the benefit of the **Named Insured**.

**Computer System** also includes cloud computing and other hosted resources operated by a third party for the purpose of providing hosted computer resources to the **Named Insured** as provided in a written contract between the **Named Insured** and such third party.

- E. **Damages** means compensatory damages, whether part of an award or settlement, and any punitive or exemplary damages awarded against an **Insured**, but only to the extent such punitive or exemplary damages are insurable under applicable law.

**Damages** shall not include:

1. Civil or criminal fines, sanctions, penalties, or taxes owed directly by an **Insured** to any taxing authority;
2. An **Insured's** expenses associated with an order granting non-monetary, affirmative or equitable relief, including any costs incurred in complying with a request, order, judgment or settlement agreement to provide non-monetary, affirmative or equitable relief, or attorney fees or costs awarded to the party seeking non-monetary, affirmative or equitable relief;
3. Any amounts representing the payment or return of commissions, fees, funds or premiums held by an **Insured**, whether claimed as restitution of specific funds, forfeiture, financial loss, set off or otherwise and injuries that are a consequence of any of the foregoing; or taxes, but this limitation shall not apply to taxes or tax penalties owed by the **Insured's Client** due to the **Insured's Wrongful Act** in the performance of **Professional Services**; or
4. Any matter deemed uninsurable pursuant to applicable law.

- F. **Data Incident Response Expense** means reasonable and necessary fees and expenses incurred by an **Insured**, with Our prior written consent, for:

1. legal services by an attorney selected by **Us** regarding any **Network Security Breach** or **Privacy Violation**;
2. computer forensic investigatory services by a third party information security professional selected by **Us** to determine the cause of the **Network Security Breach** and identities of those who may have been victims of any **Privacy Violation**;
3. notifying individuals who may have been victims of any **Privacy Violation**;
4. public relations firm, crisis management firm or law firm services to mitigate reputational damage resulting from any **Network Security Breach** or **Privacy Violation**;
5. credit monitoring services and identity theft education;
6. costs for identity theft call center services; and
7. costs to restore or recreate electronic data;

**Data Incident Response Expense** will exclude any: (i) compensation or overhead of any **Insured**; (ii) payments made as compensation for any injury or damages resulting from any **Network Security Breach** or **Privacy Violation**; (iii) costs associated with replacing, repairing or improving any network, computer hardware or software; or (iv) **Claims Expenses**.

- G. Denial of Service Attack** means a malicious attack intended by the perpetrator to overwhelm the capacity of the **Computer System** by sending an excessive volume of electronic data to such **Computer System** in order to prevent authorized access to such **Computer System**.
- H. Domestic Partner** means any person qualifying as a domestic partner under the provisions of any applicable federal, state or local law or under the provisions of any formal benefits program established by the **Named Insured** for the benefit of the **Insured's** employees.
- I. Employed Lawyer** means any person admitted to practice law who is, was or becomes an employee of the **Named Insured** for the purpose of providing legal services in the conduct of the **Named Insured's** profession or is any person who is an Independent Contractor Attorney who:
1. Performs legal services in the conduct of the **Named Insured's** profession;
  2. Is indemnified by the **Named Insured** pursuant to an independent contractor services agreement; and
  3. Is not employed by, under contract with or affiliated with a private law firm, other than as a sole practitioner.
- J. Employee Benefit Plan Administration** means:
1. Giving advice, consultation or interpretation to plan participants regarding employee benefit plan provisions;
  2. Handling day-to-day ministerial functions required by employee benefit plans, including enrollment in, or processing cancellation and termination of plan participation for participants, handling documents in association with the plan, COBRA administration, and filing required reports with governmental and other agencies; or
  3. Receipt or transmission of **Claims**, or verification of plan participation.
- K. Insured** means:
1. The **Named Insured**;
  2. Solely while performing **Professional Services** for or on behalf of the **Named Insured** and subject to the **Retroactive Date** of this Policy:
    - a. A past, present or future individual or entity duly elected or appointed as a director, officer, manager, member, partner, employee, or sole proprietor of a **Named Insured**;
    - b. A past, present or future employed individual as a leased, temporary, or loaned worker for the **Named Insured**; and
    - c. An independent contractor or sub-producer;
  3. In the event of an **Insured's** death or incompetence, the administrators, executors, heirs and legal representatives of an **Insured**, but only for a **Claim** arising out of the **Professional Services** performed by or on behalf of an **Insured**;

4. The predecessor insurance agency in whose financial assets and liabilities the **Named Insured** is the majority successor in interest; and
  5. An insurance agency newly acquired or formed by the **Named Insured** during the **Policy Period**, and over which the **Named Insured** maintains ownership or majority interest, but only if there is no other Errors and Omissions Liability Insurance or similar insurance available to the acquired or newly formed entity for any **Claim**. However, as a condition precedent to coverage:
    - a. Coverage for the newly acquired or formed insurance agency is provided only until the 90th day after the acquisition or formation of such entity by the **Named Insured** or the end of the **Policy Period**, whichever is earlier;
    - b. Coverage for the newly acquired or formed insurance agency does not apply to **Claims** arising from **Wrongful Acts** committed before the acquisition or formation of the entity by the **Named Insured**, unless **We** have agreed to provide such coverage by endorsement to this Policy; and
    - c. **We** may charge, and the **Named Insured** shall pay, an additional premium from the date that the **Named Insured** acquires or forms the entity.
- L. **Malicious Code** means any virus, Trojan, worm or other similar malicious software program, code or script designed to infect, harm, harm data on, or steal data from, a **Computer System**.
- M. **Named Insured** means any individual or entity listed as a **Named Insured** in the Declarations or listed as a **Named Insured** in an amending endorsement attached to this Policy.
- N. **Network Security Breach** means any:
1. Unauthorized access to, or unauthorized use of a **Computer System**; or
  2. Transmission of **Malicious Code** into or from a **Computer System**; or
  3. **Denial of Service Attack**
- O. **Personal and Advertising Injury** means injury arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
  2. Malicious prosecution;
  3. The wrongful eviction from, wrongful entry into, or invasion of the right of private occupancy;
  4. Libel and slander;
  5. Misappropriation of advertising ideas; or
  6. Infringement of copyright, trade name, trade dress, slogan or service mark.
- P. **Personal Information** means any:
1. information for which an individual may be uniquely and reliably identified or contacted including without limitation the individual's:

- a. name;
  - b. address;
  - c. telephone number;
  - d. social security number;
  - e. drivers license number or any other state identification number;
  - f. medical or healthcare data, including protected health information; or
  - g. account numbers.
2. non-public personal information as defined in any **Privacy Law**.
- Q. Policy Period** means the period of time from the Inception date of this Policy to the Expiration date shown in the Declarations, or, if applicable, any earlier termination date. The **Policy Period** does not include the 60 day Automatic Extended Reporting Period and does include any optional Extended Reporting Period.
- R. Privacy Violation** means any:
1. failure to protect **Private Information** while in the care, custody or control of an **Insured**;
  2. violation of a **Privacy Law** by an **Insured**; or
  3. violation of an **Insured's** privacy policy with respect to provisions prohibiting any **Insured** from disclosing **Private Information**.
- S. Privacy Law** means those parts of the following statutes or regulations regulating the use and protection of non-public personal information (as defined in such statutes or regulation):
1. Health Insurance Portability and Accountability Act of 1996 (HIPAA);
  2. Gramm-Leach Bliley Act of 1999 (GLBA);
  3. consumer protection and unfair and deceptive trade practice laws enforced by state Attorneys General or the Federal Trade Commission, including but not limited to Section 5(a) of the Federal Trade Commission Act, 15. U.S.C § 45 (a), as amended;
  4. security breach notification laws that require notice to individuals of the actual or potential theft of their non-public personal information, including but not limited to the California Security Breach Notification Act of 2003 (CA SB1386); or
  5. other state, federal or foreign privacy laws for non-public personal information, or a privacy policy limiting the sale, disclosure or sharing of non-public personal information or providing individuals with the right to access or correct non-public personal information.
- T. Private Information** means any of the following information that exists in any format and that is in the care, custody and control of any **Insured**, or in the care, custody and control of a third party on any **Insured's** behalf:
1. **Personal Information**; or

2. confidential or proprietary business information that is not available to the general public.

**U. Professional Services** means services performed for others by an **Insured** in the conduct of the **Named Insured's** profession as a properly licensed Property and Casualty, Life and/or Accident and Health Insurance Agent, Broker or Solicitor, General Agent, Managing General Agent, Surplus Lines Broker, Insurance Consultant, Educator, Managing General Underwriter, Program Administrator, Wholesale Broker, insurance based risk management consultant or advisor, insurance expert witness, or insurance premium financier,

**Professional Services** shall also include:

- i. Incidental Property and Casualty Claims adjusting and appraisal within the agency draft authority as extended by a Property & Casualty product provider, but only in connection with Property and Casualty products placed through and serviced by the **Named Insured**;
- ii. **Employee Benefit Plan Administration**;
- iii. The offering, sale or service of variable life, variable annuities or mutual funds registered with the Securities Exchange Commission by an **Insured** who is a properly licensed Registered Representative or Registered Investment Advisor or Investment Advisor Representative and financial planning related to these products.
- iv. Notary services performed in the physical presence of the person whose signature is notarized
- v. The sale of Prepaid Legal Expense Plans. Prepaid Legal Expense Plan means a prepaid plan that provides the purchaser with access to a network of attorneys for legal advice and consultations for covered services as defined in the Prepaid Legal Expense plan according to a defined schedule of covered expenses.

**Professional Services** shall include the above services as provided via electronic means or methods as well as electronic dissemination of insurance or risk related content or material.

**V. Public Relations Event** means an event that, in the reasonable and fair opinion of the **Named Insured**, caused or may cause significant harm to the **Named Insured's** reputation.

**W. Public Relations Event Expenses** mean reasonable fees, costs, charges and expenses other than regular and overtime wages, salaries, overhead fees or benefits of an **Insured** incurred in the response to a **Public Relations Event**.

**X. Registered Representative**, means an **Insured** that is:

1. Licensed and, if applicable registered, by the Financial Industry Regulatory Authority (FINRA) and any other applicable federal, state or local governmental or non-governmental regulatory entity charged with regulating the solicitation and sale of securities; and
2. Contracted with or employed by a broker dealer (as defined in the Securities Exchange Act of 1934, as amended) that is licensed by FINRA.

**Y. Registered Investment Advisor or Investment Advisor Representative** means a properly licensed or registered individual or entity who or which provides services as an Investment Advisor (as defined in the Investment Advisors Act of 1940, as amended, or any similar state or local law or statute), and, if required to do so, is registered with the Securities Exchange Commission.

- Z. Related Claims** means all **Claims** arising out of a single **Wrongful Act** or arising out of **Related Wrongful Acts** in the rendering of **Professional Services**.
- AA. Related Wrongful Acts** means all casually connected **Wrongful Acts** that arise out of, either directly or indirectly, one or a series of **Wrongful Acts** whether such **Wrongful Acts** involve just the **Insured** or others for whose acts the **Insured** may be legally responsible.
- BB. Retroactive Date** means the date shown under **Retroactive Date** in the Declarations or in any **Retroactive Date** Endorsement attached hereto on or after which any **Wrongful Act** must have occurred in order for **Claims** arising there from to be covered under this Policy. **Claims** arising from any **Wrongful Acts** occurring prior to the **Retroactive Date** are not covered. If **You** purchased full prior acts coverage, the Policy Declarations or an endorsement attached hereto will display a full prior acts message rather than a **Retroactive Date**.
- CC. Securities** shall have the same meaning as the term used by the Securities Act of 1933, the Securities Exchange Act of 1934, the Investment Company Act of 1940, or the Investment Advisors Act of 1940, and any amendments thereto.
- DD. Totally and Permanently Disabled** means that an **Insured** is so disabled as to be wholly prevented from rendering **Professional Services**, provided that such disability:
1. Has existed continuously for not less than 6 months;
  2. Is reasonably expected to be continuous and permanent; and
  3. Did not result from self-inflicted injury, attempted suicide or alcohol or drug overdose.
- EE. Wrongful Act** means:
1. Any actual or alleged act, error, omission, misstatement, misleading statement, neglect or breach of duty by the **Insured** in the rendering of or failure to render **Professional Services**; and
  2. Any actual or alleged **Personal and Advertising Injury** arising out of the **Insured's** rendering of or failure to render **Professional Services**.