# LAWYERS PROFESSIONAL LIABILITY INSURANCE POLICY

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This is a CLAIMS-MADE AND REPORTED policy. Subject to the terms, conditions, exclusions and limitations of this policy, coverage is limited to liability for only those claims that are first made against you and reported to us in writing after the retroactive date and during the policy period or any optional extended reporting period, if exercised by you.

This is a “defense within limits” policy with claim expenses included within the limit of liability. The limit of liability available to pay damages will be reduced by amounts we pay for claim expenses as defined in the policy. Further note that amounts incurred for claim expenses and damages are subject to the deductible. Please read this policy carefully.

Throughout this policy, the terms we, us and our refer to the company providing this insurance. The terms you and your refer to the persons and entities insured under this policy. Other terms in bold print have special meaning and are defined in the policy.

A. COVERAGE

1. Professional Services Coverage
We will pay on your behalf those sums which you become legally obligated to pay as damages and claim expenses because of any claim made against you arising from a wrongful act in the rendering of or failure to render professional services, provided that:
   a. The wrongful act must have first occurred on or after the applicable retroactive date(s);
   b. You had no knowledge of facts which could have reasonably caused you to foresee a claim, or any knowledge of the claim, prior to the effective date of this policy; and,
   c. The claim or potential claim must first be made and reported to us in writing during the policy period or any extended reporting period, if applicable, and must arise from any wrongful act to which this policy applies.

2. Disciplinary Proceedings Coverage
We will pay up to $50,000 in disciplinary proceeding expenses per policy period, regardless of the number of disciplinary proceedings commenced against you and reported to us in writing during the policy period, subject to the following:
   a. We will not pay any damages incurred as a result of disciplinary proceedings;
   b. The coverage provided under this section only applies to you if you are a partner, limited liability company member, officer, director, stockholder or employee of the named insured at the time you report the investigation or proceeding;
   c. There will be no extended reporting period for the coverage provided in this section;
   d. Any payment made hereunder will not be subject to the deductible and will not reduce any applicable Limit of Liability.

For purposes of this section, reporting a preliminary investigation or a request for an investigation will be considered the same as reporting a disciplinary proceeding. However, we have no obligation under this section until the reported investigation is elevated to a disciplinary proceeding.

In the event you receive notice of a disciplinary proceeding, you must:
   a. Immediately give us written notice of the disciplinary proceeding; and
   b. Forward every request, notice or other communication you receive to us.

3. Subpoena Assistance Coverage
In the event you receive a subpoena for documents or testimony arising out of professional services, and you would like our assistance in responding to the subpoena, you may provide us with a copy of the subpoena, and we at our sole discretion may retain an attorney to provide advice regarding the production of documents, to prepare you for sworn testimony, and to represent you at any related deposition of you, provided that:
   a. The subpoena arises out of a lawsuit to which you are not a party; and
   b. You have not been engaged to provide advice or testimony in connection with the lawsuit, nor have you provided such advice or testimony in the past.
If we retain an attorney pursuant to the above, we will pay such attorney’s legal fees and costs. Such payments are included in the Limit of Liability and are subject to the deductible. Any notice you give to us of such subpoena will be deemed notification of a potential claim.

4.  Pre-claim Assistance

Until the date a claim is made, we will pay all costs or expenses we incur at our sole discretion as a result of investigating a potential claim that you report to us. Such payments are included in the Limit of Liability and are subject to the deductible.

B.  DEFENSE, SETTLEMENT & EXHAUSTION OF LIMITS (INCLUDED IN THE LIMIT OF LIABILITY)

We have the right to appoint counsel, and the exclusive right to defend any claim made under this policy, even if the allegations are groundless, false or fraudulent until there is a final adjudication against you. You may recommend counsel to us. We may accept that recommendation of counsel and such acceptance will not be unreasonably withheld, provided such counsel agrees to comply with our litigation management guidelines and agrees to accept our hourly fee payment. We are not obligated to defend any criminal investigation, criminal proceeding or prosecution against you. If a claim is not covered under this policy, we will have no duty to defend it.

Payment of claim expenses will reduce the amounts available to pay damages. Our duty to defend any claim or pay any amount as damages or claim expenses will cease when our Limit of Liability has been exhausted. Upon exhaustion of the Limit of Liability, we will tender control of the defense to the named insured. The named insured agrees to accept this tender of defense.

We will not settle a claim without the consent of the named insured, which will not be unreasonably withheld. If the named insured refuses to consent to a settlement we recommend that is acceptable to the claimant, then our liability for the claim will not exceed the amount for which the claim could have been settled, plus the claim expenses incurred up to the date of such refusal or the applicable Limit of Liability, whichever is less. After the time of the named insured’s refusal, we will have the right to withdraw from further defense of the claim by tendering control of the defense to the named insured who will be responsible for all damages and claims expenses incurred thereafter. For the purpose of this section, settlement includes, but is not limited to, any resolution of a claim that would have occurred as a result of any court-ordered process which the named insured chose not to accept.

The named insured is responsible for any fees or costs charged by a lawyer defending you or any other expenses incurred without our written consent.

C.  LIMIT OF LIABILITY AND DEDUCTIBLE

1.  LIMIT OF LIABILITY

The Limit of Liability shown in the Declarations for each claim is the most we will pay for the sum of all damages and claim expenses arising out of a single claim or a series of related claims, regardless of the number of persons or entities insured under this policy, number of claims made or the number of persons or entities making claims during the policy period or during any extended reporting period, if any.

If related claims are subsequently made against you and reported to us, all such related claims, whenever made, will be considered a single claim first made and reported to us within the policy period in which the earliest of the related claims was first made and reported to us.

The Limit of Liability shown in the Declarations as the Aggregate Limit of Liability is the most we will pay for the sum of all damages and claim expenses for all claims under this policy.

2.  DEDUCTIBLE

a.  You will pay the deductible amount shown in the Declarations. The deductible applies to each claim and to all damages. Each of you is jointly and severally liable for these payments, regardless of your individual business arrangements. We will not be required to make any payment for claim expenses, settlements reached, or judgments rendered in an otherwise covered claim unless and until you have paid the deductible in full. You must pay the deductible (i) immediately when invoiced or, (ii) in the event that offers of judgment or settlement demands are made which you and we agree should be accepted, prior to the expiration of the time period for responding to such offers or demands.

b.  All claim expenses will first be subtracted from the Limit of Liability, with the remainder, if any, being the amount available to pay for damages after you have paid the deductible in Paragraph a. above.
c. If you and we agree to use mediation to resolve any claim brought against you and if the claim is resolved by mediation within sixty (60) days after you receive the suit or demand, your deductible obligation for that claim will be reduced by 50%. The maximum amount of any reduction is $10,000.

3. AGGREGATE DEDUCTIBLE
The Aggregate Deductible amount will be shown in the Declarations if applicable and is the most you will pay for the sum of all claims expenses and damages for all claims first made and reported to us during the policy period.

4. REIMBURSEMENT
You will be liable for amounts we have paid in settlement of claims or satisfaction of judgments in excess of the Limit of Liability. In the event that we voluntarily choose or are compelled by a court of law to make any payment for claims expenses or damages and request reimbursement from you, the reimbursement is payable immediately upon written demand but no later than thirty (30) days after written demand.

In the event that we voluntarily choose or are compelled by a court of law to make any payment for the deductible and request reimbursement from you, the reimbursement is payable immediately upon written demand but no later than thirty (30) days after written demand.

D. DEFINITIONS
1. Claim means:
   a. A demand or suit for money or services you receive, including any arbitration proceedings to which you are required to submit or to which you have submitted with our consent;
   b. Your first receipt of oral or written information or your first knowledge of specific circumstances involving a particular person or entity which could reasonably be expected to result in a demand or suit for money or services, including but not limited to your first receipt of an oral or written request to notify us of a potential claim; or
   c. Your first receipt of oral or written notification of any disciplinary proceeding.

2. Claim expenses means all expenses we incur or authorize in writing for the investigation, adjustment, defense or appeal of a claim. These expenses include fees charged by a lawyer, mediator or arbitrator with our consent for which you are obligated. Claim expenses also means premiums for any appeal bond, attachment bond or similar bond but without any obligation of the company to apply for or furnish any such bond. Claim expenses does not include salaries, wages, fees, overhead or benefit expenses associated with our employees, or with any insured or insured’s employees.

3. Company means the insurance company that issued this policy, as shown on the Declarations or referred to herein as we, us, or our.

4. Damages means monetary judgments, awards or settlements unless otherwise excluded. Damages includes pre-judgment interest; and post judgment interest that accrues after entry of judgment and before we have paid, offered to pay or deposited in court that part of the judgment within the applicable Limit of Liability.

Damages does not include fines, sanctions, or punitive or exemplary damages or the multiple portions thereof; except that this policy will cover punitive damages or exemplary damages or the multiple portions thereof, if insurable by law. The most we will pay under the exception is $50,000. This limit is included in and not in addition to the Limit of Liability and is subject to the deductible.

Damages does not include any costs or expenses in complying with any demand for or award of equitable relief, even if such compliance is compelled as a result of a judgment, award or settlement.

Damages does not include any costs or expenses relating to your:
   a. Return, restitution or reduction of professional fees;
   b. Fees from third parties;
   c. Fees to third parties;
   d. Correcting, re-performing or completing any professional services.

5. Disciplinary proceeding expenses means all expenses we or, with our prior written consent, you incur in investigation, defense or appeal of any disciplinary proceeding.
6. **Disciplinary proceeding** means any formal administrative or regulatory proceeding by a disciplinary official or agency based on a finding of probable cause to prosecute charges alleging professional misconduct or ethical violations in the performance of your professional services.

7. **Employment practices** means any actual or alleged:
   
   a. Wrongful termination of the employment of, or demotion of, or failure or refusal to hire or promote any person in violation of law or in breach of any agreement to commence or continue employment;
   
   b. Unlawful employment discrimination;
   
   c. Sexual harassment of an employee or applicant for employment; or
   
   d. Retaliatory treatment against an employee on account of that employee’s exercise or attempted exercise of his or her rights under law.

8. **Equitable relief** means a remedy not involving the payment of monetary damages.

9. **Extended reporting period** means an additional period of time for reporting claim(s). The extended reporting period starts on the policy termination date and ends at the extended reporting period expiration date.

10. **Insured** means:
   
   a. The named insured or any predecessor firm; or
   
   b. Any lawyer, partnership, professional corporation, professional association, limited liability company or limited liability partnership who is or becomes a partner, officer, director, stockholder-employee, associate, manager, member or employee of the named insured during the policy period shown in the Declarations solely while acting in a professional capacity on behalf of the named insured or a predecessor firm; or
   
   c. Any lawyer, partnership, professional corporation, professional association, limited liability company or limited liability partnership who was a partner, officer, director, stockholder-employee, associate, manager, member or employee of the named insured or a predecessor firm solely while acting in a professional capacity on behalf of the named insured or a predecessor firm; or
   
   d. Any non-lawyer who was or is an employee or independent contractor of the named insured or a predecessor firm solely while acting on behalf of the named insured or a predecessor firm; or
   
   e. Any Of Counsel or contracted lawyer who is or was formerly covered under a policy held by the named insured, but solely while acting in a professional capacity on the named insured’s behalf; or
   
   f. The named insured’s heirs, assigns, spouse or domestic partner, and legal representatives in the event of the named insured’s death, incapacity or bankruptcy to the extent that the named insured would have been covered.

11. **Loss** means claim expenses, damages and disciplinary proceeding expenses and does not include equitable relief.

12. **Material change** means:
   
   a. A fifteen percent (15%) increase or decrease in the total number of individuals covered by this policy, as shown on the application, however, this will not pertain to any named insured which has six (6) or fewer lawyers who meet the definition of insured as of the date as set forth in the application;
   
   b. Any mergers, acquisitions, spin-offs, dissolutions or splits involving the named insured; or
   
   c. Financial impairment of the named insured, including but not limited to the appointment of a receiver, conservator, liquidator, or trustee for the named insured, or if under the bankruptcy laws, the named insured has become a debtor in possession.

13. **Mediation** means the non-binding intervention of a qualified neutral third party to resolve disputes between you and the other party(ies) to a claim who is chosen by you and the other party(ies) to a claim with agreement by us.

14. **Named insured** means the individual, entity, partnership, or corporation designated as such on the Declarations.

15. **Personal injury** means:
   
   a. False arrest, detention or imprisonment;
   
   b. Wrongful entry, eviction or other invasion of private occupancy;
c. Malicious prosecution;
d. Abuse of process;
e. The publication or utterance of libel, slander or other defamatory or disparaging material; or
f. A publication in violation of a person’s right of privacy; and

arising out of a wrongful act in your rendering of or failure to render professional services.

16. Policy means this policy form, the Declarations, and any endorsement to the policy issued by us, and your application, including all supplements.

17. Policy period means the period from the effective date of the policy to the policy termination date.

18. Policy termination date means the expiration date of the policy as shown on the Declarations or the cancellation date of the policy, if applicable, whichever is earlier.

19. Potential claim means any wrongful act or any facts or other circumstances which may subsequently give rise to a claim.

20. Predecessor firm means any law firm or legal entity that was engaged in the private practice of law and to whose financial assets and liabilities the named insured is the majority successor (more than 50%) in interest.

21. Professional services means:
   a. Services you render as a lawyer, mediator, arbitrator, notary public, administrator, conservator, receiver, executor, guardian, trustee, or in any similar fiduciary capacity, but only if the services you render are those ordinarily performed by a lawyer;
   b. Services (including title opinions or title certifications) you perform for others for a fee as a title insurance agent, title abstractor, title searcher, escrow agent, or closing agent;
   c. Services you render as a lawyer as a mediator or arbitrator, speaker, author of legal treatises or lobbyist;
   d. Your activities as a member of a formal accreditation, ethics, peer review, licensing board, standards review, bar association or similar professional board or committee; and
   e. Pro-bono services in any of the above capacities which are performed with the knowledge and consent of the named insured.

Professional services does not include:
   a. Services you provide as a public official or an employee or representative of a governmental body, subdivision or agency. This exclusion does not apply if your status is due only to the legal services you render under contract;
   b. Services you provide as a notary in which you provide notarization without the signor being present;
   c. Services you provide in relation to or as the promoter, seller or solicitor of securities, real estate, or other investments; or
   d. Any of your activities as a Certified Public Accountant, Insurance Broker or Agent, or Real Estate Broker or Agent.

22. Related wrongful acts means all wrongful acts in the rendering of professional services that are temporally, logically or causally connected by any common fact, circumstance, situation, transaction, event, advice or decision.

23. Related claims mean all claims arising out of a single or series of wrongful acts or arising out of related wrongful acts in the rendering of professional services.

24. Retroactive date refers to the date shown on the Declarations for the named insured firm. Wrongful acts that occurred prior to the retroactive date are not covered by this policy.

25. Totally and permanently disabled means that an insured is so disabled as to be wholly prevented from rendering professional services provided that such disability:
   a. Has existed continuously for not less than six (6) months; and
   b. Is reasonably expected to be continuous and permanent.

26. Wrongful act means any actual or alleged negligent act, error, omission, misstatement or personal injury committed in your professional services.
E. EXCLUSIONS

This policy does not apply to claim(s):

1. Based upon or arising out of, or relating directly or indirectly to:
   a. Any insured committing any intentional, dishonest, criminal, malicious or fraudulent act or omission. However, this exclusion does not apply to personal injury; or
   b. Any insured gaining any profit, remuneration or advantage to which such insured was not legally entitled.

   The above exclusions will not apply until a final adjudication establishes a., or b. above;
   c. Any breach of fiduciary duty including:
      Any breach of responsibility, or obligation, or alleging activities you performed in connection with any employee benefit or pension plan, including violations of the responsibilities, obligations or duties imposed upon fiduciaries by the Employee Retirement Income Security Act of 1974 ("ERISA"), as amended, or similar statutory or common law of the United States of America or any state or jurisdiction therein; or
      Any breach by a former, existing or prospective officer, director, shareholder, partner, manager, member, or trustee of any entity including pension, welfare, profit-sharing, mutual or investment fund or trust, if such entity is not named in the Declarations. However, this exclusion does not apply if you are deemed to be a fiduciary solely because of legal advice rendered or that should have been rendered with respect to an employee benefit plan;
   d. Any loss sustained by an insured or claim made against an insured as beneficiary or distributee of any trust or estate;
   e. Any defects in title of which you had knowledge at the date of issuance of such title insurance but failed to disclose to the title insurance company; or any breach of underwriting authority in your capacity as a title insurance agent;
   f. Any liability you assume under any contract or agreement; however, this exclusion does not apply to liability you would have in the absence of such contract or agreement;
   g. Any actual or alleged conversion, commingling, defalcation, misappropriation, intentional or illegal use of funds, monies or property; or inability or failure to pay or collect any funds, notes, drafts, or other negotiable instruments; or any resulting deficiency or default;

2. Arising out of or based upon;
   a. Any employment practices or any discrimination on any basis, including, but not limited to: race, creed, color, religion, ethnic background, national origin, age, handicap, disability, gender, sexual orientation or pregnancy, or any other basis prohibited by law; or
   b. Your sexual contact or conduct or the threat of sexual contact or conduct;

3. Arising out of a claim by any insured under this policy against any other insured under this policy unless the claim arises from professional services rendered by one insured to another insured as a client;

4. Arising out of or made by any entity not named in the Declarations in which you:
   a. Hold an interest of more than 5% if a publicly traded company or more than 15% if a privately owned entity as a partner, member, principal or stockholder; or
   b. Are an employee; or
   c. Directly control, operate or manage.

   This exclusion will not apply to any claim by a non-profit entity for which you are a director, officer or trustee; or

5. Arising solely out of:
   a. A wrongful act of any person or entity with whom the named insured shares a common office space at the named insured’s premises and who is not an insured under this policy; or
   b. Any claim made against you if the claim arises solely out of an act, error or omission of any other person or lawyer who is not an insured as defined in this policy, including but not limited to claims based upon theories of partnership by estoppel, apparent partnership, apparent agency, ostensible agency, vicarious liability and/or any similar theory.
F. EXTENDED REPORTING PERIOD

1. AUTOMATIC EXTENDED REPORTING PERIOD

You will be entitled to an automatic extended reporting period for no additional premium. This extension is applicable to any claim made against you during the policy period and reported to us in writing during the sixty (60) days immediately following the policy termination date. This automatic extended reporting period applies only to SECTION A.1. Professional Services Coverage.

2. OPTIONAL EXTENDED REPORTING PERIOD

We will provide an optional extended reporting period as described below:

a. If this policy is canceled, terminated or nonrenewed, the named insured will have the right, upon payment of an additional premium, to an extension of the reporting period for any claim against you first made and reported after the date upon which the policy period ends, but only with respect to wrongful acts committed after the applicable retroactive date and prior to the end of the policy period and otherwise covered by this policy. Such period will be referred to as the optional extended reporting period.

1) The available optional extended reporting periods and additional premium are determined in accordance with the rules, rates and rating plans in effect in your state on the date this policy was issued or last renewed.

2) You must request the optional extended reporting period in writing and must pay us the additional premium within sixty (60) days following the date of such cancellation, termination or nonrenewal. If we do not receive your request and premium payment within sixty (60) days following the date of such cancellation, termination or nonrenewal, your right to purchase the optional extended reporting period will cease.

3) If we cancel for non-payment of premium, you may purchase the optional extended reporting period only after any earned premium due is paid within ten (10) days after the date of cancellation or policy expiration, whichever comes first.

b. All premiums paid for an optional extended reporting period will be deemed fully earned as of the first day of the optional extended reporting period. The optional extended reporting period may not be canceled.

c. The optional extended reporting period will not increase any Limit of Liability stated in the Declarations. For the purpose of policy limits, the reporting periods are part of, not in addition to, the policy period.

If there is other valid and collectible insurance that would apply to a loss reported during the extended reporting period, then coverage under this section will not apply, even though the Limit of Liability for the other insurance may be inadequate to pay all damages and claim expenses. This optional extended reporting period applies only to SECTION A.1. Professional Services Coverage.

3. DEATH OR DISABILITY EXTENDED REPORTING PERIOD

If you die or become totally and permanently disabled, do not have any other available insurance coverage and meet our eligibility requirements, we will issue an extended reporting period endorsement of unlimited duration without cost to you, provided:

a. Death was not caused by a self-inflicted injury or misuse or abuse of any substance.

b. The total and permanent disability is established after the effective date of the policy. The disability must be a result of accidental bodily injury, physical illness or disease, and not arise out of any self-inflicted injury or attempted suicide, or the abuse of intoxicants or controlled substances. Your inability to practice law must be certified in writing by a physician acceptable to us.

4. RETIREMENT EXTENDED REPORTING PERIOD

If you have retired completely from the practice of law, been continuously insured with us for the immediately preceding three (3) years, and have reached the age of 55, we will issue an extended reporting period endorsement of unlimited duration without cost to you.

5. LOSS, SUSPENSION, REVOCATION OR SURRENDER OF YOUR LICENSE

If you leave the practice of law as a result of loss, suspension, revocation or surrender of your license because of threatened, pending or actual disciplinary action, you are not eligible to purchase or receive an extended reporting period endorsement. If you have a solo practice when you lose your license,
then neither the firm nor you are eligible to purchase or receive an extended reporting period endorsement.

G. DUTIES IN THE EVENT OF CLAIM(S) OR POTENTIAL CLAIM(S)

1. NOTICE OF CLAIM OR DISCIPLINARY PROCEEDING

a. If you receive notice of a claim or disciplinary proceeding, you and any other involved insured(s) must provide to us written notice of the claim or disciplinary proceeding, with full details including the date received, the claimant's name and address, the dates and nature of retention, and the alleged wrongful act as soon as practicable, but in no event later than sixty (60) days after such claim or disciplinary proceeding is first made.

b. You and any other involved insured must:
   1) Immediately send us copies of any demands, notices, summonses or legal papers received in connection with the claim or disciplinary proceeding;
   2) Authorize us to obtain records and other information;
   3) Cooperate with us in the investigation, defense or settlement of the claim or disciplinary proceeding;
   4) Cooperate with us in the investigation of coverage for the claim or disciplinary proceeding; and
   5) Assist us, upon our request, in the enforcement of any right against any person or entity which may be liable to you because of damages to which this insurance may apply.

c. No insured will, except at that insured's own cost, voluntarily make a payment, assume any obligation, agree to a settlement or incur any expense related to a claim or disciplinary proceeding without our consent.

2. NOTICE OF POTENTIAL CLAIM OR DISCIPLINARY PROCEEDING

a. If, during the policy period, you become aware of a wrongful act or any facts or other circumstance that occurred on or after the retroactive date but prior to the end of the policy period which may reasonably be expected to subsequently give rise to a claim or disciplinary proceeding against you, you must give us written notice as soon as practicable of the potential claim or disciplinary proceeding, but in any event not later than the end of the policy period or any extended reporting period, if applicable. To the extent possible notice should include:
   1) Where the wrongful act took place and any facts or circumstance concerning the wrongful act; and
   2) The names and addresses of any persons and entities involved.

b. Any claim or disciplinary proceeding arising out of the wrongful act, facts or circumstance which is subsequently made against you will be deemed to have been first made at the time we received such written notice of the potential claim or disciplinary proceeding from you, if we receive proper notice of the potential claim or disciplinary proceeding according to Paragraph a. above.

H. CONDITIONS

1. CANCELLATION AND NON RENEWAL

a. We may cancel this policy by mailing to the named insured's last known address, with postage fully prepaid:
   1) Ten (10) days’ written notice of cancellation for nonpayment of premium or deductible; or
   2) Thirty (30) days’ written notice of cancellation for reasons other than nonpayment of premium; and
   3) Whether or not we offer a return of unearned paid premium or assessment.

b. The named insured may cancel this policy for itself and all other insureds by written notice to us stating when thereafter the cancellation will be effective. If this policy is cancelled, earned premium will be computed in accordance with the customary short rate proportion of the premium.

c. We are not required to renew this policy. However, we will send written notice of our intent to nonrenew this policy to the named insured at least (thirty) 30 days prior to expiration of the policy period. We will extend the period of coverage of the current policy at the expiring premium to comply with this notice requirement. The earned premium for any period of coverage beyond the expiration
date will be considered pro rata based upon the rates in effect at the inception date of the expiring policy.

d. We will not amend the retroactive date(s) during a period of continuous coverage.

2. REPRESENTATIONS AND APPLICATION

By accepting this policy you agree that:

a. The statements in the Declarations are accurate and complete;

b. Those statements are based on representations you made in your application for this insurance policy;

c. The representations made in your application are the basis of this policy and are to be considered as incorporated into and constituting a part of this policy;

d. Those representations are material to the acceptance of the risk we assumed under this policy;

e. We have issued this policy in reliance upon the truth, accuracy and completeness of such representations;

f. The application will be interpreted as a separate application for coverage by each insured. No statement in the application, fact pertaining to or knowledge possessed by any insured will be imputed to any other insured for the purpose of determining if coverage is available; and

g. Statements in the application, facts pertaining to or knowledge possessed by the individual signing the application will be imputed to the named insured.

3. LEGAL ACTION AGAINST US

No person or entity has a right under this policy:

a. To join us as a party or otherwise bring us into a suit asking for damages from an insured; or

b. To sue us on this policy unless all of its terms have been fully complied with.

A person or entity may sue us to recover on an agreed settlement or on a final judgment against an insured; but we 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 Liability. An agreed settlement means a settlement and release of liability signed by us, the insured and the claimant or the claimant’s legal representative.

4. MATERIAL CHANGE

If during the policy period a material change occurs, you will notify us of the material change as soon as practicable, but not later than thirty (30) days after the effective date of the material change, and provide such additional information as we require. We will have the right to amend the terms and conditions of this policy according to our existing approved rates, rules and rating plans.

5. TRANSFER OF RIGHTS OF RECOVERY AGAINST OTHERS TO US

If you have rights to recover all or part of any payment we have made under this policy, these rights are transferred to us. You must do nothing after a loss to impair our rights to seek or obtain recovery from others. At our request, you will sue those responsible or transfer those rights to us and help us enforce them. In the event of any payment under this policy, we will be subrogated to the extent of such payment to all of your rights of recovery. You will execute and deliver such instruments and papers and do whatever else is necessary to secure such rights and will do nothing to prejudice or compromise such rights without our express written consent.

6. ASSIGNMENT

No change in, modification of or assignment of interest in this policy will be effective except when made by a written endorsement to the policy.

7. SOLE AGENT FOR THE INSURED

By accepting this policy, you agree that only the named insured is authorized to act on behalf of all insureds with respect to the following: consenting to settlement or releasing rights under this policy, payment for premiums, receiving return premiums, giving or receiving notice of cancellation or nonrenewal, requesting any optional extended reporting period and agreeing to any changes in this insurance policy. Each insured agrees that the named insured will act on its or their behalf with respect to such matters.
8. COVERAGE TERRITORY AND VALUATION
   a. This policy applies to a wrongful act committed anywhere in the world, provided that the claim is made and suit is brought against the insured within the United States, its territories or possessions or Canada.
   b. All premiums, limits, deductibles, loss and other amounts are expressed and payable in the currency of the United States of America. If a judgment is rendered, a settlement is denominated or another element of loss under this policy is stated in a currency other than the United States of America dollars, payment under this policy will be made in United States of America dollar equivalent determined by the rate of exchange published in the Wall Street Journal on the date the judgment becomes final, the amount of the settlement is agreed upon or any element of loss is due, respectively.

9. OTHER INSURANCE
   a. If other valid and collectible insurance is available to you for loss covered under this policy, the insurance provided by this policy will be excess over such other insurance, regardless of whether or not such insurance is primary, contributory, excess, contingent or otherwise.
   b. When this insurance is excess we have no duty to defend you against any claim if any other insurer has a duty to defend you against the claim. If no other insurer defends we will undertake to do so but we will be entitled to your rights against those other insurers.
   c. When this insurance is excess over other insurance we will pay only our share of the amount of loss, if any, that exceeds the sum of:
      1) The total amount that all such other insurance would pay for the loss in the absence of this insurance; and
      2) The total of all deductibles, self-insurance and retentions under all that other insurance.
   
   We will share the remaining loss, if any, with any other insurance that is not described in this provision and was not bought specifically to apply in excess of the Limit of Liability shown on the Declarations of this policy.

10. TWO OR MORE POLICIES, COVERAGE PARTS, OR ENDORSEMENTS ISSUED BY US
   It is our stated intention that this policy and any other policy, coverage part or endorsement issued by us, or by another member of the Hanover Insurance Group will not provide duplication or overlap of coverage for the same claim. If this policy and any other policy issued by us, or by another member of the Hanover Insurance Group, to you, apply to the same claim, then, Condition 9. Other Insurance notwithstanding:
   a. We will not be liable under this policy for a greater proportion of the loss than the applicable Limit of Liability of this policy bears to the sum of the total Limits of Liability of all such policies; and
   b. The maximum amount payable under all such policies combined will not exceed the highest applicable Limit of Liability under any one policy.

11. ALLOCATION
   If you incur both loss covered by this policy and loss not covered by this policy on account of any claim because such claim includes both covered and non-covered matters, coverage with respect to such claim will apply as follows:
   a. 100 percent of claim expenses on account of the claim will be considered covered loss; and
   b. We will fairly allocate all remaining loss that you incurred on account of such claim between covered loss and non-covered loss.

12. SEPARATION OF INSURED
   Except with respect to the Limit of Liability, deductible and any rights or obligations assigned to the named insured, this insurance applies:
   a. As if each insured were the only insured; and
   b. Separately to each insured against whom a claim is made.

13. CONFORMANCE TO STATUTE
   The terms of this policy which are in conflict with the statutes of the state in which this policy is issued are amended to conform to those statutes.
14. SECTION TITLES

The titling of sections and paragraphs within this policy is for convenience only and will not be interpreted as a term or condition of this policy.

15. INNOCENT INSUREDS

In the event that coverage under this policy would be excluded, suspended or lost because any of you concealed a claim from us, we will cover any other of you who did not participate in, acquiesce in or fail to promptly notify us of this concealment, provided that you complied with all other policy provisions.

In the event that coverage under this policy would be excluded, suspended or lost because of a dishonest, criminal, malicious, or fraudulent act, error, or omission by one or more of you under Exclusions 1.a., 1.b., 1.g., 2.a. or 2.b. we will cover any other of you who did not participate in, acquiesce in or fail to take appropriate action when you discovered the conduct, provided that you complied with all other policy provisions.

We have the right to recover against any insured responsible for dishonest, criminal, malicious or fraudulent acts, errors, omissions, or discrimination, or concealment, or any other illegal act, whether or not intentional, for any claim expenses or damages paid under this section.

16. POLICY DISPUTES

If there is a dispute between you and us in the interpretation, validity, construction or enforceability of this policy, the dispute will be referred to non-binding mediation prior to the initiation of any legal proceeding. We and you agree to meet with a qualified mediator in a good faith effort to negotiate a resolution of the dispute unless we and you both agree in writing to waive this provision. We and you agree to split the cost of the mediator equally. If you and we cannot agree on the specifics of the mediation, including but not limited to date, time, and/or mediator, the mediation process will instead follow the Commercial Mediation Procedures of the American Arbitration Association in effect at the inception of this policy. The mediation will continue until the dispute is resolved; or the mediator notifies you and us that it is unlikely that the dispute will be resolved through mediation; or any party elects to end the mediation.

You have thirty (30) days to accept our written invitation to participate in mediation. Refusal to participate in mediation, respond to a request to participate in mediation, or, after agreeing to participate, refusal to agree to terms of mediation, or to pay your share of mediation expenses will result in a waiver of this clause.

17. BANKRUPTCY

You or your estate’s bankruptcy or insolvency does not relieve us of our obligations under this policy.

18. LIBERALIZATION

If we adopt any revisions to the terms and conditions of this policy form to provide more coverage without an additional premium charge during the policy term, the broadened coverage will immediately apply. However, the broadened terms and conditions will not apply to any claims that were first made against you prior to the effective date of the revision.

19. NOTICES

Any notices required to be given by an insured will be submitted in writing to the company or its authorized representative. If mailed, the date of mailing of such notice will be deemed to be the date such notice was given and proof of mailing will be sufficient proof of notice.