

# Lawyers PROtect<sup>SM</sup>

## Professional Liability Insurance

**THIS IS A CLAIMS MADE AND REPORTED LIABILITY COVERAGE POLICY. PLEASE READ THIS POLICY CAREFULLY.**

NOTICE: THIS IS CLAIMS MADE AND REPORTED COVERAGE. SUBJECT TO ITS TERMS AND CONDITIONS, THIS POLICY ONLY AFFORDS COVERAGE FOR CLAIMS FIRST MADE AGAINST THE INSURED AND REPORTED TO THE INSURER IN WRITING DURING THE POLICY PERIOD OR EXTENDED REPORTING PERIOD, IF APPLICABLE.

**DEFENSE WITHIN LIMITS: THE LIMIT OF LIABILITY AVAILABLE TO PAY SETTLEMENTS OR JUDGMENTS WILL BE REDUCED, AND MAY BE EXHAUSTED, BY DEFENSE COSTS. PLEASE READ THIS POLICY CAREFULLY.**

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties and what is and is not covered.

Words and phrases that appear in bold are defined and may be used in the singular or plural, as appropriate; please refer to Section III – Definitions.

**In consideration of the payment of the premium, and in reliance on all statements made and information furnished to the Insurer, and subject to all of the terms and conditions of this policy (including all endorsements hereto), the Insurer agrees with the Insured to provide insurance as stated in this policy.**

### SECTION I - COVERAGES

#### A. Insuring Agreement

The **Insurer** agrees to pay on behalf of the **Insured** all amounts in excess of the Deductible and up to the Limit of Liability that the **Insured** becomes legally obligated to pay as **Damages** and **Defense Costs** resulting from a **Claim** first made and reported in writing during the **Policy Period** or Extended Reporting Period, if applicable, arising out of a **Wrongful Act** committed before the end of the **Policy Period** and on or after the Retroactive Date, if any, shown in the Declarations.

#### B. Supplemental Payments

All of these Supplemental Payments will be subject to the applicable Limit of Liability shown in Item 5 of the Declarations. The Supplemental Payments are in addition to the aggregate Limit of Liability for all **Claims**.

##### 1. Crisis Management Expenses

The **Insurer** will reimburse the **Named Insured** for any **Crisis Management Expenses** resulting directly from a **Crisis Management Event** that occurs and is reported in writing to the **Insurer** during the **Policy Period**.

##### 2. Disciplinary Proceedings

If, during the **Policy Period**, a **Disciplinary Proceeding** is first brought against any **Insured**, the **Insurer** will reimburse the **Insured** for reasonable and necessary legal fees and expenses that the **Insured** incurs in the defense of such matter. Such legal fees and expenses do not include any fines, penalties or restitution paid by the **Insured** as part of or to resolve a **Disciplinary Proceeding**.

Any notice given to the **Insurer** by any **Insured** under this subsection will be deemed notice of **Potential Claim**.

### 3. Subpoena Assistance

If, during the **Policy Period**, an **Insured** first receives a subpoena for documents or testimony arising out of **Professional Services** performed by any **Insured**, and the **Insured** requests the **Insurer's** assistance in responding to such subpoena, the **Insurer** will reimburse the **Insured** for reasonable and necessary legal fees and expenses incurred to provide the **Insured** advice regarding the production of documents in response to the subpoena; costs incurred by the **Insured** to produce any documents in response to the subpoena; and legal fees and expenses to prepare the **Insured** for sworn testimony including testimony at a hearing, trial or examination under oath; and to represent the **Insured** at the **Insured's** deposition; provided that:

- a. the subpoena arises out of a lawsuit to which the **Insured** is not a party; and
- b. the **Insured** has not been engaged to provide advice or testimony in connection with the civil lawsuit and the **Insured** has not provided such advice or testimony in the past.

Response to a subpoena as described above will not be considered a **Claim** or **Disciplinary Proceeding** under the policy and the coverage for any response to a subpoena is limited to that provided under this section.

## SECTION II – LIMITS OF LIABILITY AND DEDUCTIBLE

### A. Limits of Liability: SECTION I – COVERAGES, A. Insuring Agreement

1. Limit of Liability: Each **Claim** under SECTION I – COVERAGES, A. Insuring Agreement: The most the **Insurer** will pay for **Damages** and **Defense Costs** for each **Claim** covered by this policy under SECTION I – COVERAGES, A. Insuring Agreement is the amount shown for Limit of Liability in Item 4 of the Declarations.
2. Limit of Liability: Aggregate for all **Claims** under SECTION I – COVERAGES, A. Insuring Agreement: The most the **Insurer** will pay for all **Damages** and **Defense Costs** for all **Claims** in the Aggregate covered by this policy under SECTION I – COVERAGES, A. Insuring Agreement is the amount shown in Item 4 of the Declarations.
3. **Defense Costs** are part of and not in addition to the Limits of Liability. Payment of **Defense Costs** by the **Insurer** will reduce, and may exhaust, the Limits of Liability.

### B. Limits of Liability: SECTION I – COVERAGES, B. Supplemental Payments

Supplemental Payments under Section I – COVERAGES, B. Supplemental Payments will be paid in addition to the Each **Claim** or Aggregate Limit of Liability, as applicable, shown in Item 4 of the Declarations.

1. Limits of Liability: **Crisis Management Expenses**: The most the **Insurer** will pay for **Crisis Management Expenses** covered under SECTION I – COVERAGES, B. Supplemental Payments 1 of this policy during the **Policy Period** resulting from each **Crisis Management Event** and in the Aggregate is the amount shown for **Crisis Management Expenses** in Item 5 of the Declarations.
2. Limits of Liability: **Disciplinary Proceeding**: The most the **Insurer** will pay for each such **Disciplinary Proceeding** and in the Aggregate under SECTION I – COVERAGES, B. Supplemental Payments 2 of this policy during the **Policy Period** is the amount shown in Item 5 of the Declarations.
3. Limits of Liability: Subpoena Assistance: The most the **Insurer** will pay for each response to a subpoena and in the Aggregate under SECTION I – COVERAGES, B. Supplemental Payments, 3 of this policy is the amount shown in Item 5 of the Declarations. The Subpoena Assistance Limit of Liability will apply to all subpoenas issued in the same civil lawsuit.

### C. Deductible

1. Regarding the coverage provided by this policy under SECTION I – COVERAGES, A. Insuring Agreement Each **Claim** Deductible shown in Item 4 of the Declarations applies to each **Claim** and will be paid by the **Insured** as a condition precedent to payment of any **Damages** or **Defense Costs** by the **Insurer**. The **Insured** must pay the applicable Deductible for each **Claim** no later than 30 days after the **Insurer's** written request regardless of the number of **Claims** covered by this policy. Any Aggregate Deductible amount shown in Item 4 of the Declarations is the most the **Insured** will pay as a Deductible for all **Claims** covered by this policy.
2. Regarding the coverage provided by this policy under SECTION I – COVERAGES, B. Supplemental Payments, Each **Expense Event** Deductible shown in Item 5 of the Declarations applies respectively to each **Crisis Management Expense**, **Disciplinary Proceeding** or response to a subpoena and will be paid by the **Insured** as a condition precedent to payment of any amount by the **Insurer**. The Each Subpoena Deductible will apply to all subpoenas issued in the same civil lawsuit. The **Insured** must pay the applicable Deductible for each **Expense Event** no later than 30 days after the **Insurer's** written request regardless of the number of **Expense Events** covered by this policy.
3. The **Insured's** Deductible obligation for each **Claim** will be reduced by 50%, subject to a maximum aggregate reduction of all Deductibles for all **Claims** of \$25,000 if, within 180 days of the institution of arbitration proceedings or service of suit, the **Insurer** agrees and the **Insured** consents to the final settlement of a **Claim** during a voluntary mediation. This reduction does not apply to any **Claim** resolved through court-mandated mediation or arbitration.

### SECTION III - DEFINITIONS

- A. **Bodily Injury** means physical injury, sickness, disease or death of any person.
- B. **Claim** means any of the following arising from a **Wrongful Act**:
1. a written demand received by any **Insured** for monetary, non-monetary or injunctive relief, including a written demand that the **Insured** toll or waive a statute of limitations;
  2. a civil proceeding against any **Insured** commenced by the service of a complaint or similar pleading;
  3. the institution of an arbitration, mediation, or other alternate dispute resolution proceeding against any **Insured**;
  4. a **Privacy Breach Claim**;
  5. a **Security Event Claim**; or
  6. a **Social Engineering Incident Claim**.
- C. **Controlled Enterprise** means any business enterprise if at the time the **Wrongful Act** occurs:
1. such business enterprise is a publicly traded entity and 5% or more of its issued and outstanding securities or voting rights to elect or appoint a board of directors or an equivalent governing body is owned or controlled, individually or collectively, by one or more of the **Insureds** or the **Insured's** qualified domestic partners; or
  2. such business enterprise is not a publicly traded entity and 25% or more of the legal, beneficial or equitable ownership of such enterprise is owned or controlled, individually or collectively, by one or more of the **Insureds** or the **Insured's** qualified domestic partners.

**Controlled Enterprise** will not include the **Named Insured** entity or a business enterprise in which any **Insured's** legal, beneficial or equitable ownership of such enterprise is exclusively in a fiduciary

capacity as an administrator, conservator, executor, trustee, guardian, receiver or committee or in a similar fiduciary capacity incidental to the practice of law by any **Insured**.

D. **Crisis Management Event** means:

1. the death, departure or debilitating illness of any present partner, officer, owner, director or, shareholder of the **Named Insured**;
2. a potential dissolution of the **Named Insured**; or
3. an incident of workplace violence related to the **Named Insured**.

E. **Crisis Management Expenses** means reasonable and necessary expenses approved by the **Insurer**, in its sole discretion, for a public relations firm to assist the **Named Insured** in mitigating reputational harm to the **Named Insured** caused by a **Crisis Management Event**. **Crisis Management Expenses** do not include the remuneration, salaries, overhead, fees or expenses of the **Insured** or any fees or expenses incurred prior to the time that a **Crisis Management Event** is reported to the **Insurer**.

F. **Damages** means a monetary judgment or settlement that an **Insured** becomes legally obligated to pay as a result of a covered **Claim**, including punitive or exemplary damages where insurable under applicable law.

1. **Damages** include pre- and post- judgment interest on the entire amount of any judgment which accrues after the entry of the judgment and before the **Insurer** has paid or tendered or deposited in the Court that part of the judgment that does not exceed the policy limit.
2. **Damages** do not include:
  - a. any fines, penalties, taxes or sanctions, whether imposed by law or otherwise;
  - b. the return, reduction or restitution of fees, costs or expenses including any recovery of an overcharge for, or offset due, for legal fees, profits, costs or expenses, or any other consideration paid to, or payable to, or received by any **Insured**;
  - c. amounts which are uninsurable under applicable law;
  - d. the cost of complying with any injunctive, declaratory, or administrative or other non-monetary relief;
  - e. fees, costs, and expenses paid, incurred, or charged by the **Insured**, no matter whether claimed as a restitution of specific funds, financial loss, mitigation expenses, or other non-cash consideration;
  - f. amounts paid or incurred by the **Insured** to replace, restore, or recreate the **Insured's** electronic data, computer software, computer hardware, or computer network;
  - g. amounts which constitute lost income to the **Insured** as a result of a **Privacy Breach** or **Security Event**; or
  - h. amounts paid or incurred by the **Insured** to inform clients of any **Security Event** or **Privacy Breach**.

G. **Defense Costs** means:

1. reasonable and necessary fees, costs and expenses charged by any lawyer consented to or designated by the **Insurer** to defend any **Insured** against a **Claim**;
2. all other reasonable and necessary fees, costs and expenses resulting from the investigation, discovery, adjustment, defense, settlement or appeal of a **Claim** as authorized by the **Insurer**; and
3. the cost of a bond or appeal bond, required as a result of a **Claim**, including bonds to release attachments, but only for bond amounts not exceeding the applicable Limit of Liability; however, the **Insurer** has no obligation to apply for, guarantee or furnish any such bond.

**Defense Costs** do not include the remuneration, salaries, overhead, fees or expenses of the **Insured** or any fees or expenses incurred prior to the time that a **Claim** is first made against any **Insured** and reported to the **Insurer**. **Defense Costs** will be paid first and will reduce, and may exhaust, the Limits of Liability shown in Item 4 of the Declarations.

- H. **Disciplinary Proceeding** means a proceeding before a disciplinary board or similar entity or official to determine violations of disciplinary rules or rules of professional conduct, professional misconduct or other matters relating to licensing and discipline. **Disciplinary Proceeding** does not include charges, investigations or actions filed with a regulatory agency or official, including, without limitation, the Securities and Exchange Commission or the Internal Revenue Service.
- I. **Expense Event** means any **Crisis Management Event**, **Disciplinary Proceedings**, or response to a subpoena that triggers coverage under SECTION I – COVERAGES, B. Supplemental Payments 1., 2., or 3.
- J. **Information Custodian** means any third party that possesses **Non-public Personal Information** or **Proprietary Business Information** on behalf of the **Named Insured** and which is required to maintain the confidentiality and integrity of that information by a written contract with the **Named Insured**.
- K. **Information System** means any electronic device, electronic or paper storage media, as well as any communication networks, including cloud or other multi-tenant storage models.
- L. **Insured** means:
1. the **Named Insured**;
  2. any lawyer who is or becomes a past, present, or future partner, officer, director, shareholder, member, or employee of the **Named Insured**, but only while performing **Professional Services** on behalf of the **Named Insured**;
  3. the estate, heirs, executors, administrators, assigns and legal representatives of each **Insured** in the event of the death, incapacity, insolvency or bankruptcy of any **Insured**, but only to the extent that such **Insured** would otherwise be provided coverage under this policy;
  4. any **Insured's** legal spouse, including any natural person qualifying as a domestic partner under the provisions of any applicable state, federal or local law in the United States, but only with respect to **Damages** and **Defense Costs** resulting from **Professional Services** provided by the **Insured** solely on behalf of the **Named Insured**;
  5. any lawyer listed in the Prior Acts Schedule, who is a partner, "of counsel", officer, director, shareholder, member, or employee of the **Named Insured** at the time the **Claim** is made, but only as respects **Professional Services** rendered by such lawyer while associated with a prior law firm;
  6. any lawyer acting as "of counsel" or as an independent contractor, but only as to any **Claim** involving the performance of **Professional Services** on behalf of the **Named Insured**; or
  7. any non-lawyer employee, intern, volunteer, or independent contractor of the **Named Insured**, but only as to any **Claim** involving the performance of **Professional Services** on behalf of the **Named Insured**.
- M. **Insurer** means the insurance company issuing this policy as shown in the Declarations.
- N. **Named Insured** means the person or entity designated in Item 1 of the Declarations and any **Predecessor** of such entity.
- O. **Non-public Personal Information** means any of the following information, if not already publicly available:
1. social security, driver's license or government issued identification numbers;
  2. credit, debit, bank, credit union or brokerage account numbers, balances or account histories;
  3. telephone numbers or telephone records;
  4. medical records, health insurance identification numbers or other protected health information; or
  5. any other non-public information that can be used to identify an individual, which is protected by a **Privacy Regulation**.
- P. **Personal Injury Offense** means:

1. false arrest, unlawful detention, false imprisonment, wrongful entry, eviction or other invasion of private occupancy, abusive litigation, abuse of process or malicious prosecution;
2. the publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or utterance in violation of any individual's right to privacy; or
3. misrepresentation in advertising or infringement of copyright, trademark, service mark, trade dress or trade name,

including any resulting humiliation, mental injury, mental anguish, emotional distress or shock.

Q. **Policy Period** means the period from the inception date of this policy to the expiration date of this policy, as shown in Item 2 of the Declarations, or its earlier termination date, if any.

Any extension of the **Policy Period** will not result in an increase or reinstatement of any Limit of Liability.

R. **Potential Claim** means:

1. any circumstance which might reasonably be expected to give rise to a **Claim** being made against any **Insured** under the policy; or
2. receipt of notice of a **Disciplinary Proceeding**.

S. **Predecessor** means an individual or entity engaged in **Professional Services** whose financial assets and liabilities the **Named Insured** is the majority successor in interest.

T. **Privacy Breach** means any of the following occurring on or after the Retroactive Date, if any, shown in Item 8 of the Declarations:

1. the alleged unauthorized alteration, collection, copying, disclosure, dissemination or viewing of **Non-public Personal Information** or **Proprietary Business Information** in any form, from any source, directly resulting from an **Insured's** failure to protect such information from unauthorized access or unauthorized use;
2. the alleged accidental release or loss of **Non-public Personal Information** or **Proprietary Business Information**;
3. the alleged wrongful collection, use or sale of **Non-public Personal Information** or **Proprietary Business Information** in any form; and
4. an **Insured's** alleged failure to correct the **Non-public Personal Information** of a third party that is stored on the **Named Insured's Information System** once notified by the affected individual or that individual's legal counsel.

**Privacy Breach** includes the **Named Insured's** vicarious liability for the disclosure of **Non-public Personal Information** or **Proprietary Business Information** in the care, custody and control of an **Information Custodian** to whom the **Named Insured** entrusted that information.

U. **Privacy Breach Claim** means a **Claim** brought by or on behalf of a third party seeking **Damages** and arising out of a **Privacy Breach** that occurred in the rendering of **Professional Services**.

V. **Privacy Regulation** means any current or future statute or regulation applying to the collection, dissemination or storage of **Non-public Personal Information** promulgated by a **Privacy Regulator** including, but not limited to, state breach notice laws, HIPAA, the Hi-Tech Act, the Federal Trade Commission (FTC) Red Flag rules, Gramm-Leach Bliley or the European Union (EU) Data Protection Act.

W. **Privacy Regulator** means any local, state or federal government of the United States, any provincial or federal government in Canada, the United Kingdom (UK"), the European Union or a member state of the European Union.

X. **Professional Services** means services and activities performed for others in the **Insured's** capacity as:

1. a lawyer;

2. a notary public;
3. an arbitrator or mediator;
4. a title insurance agent;
5. a designated issuing lawyer to a title insurance company;
6. a court-appointed fiduciary;
7. a government affairs advisor or lobbyist;
8. a member of a bar association or ethics, peer review, formal accreditation, licensing or similar professional board or committee;
9. an author, strictly in the publication or presentation of research papers or similar materials and only if the fees generated from such work are not greater than \$10,000;
10. an administrator, conservator, receiver, executor, guardian, trustee or any similar fiduciary; however, no coverage will be available for any **Damages** or **Defense Costs** sustained, or expenses incurred by any **Insured** as the beneficiary, recipient or distributee of any trust or estate; or
11. an expert witness provided the **Insured** was retained to offer expert opinion on issues related to the law, legal procedure or practice of the legal profession.

Any other services, including pro bono services, performed by any **Insured** in a lawyer-client relationship on behalf of the **Named Insured** are considered **Professional Services**, even though such services could have been performed wholly or in part by non-lawyers.

- Y. **Property Damage** means physical injury to tangible property, including all resulting loss of use of that property.
- Z. **Proprietary Business Information** means business records, customer lists, trade secrets or any other non-public information entrusted to an **Insured** under a written contract to protect its confidentiality.
- AA. **Security Event** means any of the following taking place on or after the Retroactive Date, if any, shown in Item 8 of the Declarations:
1. the **Insured's** inadvertent transmission of malicious computer code to a third party;
  2. the failure to prevent the use of the **Named Insured's Information System** to harm a third party's **Information System**, including the failure to prevent the use of the **Named Insured's Information System** for launching a denial of service attack;
  3. the inability of any **Insured** or third party to access the **Named Insured's Information System** due to the failure to prevent a denial of service attack, damage from malicious computer code, unauthorized access to, or unauthorized use of, the **Named Insured's Information System**; or
  4. the corruption, destruction or loss of electronic data held within the **Named Insured's Information System** as the direct result of malicious computer code, a denial of service attack or from unauthorized access to, or unauthorized use of, the **Named Insured's Information System**.
- BB. **Security Event Claim** means a **Claim** brought by or on behalf of a third party seeking **Damages** and arising out of a **Security Event** that occurred in the rendering of **Professional Services** and results in the loss, compromise, publication, or dissemination of client data.
- CC. **Social Engineering Incident** means the following, taking place on or after the Retroactive Date, if any, shown in Item 8 of the Declarations, an **Insured** having transferred, paid or delivered funds or data as a direct result of a fraudulent written instruction, electronic instruction (including e-mail or web-based instruction) or telephone instruction that was intended to mislead an **Insured** through misrepresentation of a material fact that was relied upon in in good faith by such **Insured**.
- DD. **Social Engineering Incident Claim** means a **Claim** brought by or on behalf of a third party seeking **Damages** and arising out of a **Social Engineering Incident** that occurred in the rendering of **Professional Services**.

- EE. **Totally And Permanently Disabled** means that the **Insured** has become so disabled as to be wholly prevented from rendering **Professional Services**; provided that such disability has existed continuously for not less than 6 months and is expected to be continuous and permanent. **Totally And Permanently Disabled** does not include any condition which:
1. is the result of war or acts of war, whether or not declared;
  2. occurred during active service in the armed forces of any country; or
  3. results from:
    - a. intentionally self-inflicted injuries;
    - b. attempted suicide; or
    - c. the abuse or misuse of chemical compounds or alcohol.
- FF. **Wrongful Act** means any actual or alleged act, error, omission or breach of duty by any **Insured** in the rendering of or failure to render **Professional Services**. **Wrongful Act** also means an actual or alleged **Personal Injury Offense** by any **Insured** in the rendering of or failure to render **Professional Services**.

#### SECTION IV - EXCLUSIONS

This policy does not apply to any **Claim**:

- A. arising out of a **Wrongful Act, Privacy Breach, Security Event, Social Engineering Incident, or Expense Event** occurring prior to the effective date of the first Lawyers' Professional Liability Insurance Policy issued by the **Insurer** to the **Named Insured** which was continuously renewed and maintained, if:
1. any **Insured** gave notice to any prior insurer of any **Claim** or **Potential Claim, Wrongful Act, Privacy Breach, Security Event, Social Engineering Incident** or **Expense Event**; or
  2. any **Insured** had a reasonable basis to believe that an **Insured** had committed a **Wrongful Act**, violated a disciplinary rule, or engaged in professional misconduct.
- B. arising out of any actual or alleged intentional, criminal, dishonest, malicious or fraudulent act, error or omission by any **Insured** if such intentional, criminal, dishonest, malicious or fraudulent act, error or omission is established by a final adjudication in any judicial, administrative or alternative dispute resolution proceeding.

This Exclusion B. does not apply to any **Personal Injury Offense** that results from any **Professional Services** by any **Insured**.

For purposes of this Exclusion, the act of any **Insured** shall not be imputed to any other **Insured(s)** who was not aware of and did not participate in such act.

- C. arising out of any **Insured's** services provided on behalf of or capacity as an officer, director, partner, owner, or employee of any corporation, partnership, association or any other business enterprise or charitable organization of any kind or nature other than that of the **Named Insured**.

This Exclusion C. does not apply to any **Claim** that results directly from the rendering of or failure to render **Professional Services** by any **Insured** to such corporation, partnership, association or other business enterprise or charitable organization.

- D. arising out of any **Insured's** services as a public official, or as an employee of a governmental body, subdivision, or agency.
- E. arising out of any actual or alleged violation or breach by any **Insured** as a fiduciary under the Employee Retirement Income Security Act of 1974 ("ERISA") and its amendments or any regulation or order issued pursuant thereto or any other similar state or local law.
- F. arising out of **Bodily Injury** or **Property Damage**.



This Exclusion F. does not apply to the extent that any such **Bodily Injury** or **Property Damage** results from any **Insured's** rendering of or failure to render **Professional Services**.

- G. arising out of any actual or alleged liability assumed by any **Insured** under any written or oral contract or agreement including, without limitation, any indemnification agreement, provided that this exclusion does not apply to any liability that would have attached to any **Insured** in the absence of such contract or agreement and is otherwise covered under this policy.
- H. by or on behalf of any **Insured** against any other **Insured** unless such **Claim** arises out of **Professional Services** by any **Insured** rendered to such other **Insured** as a client.
- I. arising out of **Professional Services** rendered, or that should have been rendered, to or on behalf of a **Controlled Enterprise**.

## SECTION V – EXTENDED REPORTING PERIODS

In the event this policy is cancelled or non-renewed by either the **Named Insured** or the **Insurer**:

### A. Automatic Extended Reporting Period

An Extended Reporting Period is automatically provided to the **Named Insured** without additional charge. This period starts at the end of the **Policy Period** and lasts for 60 days, or the date another policy for professional liability insurance applicable to the **Named Insured** takes effect, whichever occurs first.

1. There will be no entitlement to this Automatic Extended Reporting Period if cancellation or non-renewal is due to any **Insured's** non-payment of premium or Deductible due, or failure to comply with the terms and conditions of the policy, or if the policy was issued based on a misrepresentation by any **Insured**.
2. This Automatic Extended Reporting Period will be subject to all the terms and conditions of this policy and will apply only to **Claims** that are first made against any **Insured** during the Automatic Extended Reporting Period and reported to the **Insurer** during the Automatic Extended Reporting Period and that arise out of a **Wrongful Act** that occurred or is alleged to have occurred subsequent to the Retroactive Date, if any, shown on the Declarations and before the end of the **Policy Period**.
3. This Automatic Extended Reporting Period does not in any way increase the Limits of Insurance of this policy.
4. If any other policy of insurance in effect would apply to any **Claim** first made against the **Insured** during the Automatic Extended Reporting Period, then coverage provided under this Automatic Extended Reporting Period will apply specifically as excess over such other insurance.

### B. An Optional Extended Reporting Period is available to the **Named Insured**, but only by an endorsement and for the extra premium charge as shown in Item 7 of the Declarations.

1. The **Named Insured** must give the **Insurer** a written request for an Optional Extended Reporting Period within 60 days after the end of the **Policy Period**. The Optional Extended Reporting Period will not go into effect unless the **Named Insured** pays the additional premium promptly when due.
2. The Optional Extended Reporting Period is non-cancellable and starts upon the expiration of the **Policy Period**.
3. All premiums paid for the Optional Extended Reporting Period will be deemed fully earned and non-refundable as of the first day of the Optional Extended Reporting Period.
4. There will be no entitlement to this Optional Extended Reporting Period if cancellation or non-renewal of the policy is due to any **Insured's** non-payment of premium or a Deductible due, or failure to comply with the terms and conditions of the policy, or if the policy was issued based on a misrepresentation by any **Insured**.
5. This Optional Extended Reporting Period will be subject to all the terms and conditions of this policy and will apply only to **Claims** first made against any **Insured** during the Optional Extended Reporting Period and reported to the **Insurer** during the Optional Extended Reporting Period and

that arise out of a **Wrongful Act** that occurred or is alleged to have occurred subsequent to the Retroactive Date, if any, shown on the Declarations and before the end of the **Policy Period**.

6. If the **Insurer** offers to renew the policy and the **Named Insured** refuses to accept such renewal offer, then upon the effective date of cancellation or non-renewal, the maximum aggregate liability for all **Damages** and **Defense Costs** arising out of **Claims** first made during the Optional Extended Reporting Period will be equal to, in addition to, and not part of the Aggregate Limits of Liability as set forth in Item 4 of the Declarations.

However, if the **Insurer** has provided coverage under this policy continually for less than three (3) years and the **Insurer** does not offer to renew the policy, then upon the effective date of cancellation or non-renewal, the maximum Aggregate Limit of Liability for all **Damages** and **Defense Costs** arising out of **Claims** first made during the Optional Extended Reporting Period will be equal to the greater of either: (i) the amount remaining in the policy's Aggregate Limit of Liability on the effective date of cancellation or non-renewal; or (ii) an amount equal to fifty percent (50%) of the Aggregate Limit of Liability shown in Item 4 of the Declarations.

7. If any other policy of insurance in effect would apply to any **Claims** first made against the **Insured** during the Optional Extended Reporting Period, then coverage provided under this policy during any Optional Extended Reporting Period will apply specifically as excess over such other insurance.

### C. Non-practicing Extended Reporting Period

#### 1. Eligibility

- a. If any **Insured** completely retires from or otherwise ceases performing **Professional Services** during the **Policy Period**, then such **Insured** has the option to purchase a Non-practicing Extended Reporting Period, but any such Non-practicing Extended Reporting Period will apply only to **Claims** first made against the **Insured** during the Non-practicing Extended Reporting Period for **Wrongful Acts** committed or allegedly committed by the **Insured** on or after any applicable Retroactive Date, if any, shown on the Declarations and prior to the date of the **Insured's** retirement or the date the **Insured** ceases performing **Professional Services** by or on behalf of the **Named Insured**.
- b. The option to purchase a Non-practicing Extended Reporting Period will apply only to an **Insured** as defined under SECTION III – DEFINITIONS, definition L. **Insured**, subparagraph 2.

#### 2. Non-practicing Extended Reporting Period Premium and Deductible

- a. The **Named Insured** must elect the specific Non-practicing Extended Reporting Period during the **Policy Period**. For each Non-practicing Extended Reporting Period elected, the additional premium charged will be the applicable percentage of the full annual premium of this policy as shown in the Declarations at Item 7, but pro-rated based on the per lawyer price of the coverage of the most recent policy issued to the **Named Insured**.
  - (1) The Non-practicing Extended Reporting Period is non-cancellable and starts upon the expiration of the **Policy Period**.
  - (2) All premiums paid for the Non-practicing Extended Reporting Period will be deemed fully earned, and non-refundable as of the first day of the Non-practicing Extended Reporting Period.
- b. The **Insurer** will waive the premium for a Non-practicing Extended Reporting Period if the **Insured**:
  - (1) dies, except by suicide;
  - (2) becomes **Totally And Permanently Disabled**; or
  - (3) retires or otherwise ceases the private practice of law during the **Policy Period** and has been insured by the **Insurer** under a primary Lawyers' Professional Liability Policy continuously for the last 3 years.

- c. The Deductible amount shown in the Declarations and Deductible provisions of this policy do not apply to **Claims** first made against the **Insured** during any Non-practicing Extended Reporting Period.
3. Non-practicing Extended Reporting Period Limits of Liability
  - a. The **Insurer's** limits of liability for all **Claims** first made against the **Insured** during any Non-practicing Extended Reporting Period will be part of, and not in addition to, the each **Claim** and Aggregate Limits of Liability shown in the Declarations and Section II – LIMITS OF LIABILITY AND DEDUCTIBLE of this policy.
  - b. If any other policy of insurance would apply to any **Claims** first made against the **Insured** during the Non-practicing Extended Reporting Period, then coverage provided under this policy shall apply specifically as excess over such other insurance.
4. This Non-practicing Extended Reporting Period is not available if the **Insured** is disbarred, suspended or resigns from the practice of law in lieu of suspension in any state or court where the **Insured** has a license or has a right to practice.

## SECTION VI – GENERAL CONDITIONS

### A. Defense, Settlement and Cooperation

1. The **Insurer** has the right and duty to defend any **Insured** against any **Claim** seeking **Damages** to which this insurance applies, even if the allegations of such **Claim** are groundless, false or fraudulent. The **Insurer** will designate, or, in the **Insurer's** sole discretion, approve counsel chosen by an **Insured** to defend the **Claim**.
2. The **Insurer** has the right to make any investigation the **Insurer** deems necessary and, with the **Insured's** consent, make any settlement of any **Claim** covered by the terms of this policy. If the **Insured** refuses to consent to any settlement or compromise recommended by the **Insurer** and acceptable to the claimant, and the **Insured** elects to contest the **Claim** or continue legal proceedings in connection with such **Claim**, then the **Insurer's** liability under this policy will be limited to the combined total of:
  - a. the amount of such proposed settlement or compromise;
  - b. the amount of **Defense Costs** incurred prior to the date the **Insured** refused to consent to such proposed settlement or compromise; and
  - c. 50% of the amount of **Damages** and **Defense Costs** incurred in excess of the combined total of the amounts set forth in a. and b. of this section.

The **Insured** will not, except at the **Insured's** own cost, make any payment, admit any liability, settle any **Claim**, assume any obligation or incur any expense, without the **Insurer's** prior written consent, such consent not to be unreasonably withheld.

3. If the applicable Limit of Liability shown in Item 4. of the Declarations are exhausted by the payment of **Damages** and **Defense Costs**, then all of the **Insurer's** obligations under this policy will be completely fulfilled and exhausted, and the **Insurer** will have no further obligations of any kind or nature whatsoever under this policy. If the applicable Limit of Liability shown in the Declarations is exhausted prior to settlement or judgment of any **Claim**, the **Insurer** will have the right to withdraw from further investigation or defense by tendering control of such investigation or defense to the **Insured**, and the **Insured** agrees, as a condition to the issuance of this policy, to accept such tender.
4. The **Insured** must cooperate with the **Insurer** and assist the **Insurer** in investigating and defending any **Claim** or **Potential Claim** or investigating any event resulting in coverage under SECTION I – COVERAGES, A. Insuring Agreement and SECTION I – COVERAGES, B. Supplemental Payments. Upon the **Insurer's** request, the **Insured** must submit to examination and interrogation by the **Insurer's** representatives, under oath if required, and the **Insured** must attend hearings,

depositions and trials, and assist in effecting settlement, securing and giving evidence, obtaining the attendance of witnesses and in the conduct of suits and other proceedings, as well as in the giving of a written statement or statements to the **Insurer's** representatives including investigating, defense, and coverage counsel, and meeting with such representatives for the purpose of investigation and defense, including the investigation of coverage issues or defense. The **Insured** must further cooperate with the **Insurer** and do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment which the **Insured** may have.

## B. Reporting and Notice

### 1. Reporting of **Claims**

If, during the **Policy Period** or any Extended Reporting Period, any **Claim** is first made against any **Insured**, as a condition precedent to the **Insured's** right to coverage under this policy, the **Insured** must give the **Insurer** written notice of such **Claim** as soon as practicable, but in no event later than the later of 60 days after the expiration date or earlier termination date of this policy, or the expiration of any Extended Reporting Period, if applicable.

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

### 2. Reporting of **Potential Claims**

If, during the **Policy Period**, any **Insured** first becomes aware of any **Potential Claim**, the **Insured** will give the **Insurer** written notice of such **Potential Claim** with full particulars as soon as practicable thereafter, but in any event before the end of the **Policy Period**. If such **Potential Claim** later becomes a **Claim** not otherwise excluded by this policy, such **Claim** will be treated as if the **Claim** had been first made during the **Policy Period**. Full particulars shall include, but are not limited to: a description of the **Potential Claim**; the identity of the **Insured** and of all potential claimants involved; information on the time, place and nature of the **Potential Claim**; the manner in which the **Insured** first became aware of such **Potential Claim**; and the reasons the **Insured** believes the **Potential Claim** is likely to result in a **Claim**.

Whenever coverage under this policy would be lost because of noncompliance with the preceding paragraph, the **Insurer** agrees to waive such loss of coverage with respect to any **Insured** who failed to comply because they were not aware of such **Potential Claim** or the **Wrongful Act** on which the **Potential Claim** is based, or did not remain passive after learning about non-compliance with the requirements of this condition.

### 3. Notice regarding **Crisis Management Expenses**

If, during the **Policy Period**, a **Crisis Management Event** occurs, then as a condition precedent to an **Insured's** right to coverage under this policy for **Crisis Management Expenses**, the **Insured** must give the **Insurer** written notice of such **Crisis Management Event** as soon as practicable, but in no event later than the end of the **Policy Period**.

Such notice must give full particulars of the **Crisis Management Event**, including, but not limited to: a description of the **Crisis Management Event**; the identity of the **Insured** and of all potential claimants involved; and the manner in which the **Insured** first became aware of such **Crisis Management Event**.

#### 4. Notice of **Disciplinary Proceedings** and Subpoenas

If, during the **Policy Period**:

- a. a **Disciplinary Proceeding** is first initiated against any **Insured** and covered by SECTION I – COVERAGES, B. Supplemental Payments, 2. Disciplinary Proceedings; or
- b. any **Insured** first receives a subpoena as described in SECTION I – COVERAGES, B. Supplemental Payments, 3. Subpoena Assistance;

then as a condition precedent to the **Insured's** right to coverage under this policy, the **Insured** must give the **Insurer** written notice of such **Disciplinary Proceeding** or subpoena as soon as practicable, but in no event later than the end of the **Policy Period**.

Such notice must give full particulars of the **Disciplinary Proceeding** or subpoena, including, but not limited to: a description of the **Disciplinary Proceeding** or subpoena; the identity of the **Insured**; and the manner in which the **Insured** first became aware of such **Disciplinary Proceeding** or subpoena.

#### 5. Notices

All written notices required herein must be sent to the **Insurer** at the **Insurer's** physical address or e-mail address shown in Item 9 of the Declarations.

#### C. Multiple **Wrongful Acts, Claims,** or Claimants

Two or more **Claims** arising out of a single **Wrongful Act**, or any series of related **Wrongful Acts**, will be considered a single **Claim**. Each **Wrongful Act**, in a series of related **Wrongful Acts**, will be deemed to have occurred on the date of the first such **Wrongful Act**.

#### D. Organizational Changes

In the event of a merger, dissolution, or acquisition of the **Named Insured** ("Organizational Change"), the **Named Insured** must notify the **Insurer** at least 60 days prior to the projected date of such transaction. Notwithstanding the above, the **Named Insured** must provide written notice to the **Insurer** of any Organizational Change which occurs during the **Policy Period**, affecting 50% or more of the lawyers at the inception of this policy. This notice must be provided in writing within 60 days of such transaction. In the event of an Organizational Change under this Condition, the **Insurer** will have the right to accept, alter or decline coverage and to charge an additional premium.

#### E. Other Insurance

This insurance will apply only in excess of the applicable Deductible amount shown in Items 4 and 5 of the Declarations and as excess of the amount of any other valid and collectible insurance available to any **Insured**, including, but not limited to, any Cyber liability coverage available under any other policy, whether such other insurance is stated to be primary, pro rata, contributory, excess, contingent or otherwise, unless such other insurance is specifically written as excess insurance over the Limits of Liability provided in this policy.

#### F. Cancellation and Non-Renewal

##### 1. Cancellation

- a. The **Named Insured** may cancel this policy by mailing or delivering advance written notice to the **Insurer** at the **Insurer's** address shown in Item 9 of the Declarations, stating when cancellation will be effective. If the **Named Insured** cancels this policy, the **Insurer** will retain the customary short rate portion of the premium.
- b. The **Insurer** may cancel this policy by mailing written notice to the **Named Insured** stating when, not less than 30 days thereafter (or such longer period of time as required by applicable law), such cancellation will be effective. If cancelled by the **Insurer**, earned premium will be computed pro rata.
- c. However, if the **Insurer** cancels this policy because the **Named Insured** has failed to pay a premium or Deductible when due, the **Insurer** may cancel this policy by mailing written notice

of cancellation to the **Named Insured** stating when, not less than 10 days thereafter (or such longer period of time as required by applicable law), such cancellation will be effective. Such notice will apply to all of the **Insureds**. If cancelled by the **Insurer**, earned premium will be computed pro rata.

## 2. Non-renewal

If the **Insurer** elects not to renew this policy, the **Insurer** will mail to the **Named Insured** written notice of non-renewal at least 60 days prior to the expiration date of this policy. If the notice is not given at least 60 days prior to the expiration date, the policy will continue in force until 60 days after the notice of intent not to renew is received by the **Insured**.

Notice of non-renewal will not be required if the **Named Insured** has obtained replacement coverage or has requested or agreed to non-renewal.

## G. Appearance at Proceedings

The **Insurer** will pay for loss of earnings for the **Insured's** attendance, at the **Insurer's** written request, at a trial, hearing, arbitration or mediation proceeding involving a **Claim** against any **Insured** covered by this policy. The maximum amount the **Insurer** will pay for any one or series of trials, hearings, mediation or arbitration proceedings arising out of the same **Claim** will not exceed \$500 per individual **Insured** for each day, or part thereof. The most the **Insurer** will pay under this subsection is \$10,000 each **Claim** and \$50,000 in the aggregate for all **Claims** made during the **Policy Period** or applicable Extended Reporting Period.

## H. Subrogation

In the event of any payment under this policy, the **Insurer** will be subrogated to all the **Insured's** rights of recovery against any person or organization; provided that the **Insurer** will not exercise any rights of subrogation against any **Insured** who did not commit the **Wrongful Act**.

The **Insureds** shall execute all papers reasonably required and provide reasonable assistance and cooperation in securing or enabling the **Insurer** to exercise subrogation rights or any other rights in the name of any **Insured**.

Any amount recovered upon the exercise of such rights of subrogation will be applied as follows: first, to the repayment of expenses incurred in the exercise of such subrogation rights; second, to **Damages** and **Defense Costs** paid by the **Insured** in excess of the limits of liability; third, to **Damages** and **Defense Costs** paid by the **Insurer**; fourth, to **Damages** and **Defense Costs** paid by the **Insured** in excess of the Deductible amount which are subject to co-insurance; and last, to the repayment of any Deductible amount paid by the **Insured**.

In no event will the **Named Insured** waive any of its rights of subrogation after it has become aware of any **Claim**, or of any circumstances that may give rise to a **Claim** against any **Insured**.

## I. Bankruptcy or Insolvency

Bankruptcy or insolvency of any **Insured** or of any **Insured's** estate will not relieve the **Insurer** of any of the **Insurer's** obligations or deprive the **Insurer** of any of the **Insurer's** rights under this policy.

## J. Policy Territory

This policy applies to **Wrongful Acts** occurring anywhere in the world where legally permissible; however, no coverage will be available under this policy for any **Claim** brought or occurring in any country with which the United States of America does not have active diplomatic relations at the time such **Claim** is made.

All premiums, Limits of Liability, Deductibles and other amounts under this policy are expressed and payable in the currency of the United States of America. If a judgment, settlement or other element of **Damages** or **Defense Costs** under this policy is stated in a currency other than United States Dollars, payment under this policy will be made in United States Dollars using the rate of exchange on the date the final judgment is reached, the amount of the settlement is agreed upon, or the other element of **Damages** or **Defense Costs** is due.

K. Assignment

Neither this policy nor any **Insured's** interest in this policy may be assigned without the **Insurer's** written consent.

L. Liberalization

If the **Insurer** adopts any revision to this form that would broaden coverage under this policy without additional premium at any time during the **Policy Period**, the broadened coverage will immediately apply to this policy, except that it will not apply to **Claims** that were first made against any **Insured** prior to the effective date of such revision.

M. Policy Changes

Notice to or knowledge possessed by any broker or other person acting on the **Insured's** behalf will not affect a waiver or change in any part of this policy or prevent or estop the **Insurer** from asserting any right(s) under this policy. This policy can only be altered, waived or changed by written endorsement or as agreed in writing by an authorized representative of the **Insurer**.

N. Action Against the **Insurer**

No action can be brought against the **Insurer** unless, as a condition precedent, the **Insured** has fully complied with all the terms and conditions of this policy. Nothing contained in this policy gives any person or organization the right to join the **Insurer** as a party to any **Claim** to determine the **Insured's** liability.

O. Waiver

The **Insurer's** failure to insist on strict compliance with any of the terms or conditions of this policy or the failure to exercise any right or privilege shall not operate or be construed as a waiver of any subsequent breach or a waiver of any other terms, conditions, privileges or rights.

P. Representations

By accepting this policy, all **Insureds** agree that all statements made and information furnished to the **Insurer** are true, accurate and complete, and that this policy has been issued in reliance upon the truth and accuracy of those representations, subject to all of the terms and conditions of this policy.