

GENERAL STAR NATIONAL INSURANCE COMPANY

120 Long Ridge Road
STAMFORD, CONNECTICUT 06902-1843
(203) 328-5700

(Hereinafter called the Company) A Stock Company

PROFESSIONAL LIABILITY COVERAGE FOR INSURANCE AGENTS AND BROKERS

**THIS IS A CLAIMS-MADE POLICY.
PLEASE READ THE ENTIRE POLICY CAREFULLY.**

THIS PROFESSIONAL LIABILITY COVERAGE FOR INSURANCE AGENTS AND BROKERS PROVIDES COVERAGE ON A CLAIMS-MADE BASIS. THE COVERAGE PROVIDED BY THIS **POLICY** IS LIMITED TO ONLY THOSE **CLAIMS** THAT ARISE FROM **WRONGFUL ACTS** TAKING PLACE ON OR AFTER THE **RETROACTIVE DATE** AND BEFORE THE END OF THE **POLICY PERIOD**, WHICH ARE FIRST MADE AGAINST THE **INSURED** DURING THE **POLICY PERIOD** AND FIRST REPORTED TO US AS PROVIDED IN THIS **POLICY**.

Throughout this **Policy**, the words “you” and “your” refer to the **Named Insured** shown in the Declarations. The words “we,” “us” and “our” refer to the Company providing the insurance.

Other terms of this **Policy** that are in bold have special meaning as set forth in Section **IV. DEFINITIONS**. The capitalized and bolded headings are descriptive only and do not create or limit coverage in any way.

In consideration of the payment of premium, and in reliance upon the statements, representations, attachments and exhibits contained and submitted with the application for this **Policy** and also subject to all the exclusions, conditions and other requirements of this **Policy**, we agree as follows:

I. COVERAGE

- A.** We will pay on behalf of the **Insured** all sums in excess of the **Deductible** that the **Insured** becomes legally obligated to pay as **Damages** caused by **Wrongful Acts** resulting in any **Claim** first made against the **Insured** during the **Policy Period** and reported in writing to us as soon as practicable.
- B.** In order to be covered by this **Policy**, a **Claim** must seek **Damages** arising from a **Wrongful Act** committed either by the **Insured**, or by a person for whose **Wrongful Acts** the **Insured** is legally liable, and such **Wrongful Act** must take place:
 - 1. During the **Policy Period**; or
 - 2. Prior to the **Policy Period** but on or after the **Retroactive Date**.
- C.** Notwithstanding Paragraphs **A.** or **B.** above, this **COVERAGE** section does not provide coverage for any **Claim**, if at the time prior to the earlier of the effective date of:
 - 1. This **Policy**; or
 - 2. The first **PROFESSIONAL LIABILITY COVERAGE FOR INSURANCE AGENTS AND BROKERS** policy issued by us to the **Named Insured** which has been continuously renewed and maintained in effect to the effective date of this **Policy Period**,

You or any owner, officer or partner of the **Named Insured** knew or could have reasonably foreseen that such **Wrongful Act** did or could result in a **Claim** or **Potential Claim**.

D. Additional Coverages

1. Catastrophe Extra Expense

We will pay up to \$25,000 per catastrophe, subject to a per **Policy Period** aggregate limit of \$50,000, for the actual extra expenses incurred by you as a result of a catastrophe during the **Policy Period**, beginning on the date of such catastrophe and for ninety (90) days thereafter. The extra expense must be incurred by you only to assist in the insurance claims processing needs of your **Client(s)** who have been affected by the catastrophe. The catastrophe must be a declared catastrophe by the Property Claim Services (PCS). A \$500 deductible for each catastrophe shall apply.

2. Subpoena

If during the **Policy Period** you receive a subpoena for documents or testimony relating to your business services and the subpoena is not related to a **Claim** under this **Policy**, we will, at your request and upon receipt of a copy of the subpoena, retain legal counsel to advise you regarding the document production or to represent you during testimony. We will pay the expenses incurred in providing advice regarding the production of documents, review of the documents prior to production, your preparation for testifying, and representation during testimony. The maximum amount payable, regardless of the number of subpoenas reported or the number of **Insureds** subject to all subpoenas, shall be \$25,000 per **Policy Period**. Any notification you give us of such subpoena shall be deemed to be notification of a **Potential Claim** under this **Policy**. If this **Potential Claim** ultimately results in a **Claim**, any expenses we have paid will be included in **Claim Expenses**.

3. Regulatory Proceeding

We will pay on behalf of the **Insured**, **Claim Expenses** related to **Wrongful Acts** committed by an **Insured** on or after the **Retroactive Date**, that arise from your response to a complaint or defending an investigation brought by any state regulatory, insurance department, or other government agency arising from your insurance operation.

Insureds must provide prompt written notice to us and obtain our written consent before responding and agree to the use of legal counsel that we choose or approve.

This Additional Coverage does not apply to salaries of your personnel, loss of income, fines, penalties, return of fees or commissions, or reimbursement of premiums. The most we will pay under this Additional Coverage is \$100,000 per **Policy Period** for **Claim Expenses**.

4. Pre-Claim Assistance

We shall pay **Pre-Claim Expenses**, incurred with our prior written consent, for a fact, circumstance or situation which occurred on or after the **Retroactive Date** and may reasonably be expected to give rise to a **Claim** against an **Insured** and which is reported in full compliance with Section III. **REPORTING AND NOTICE**. Payment of **Pre-Claim Expenses** shall not be available for any Additional Coverages listed in this Section I.D. **Pre-Claim Expenses** must be incurred prior to the date that any **Claim** is made based upon or arising out of such reported fact, circumstance, or situation.

5. Crisis Management

We will reimburse the **Named Insured** for fees, costs and expenses incurred by the **Named Insured** within 6 months of the **Crisis Event** and directly caused by the **Crisis Event**, resulting from **Crisis Management Services**.

The **Crisis Event** must first occur and must be reported to us during the **Policy Period**. The

most we will pay under this Additional Coverage per **Policy Period** for **Crisis Event** expenses associated with all **Crisis Events** subject to this paragraph is \$20,000.

6. Loss of Earnings

We will provide reimbursement for loss of earnings or temporary staff due to an **Insured** attending depositions or trials at our request. The most we will pay for this Additional Coverage is \$1,500 per **Insured** per day, subject to a per **Policy Period** aggregate limit of \$75,000 for all **Insureds**.

7. Key Insurance Professional Assistance

For **Insureds** with fewer than five (5) full time employees at the time coverage is requested, we will reimburse the **Named Insured** for the reasonable and necessary services of an insurance professional in the event a key insurance professional dies or becomes unexpectedly medically incapacitated. Such insurance professional must be designated by the **Named Insured** as part of an existing business continuity plan. The key insurance professional must be incapacitated for at least five (5) business days, as verified by an independent medical examiner during the **Policy Period**. Reimbursement will only include insurance services to prevent neglect of the **Named Insured's** existing insurance operations. The most we will pay for this Additional Coverage is \$5,000 per **Policy Period**.

Any payment made by us pursuant to this Section **I.D.** shall be in addition to the limits provided by the **Policy** and unless otherwise specified above in Paragraph **1.**, the **Deductible** shall not apply. With respect to **Pre-Claim Expenses**, once a **Claim** is made, **Damages** that result from such **Claim** shall reduce the applicable Limits of Liability and be subject to the **Deductible**.

II. DEFENSE, INVESTIGATION AND SETTLEMENT OF CLAIMS

- A.** We shall have the right and duty to defend, investigate, and conduct any settlement negotiations arising from any **Claim** first made against the **Insured** during the **Policy Period** based upon alleged **Wrongful Acts** of an **Insured**.
- B.** In the event an **Insured** is entitled to independent defense counsel, we shall only be liable for the reasonable and necessary defense costs of such counsel at rates customarily paid by us for the defense of similar claims in the geographic area where the **Claim** is being defended. Any such defense costs shall be considered **Claim Expenses**. Additionally, such independent defense counsel shall:
 - 1.** Maintain errors and omissions coverage;
 - 2.** Have practiced for at least ten (10) years in the defense of similar claims; and
 - 3.** Regularly practice in the venue in which the **Claim** is brought.

The **Insured** and independent defense counsel shall fully cooperate with us with respect to the defense, investigation, and settlement of any **Claim**.

- C.** We shall not settle any **Claim** without the **Named Insured's** consent. If we recommend a settlement to you which is acceptable to the claimant, and you do not agree with us and would rather contest the matter, our ultimate liability, subject to the **Deductible**, will be limited to the total of:
 - 1.** The amount for which the **Claim** could have been settled at the time, plus eighty percent (80%) of the amount of **Damages** which are in excess of that settlement, subject to Paragraph **D.** below; and
 - 2.** The amount of **Claim Expenses** that was incurred up to the time we made the

recommendation, plus eighty percent (80%) of the amount of **Claim Expenses** incurred after the time we made the settlement recommendation, subject to Paragraph **D.** below.

The remaining twenty percent (20%) of any **Damages** or **Claim Expenses** will be uninsured at the **Insured's** own risk. In no event shall we pay more than the applicable Limits of Liability set forth in this **Policy**.

- D.** We shall not be obligated to pay any **Damages** or defend or continue to defend any **Claim** after the Each **Claim** Limit of Liability or Aggregate Limit of Liability under this **Policy** has been exhausted by payment of **Damages** or after the deposit in a court having jurisdiction of sums exhausting the Each **Claim** Limit of Liability or Aggregate Limit of Liability.
- E.** If the applicable Limit of Liability is exhausted by the payment of **Damages**, we will notify the **Insured** as soon as practicable of all outstanding **Claims** we are defending that are subject to such limit.
- F.** If the applicable Limit of Liability is exhausted, we agree to take all steps necessary during a transfer of control of defense to the **Insured** of any outstanding **Claim** and agree to continue that defense during such transfer. When we take such steps, you agree that we do not waive or relinquish any of our rights under the **Policy**. We agree to pay up to \$10,000 in reasonable **Claim Expenses** incurred by us during such transfer, after the applicable Limit of Liability has been exhausted. Any additional **Claim Expenses** will be the responsibility of the **Insured**.

III. REPORTING AND NOTICE

The **Insured's** duties in the event of any **Claim** or **Potential Claim**:

- A.** The **Insured** shall not without our written consent, do any of the following:
 - 1. Admit liability;
 - 2. Participate in any settlement discussions nor enter into any settlement;
 - 3. Incur any cost or expenses; or
 - 4. Produce documents, provide a recorded statement, or give any deposition regarding any actual or alleged **Wrongful Act**.
- B.** The **Insured** shall:
 - 1. Provide written notice of any **Claim** to us as soon as practicable.
 - 2. Report any **Potential Claim** to us in writing during the **Policy Period**. If during the **Policy Period**, an **Insured** first becomes aware of a **Potential Claim** and gives written notice of such **Potential Claim** to us during the **Policy Period**, any **Claims** subsequently made against the **Insured** arising from the **Potential Claim** shall be considered to have been made during the **Policy Period** that the **Insured** first became aware of such **Potential Claim**.
 - 3. Include within any notice of **Claim** or **Potential Claim** a description of the **Claim** or **Potential Claim**, the alleged **Wrongful Act** including:
 - a. The date it was committed;
 - b. A summary of the facts upon which the **Claim** or **Potential Claim** is based;
 - c. The alleged or potential **Damages** that may result from the **Wrongful Act**;

- d. The names of actual or potential claimants;
 - e. The names of **Insured** and employee against whom the **Claim** was or may be made; and
 - f. The date and circumstances by which the **Insured** or any owner, officer, or partner of the **Named Insured** first became aware of the **Claim** or **Potential Claim**.
4. Provide written notice to us at the following:

General Star Management Company
Casualty Claims
P.O. Box 1255
Stamford, CT 06904
Fax: 866-914-3151
E-Mail: GStarClaims@generalstar.com

All notices under the **Policy** shall be in writing, shall comply with the time requirements as stated in the **Policy**, and shall be given by confirmed facsimile, prepaid express courier, or certified U.S. Mail with return receipt requested.

IV. DEFINITIONS

- A. Advertising** means placing a notice that is broadcast or published to the general public or specific market segments about your products or services for the purpose of attracting customers or supporters. For the purpose of this definition:
- 1. Notices that are published include material placed on the internet or on similar electronic means of communication; and
 - 2. Regarding websites, only that part of a website that is about your products or services for the purposes of attracting customers or supporters is considered **Advertising**.
- B. Claim** means that an **Insured** has received:
- 1. A summons or any other notice of legal process;
 - 2. Notice of any **Suit**; or
 - 3. Notice of a written demand, or a written demand for money or services.
- C. Claim Expenses** mean:
- 1. All expenses incurred in the investigation of any **Potential Claim** or in the defense of any **Claim** first made against an **Insured** seeking **Damages** for a **Wrongful Act**, even if a **Claim** or **Potential Claim** is groundless, false, fraudulent, or for an amount less than your **Deductible**;
 - 2. Reasonable and necessary fees and disbursements charged by any lawyer designated by us or required by law to defend the interests of an **Insured**; and
 - 3. If authorized by us, all other fees, costs, and expenses resulting from the investigation, adjustment, defense, or appeal of any **Claim** or **Potential Claim**, including but not limited to:
 - a. All costs taxed against any **Insured** in any **Suit**;
 - b. All prejudgment and post judgment accrued interest on that portion of any judgment which does not exceed the applicable Limit of Liability. If we tender or pay **Damages** on any

judgment up to our Limits of Liability, we have no further obligation to pay any additional interest;

- c. All premiums on bonds to release attachments and appeal bonds, limited to that portion of a bond which does not exceed the applicable Limit of Liability. We will obtain the bond on behalf of the **Insured**. You shall reimburse us for the additional cost of the bond we obtain for any exposure in excess of our Limit of Liability; and
- d. All reasonable expenses incurred by an **Insured** at our request while assisting us in the investigation and defense of any **Claim** or **Potential Claim**.

Claim Expenses shall not include your loss of earnings, salaries or expenses of your employees or officials; or salaries or expenses of our employees or officials.

- D. **Client** means people or entities to which **Professional Services** or **Other Related Services** are rendered but does not include any **Insured** or any Insurance Company or Broker/Dealer.
- E. **Crisis Event** means any:
 - 1. Death or debilitating illness of the owner of a sole proprietorship;
 - 2. National or regional news exposure in television, radio, print or recognized professional insurance publications on internet media regarding **Professional Services** or **Other Related Services** of the **Named Insured**, that is reasonably likely to have a negative impact on the **Named Insured** with respect to its income, reputation, community relations, public confidence, or good will;
 - 3. Incident of workplace violence; or
 - 4. Filing of an involuntary bankruptcy petition against the **Named Insured**.
- F. **Crisis Management Services** means services performed by an established public relations firm designed to minimize potential harm to the **Named Insured** from a covered **Crisis Event** by managing adverse media coverage and maintaining and restoring public confidence in the **Named Insured**.
- G. **Damages** means monetary amounts for which an **Insured** is held legally liable, including any punitive or exemplary damages if insurable under the applicable law most favorable to the insurability of punitive or exemplary damages, but does not include:
 - 1. Punitive or exemplary damages if deemed uninsurable under the law pursuant to which this **Policy** will be construed, or the multiplied portion of any multiplied damages award;
 - 2. Sanctions, fines, or penalties imposed by law or matters deemed uninsurable under the law pursuant to which this **Policy** will be construed;
 - 3. The return of any fees, commissions, profit sharing, or other remuneration, or costs or expenses for **Professional Services** or **Other Related Services** rendered or to be rendered by the **Insured**;
 - 4. An **Insured's** taxes;
 - 5. Reimbursement or return of premiums or funds;
 - 6. Redress in any form other than monetary relief, including, but not limited to, any form of injunctive or other equitable relief, restitution, replevin, unjust enrichment, declaratory judgments, or an accounting; or

7. Claim Expenses.

- H. Deductible** means the amount set forth in Item **5.** of the Declarations.
- I. Employed Lawyer** means any person admitted to practice law who is, was or becomes an employee of the **Named Insured** for the purpose of providing legal services in the conduct of the **Named Insured's** profession or is any person who is an independent contractor attorney who:
1. Performs legal services in the conduct of the **Named Insured's** profession;
 2. Is indemnified by the **Named Insured** pursuant to an independent contractor services agreement; and
 3. Is not employed by, under contract with or affiliated with a private law firm, other than as a sole practitioner.
- J. First Named Insured** means the **Insured** whose name is listed first on the Declarations if there are multiple **Named Insureds**, or the **Named Insured** where only one **Insured** is listed.
- K. Fraudulent Entity** means an organization that does not have a legal identity or legal existence, but which is represented to legally exist.
- L. Insured** means:
1. If you are an individual, you and your spouse or legal domestic partner, and former spouse or legal domestic partner, are **Insureds**, but only with respect to the conduct of a business of which you are the sole owner.
 2. If you are partnership, you, your partners and their spouses or legal domestic partners, and former partners and their spouses or legal domestic partners, are **Insureds**, but only with respect to the conduct of your business.
 3. If you are a limited liability company, you are an **Insured**. Your members and former members are also **Insureds**, but only with respect to the conduct of your business. Your managers and former managers are **Insureds**, but only with respect to their duties as your managers, with respect to the conduct of your business.
 4. If you are an organization other than a partnership or limited liability company, you are an **Insured**. Your officers, directors, and former officers and directors are **Insureds**, but only with respect to their duties as your officers or directors with respect to the conduct of your business. Your stockholders and former stockholders are also **Insureds**, but only with respect to their liability as stockholders.
 5. Each of the following is also an **Insured**:
 - a. Your employees and former employees, and leased or temporary employees, but only for acts within the scope of their employment by you and while performing duties related to the conduct of your **Professional Services** or **Other Related Services**.
 - b. Any independent contractor or former independent contractor while acting on your behalf within the scope of their duties as your sub-producer in connection with insurance serviced by any **Insured**.
 - c. The heirs, executors, administrators, or legal representative of an **Insured** in the event of death, incapacity, or bankruptcy of the **Insured**, but only to the extent that such **Insured** would otherwise be covered by this **Policy**.

6. Any organization you newly acquire or form during this **Policy Period**, and over which you maintain majority interest, provided:
 - a. The annual insurance sales revenues from such organization do not exceed fifteen percent (15%) of your total annual insurance sales revenue;
 - b. All lines of business and insurance products provided by this organization were previously provided by the **Insured** and fall within the scope of the **Professional Services** or **Other Related Services** of the **Named Insured** as disclosed to us on one or more application(s) or supplemental application(s) for this coverage;
 - c. You have not purchased the liabilities of the acquired organization; and
 - d. The acquisition is reported at the renewal immediately following the acquisition.

If the annual insurance sales revenues from such organization are greater than fifteen percent (15%) of your total insurance sales revenues, and if there is no other similar insurance available to that organization, the newly acquired or formed organization over which you maintain majority interest will qualify as an additional **Named Insured**. However,

- a. Coverage under this provision is afforded only until the one hundred twentieth (120th) day after you acquire or form the organization or the end of the **Policy Period**, whichever is earlier;
- b. Coverage does not apply to **Wrongful Acts** committed before you acquired or formed the organization, unless agreed to by us and endorsed to this **Policy**; and
- c. An additional premium may be charged from the date you acquired or formed the organization.

7. The person or entity which has been specifically added as an additional **Insured** by endorsement to the **Policy**.

M. Mediation means the voluntary process in which an objective third party who is a qualified professional mediator selected by the parties to the **Claim**, with our written agreement, intervenes between the parties in an attempt to achieve a settlement of the **Claim**. **Mediation** does not include litigation, arbitration or any court-mandated proceeding.

N. Named Insured means the person or entity listed in the Declarations or any endorsement to this **Policy** and **Predecessor Agency** thereof.

O. Other Related Services means the following services:

1. Services rendered in teaching a formal insurance course, but we will only cover **Claims** first made against the **Insured** by a student or former student for a **Wrongful Act** of the **Insured** causing such student to incur legal liability;
2. Services rendered as a notary public;
3. An **Insured's** testimony as an expert witness in connection with insurance related litigation;
4. **Advertising** activities for the **Named Insured**;
5. Services as a claims adjuster pursuant to a written agency/insurer agreement covering the sales and servicing of insurance products placed through the **Named Insured's** agency;

6. The solicitation, sales and servicing of health benefit plans to members of nonprofit agricultural organizations as authorized by the applicable state law in which the health benefit plan is sold;
7. Servicing and administering related to the sale of prepaid legal expense plans for prospective **Clients** that are governed by a General Agency Agreement.
 - a. Coverage for these services include:
 - (1) Obtaining **Client** applications and information and forwarding these as required by a General Agency Agreement, approved by us, for prepaid legal expense plans; and
 - (2) Distributing marketing materials that are approved by the entity whose products are promoted by said marketing materials.
 - b. Coverage for these services does not include:
 - (1) Services in connection with professional acts, errors or omissions of any lawyer or any person for whose acts such lawyer is legally responsible; or
 - (2) The marketing, sale, servicing or administration of any prepaid legal expense plans other than those offered that are subject to a General Agency Agreement and approved by us;
8. Recruiting prospective **Clients** for professional employer services pursuant to a Professional Employer Services Marketing Agreement (PESMA), or similar agreement.
 - a. Coverage for these services include:
 - (1) Obtaining **Client** information and evaluating **Client** needs as required by the PESMA or similar agreement; and
 - (2) Collecting initial deposits and remitting payments as required by PESMA, or a similar agreement.
 - b. Coverage for these services does not include:
 - (1) The failure of a Professional Employer Service Provider to pay salaries or fees of any PESMA practitioner or broker, any Professional Employer Service Provider, and any insolvency, receivership or liquidation of such;
 - (2) The quality of service or care rendered by a participating provider of services or the alleged malpractice of any Professional Employer Service Provider; or
 - (3) The placement of **Clients** with non-licensed PEOs or PEOs that are not accredited by the Employer Services Assurance Corporation (ESAC); and
9. Referring **Clients** to a broker for the purpose of placing them with a Professional Employer Organization (PEO) that is domiciled in a state which regulates PEOs for solvency and compliance standards.
 - a. Coverage for these services does not include:
 - (1) The failure of a PEO to pay salaries, benefits, or other compensation;
 - (2) The placement of a **Client** with a PEO that is not domiciled in a state which regulates PEOs for solvency and compliance standards;

- (3) The quality of service provided by any PEO; or
- (4) Any harassment, coercion, humiliation, or discrimination related to a person's race, color, creed, national origin, marital status, medical condition, gender, age, physical appearance, mental impairment, pregnancy, sexual orientation or preference, or any other protected class or characteristic established by any federal, state, or local statutes, rules or regulations.

P. Personal Injury means:

1. False arrest, detention or imprisonment, malicious prosecution, or humiliation;
2. The publication or utterance of a libel or slander or other defamatory or disparaging material, or a publication or an utterance in violation of an individual's right of privacy;
3. The use of another's advertising idea or the use of another's copyright, trade dress, or slogan in **Advertising**; or
4. Wrongful entry or eviction or other invasion of the right of private occupancy of a premises or dwelling that a person occupies.

Q. Policy means the insuring agreement issued by us to the **First Named Insured** and listed in the Declarations, along with all attached endorsements.

R. Policy Period means the period stated in the Declarations, unless terminated earlier pursuant to Section **XIII. TERMINATION OF COVERAGE**.

S. Potential Claim means that an **Insured** has become aware of a circumstance, proceeding, event, or development, which could in the future result in the institution of a **Claim** against an **Insured**.

T. Pre-Claim Expenses mean reasonable fees, costs and expenses incurred in the investigation of a fact, circumstance, or situation which may reasonably be expected to give rise to a **Claim** against an **Insured**.

U. Predecessor Agency means any insurance agency to whose financial assets and liabilities the agency listed as the **Named Insured** in the Declarations is the majority successor in interest.

V. Professional Services means:

1. Services rendered as an insurance agent, insurance broker, life insurance agent, or general insurance agent;
2. Services rendered as surplus lines broker, excess lines broker, or wholesale broker;
3. Services rendered as an insurance consultant, including, but not limited to, insurance consulting connected with employee benefit plans;
4. Services rendered in referring a **Client** to another insurance professional that results in a **Claim** against the **Insured** for the error or omission of such professional that causes injury to the **Client**;
5. Premium financing services provided by the **Named Insured** to the **Named Insured's Clients** for insurance placed through the **Named Insured**;
6. Loss control, risk management, or anti-fraud services rendered in connection with insurance placed through the **Named Insured**;

7. Services as a registered representative rendered in connection with the sale and servicing of variable life and variable annuity products; or
 8. Acting as a countersigning agent for out-of-state insurance agencies on policies issued within the state of domicile of the **Insured**.
- W. Remote Online Notarization** means the use of video and audio technology on the internet to allow a signatory to personally appear before and communicate with the notary public at the time of notarization but only if such Remote Online Notarization is permitted in, and meets all applicable legal standards of the jurisdictions where the **Insured**, the signatory, and witness of the notarized instrument are located.
- X. Retroactive Date** means the date, as specified in the Declarations or in any endorsement attached hereto, on or after which any **Wrongful Act** must have occurred in order for **Claims** arising therefrom to be covered under this **Policy**.
- Y. Sexual Misconduct** means actual or alleged:
1. Sexual abuse, sexual molestation, or sexual exploitation, of any one or more persons;
 2. Any other unwelcome or offensive conduct of a sexual nature, whether physical, verbal or written (including conduct using visual images or through electronic means) directed against any one or more persons, including any conduct that causes, grooms, or is intended to cause or groom any one or more persons to engage in any act of a sexual nature or is done to arouse or satisfy a sexual desire of anyone;
 3. Negligent:
 - a. Employment;
 - b. Investigation;
 - c. Supervision;
 - d. Reporting to proper authorities, or failure to so report; or
 - e. Retention;of a person or persons for whom any **Insured** is or ever was legally responsible and whose conduct is described in Paragraph 1. or 2. above of this definition; or
 4. Breach of any legal obligation or duty owed to any one or more persons arising out of any conduct described in Paragraph 1. or 2. above of this definition.
- Z. Stranger-Owned Life Insurance (STOLI)** means an arrangement where a life insurance policy is issued to an insured or an individual who has an insurable interest with the insured, with the resources to purchase the policy provided or guaranteed by a person or entity who has no insurable interest to the insured person and who has the contractual right to repayment or other means of satisfaction of the debt such as obtaining control of the policy rights or benefits.
- AA. Suit** means a civil proceeding alleging **Damages** against an **Insured** because of a **Wrongful Act** to which this insurance applies. **Suit** includes:
1. An arbitration proceeding in which such **Damages** are claimed and to which the **Insured** must submit or does submit with our consent;
 2. Any other alternative dispute resolution proceeding in which such **Damages** are claimed and

to which the **Insured** submits with our consent; or

3. An adjudicatory proceeding in a court of law.

BB. Wrongful Act means:

1. Any negligent act, error, or omission of an **Insured** in rendering **Professional Services** or **Other Related Services** for others; or
2. Any **Personal Injury** or **Advertising** injury in rendering **Professional Services** or **Other Related Services** for others.

Wrongful Act shall not include any **Claim** for intentional acts or omissions, including but not limited to, acts of dishonesty, fraud, criminal conduct, malice, or assault and battery, or willful violation of a statute or regulation. **Claim Expenses** are recoverable by us against those **Insureds** who, by final judgment, order, or determination in a **Suit** are found to have committed such intentional acts or omissions. **Claim Expenses** are also recoverable by us against those **Insureds** who, by their written or oral admission, committed such intentional acts or omissions. However, this does not apply to those **Insureds** who do not personally participate in or ratify the acts or omissions identified above and who notify us once such act or omission has been discovered.

V. EXCLUSIONS

This **Policy** shall not apply to any **Claim** based upon, arising out of, attributable to, or directly or indirectly resulting from:

- A. Bodily Injury, sickness, disease, or death of any person; or injury to or destruction of any property, including the loss of use of the property. This exclusion shall not apply to **Claims** arising directly out of any actual or alleged failure of the **Insured** to place, effect, maintain, or renew any insurance products for any **Client**.
- B. The **Insured's** administration under the Consolidated Omnibus Budget Reconciliation Act of 1986 (COBRA) including any amendments, regulations, or enabling statutes pursuant thereto, or any other similar federal, state or provincial statute or regulation.
- C. Any duties or activities assumed under contract by an **Insured** as Named Fiduciary under the Employee Retirement Income Security Act of 1974 (ERISA) or the Pension Benefits Act, including any amendments, regulations, or enabling statutes pursuant thereto, or any other similar federal, state, or provincial statute or regulation.
- D. Improper, inaccurate, false or fraudulent invoices or billing practices, including but not limited to any actual or alleged violations of the False Claims Act (FCA), Fraud Enforcement and Recovery Act of 2009 (FERA), Patient Protection and Affordable Care Act of 2010 (ACA), or the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010, including any amendment to any of the preceding.
- E. Any services rendered for any plan or arrangement operating as a Multiple Employer Welfare Arrangement (MEWA) as defined in ERISA, and its amendments.
- F. Any services rendered for any group benefit plan or arrangement that is not fully funded by insurance, subject to stop loss, or subject to reinsurance at all times.
- G. Any **Fraudulent Entity** or any entity that the **Insured** knew or, if industry standard due diligence had been performed, reasonably should have known is a legally formed entity that is used as a device to commit fraud or other unlawful acts.
- H. The financial inability to pay, insolvency, receivership, bankruptcy or liquidation of any insurance

company, any Individual Practice Association, Health Maintenance Organization, Preferred Provider Organization, Dental Service Plan, Risk Retention Group, Risk Provider Group, self-insured plan or any pool, syndicate, association, or other combination formed for the purpose of providing insurance, or reinsurance, or any healthcare provider or any reinsurer with which the coverage was placed. However, this exclusion does not apply if:

1. At the time the coverage was placed with any of the above-described entities:
 - a. Such entity or entities were rated by AM Best as B+ or higher;
 - b. Such entities were member insurers of the state guaranty fund or guaranty association in the state or states of domicile of the subject risk;
 - c. Such entities were guaranteed by a governmental body or bodies and/or operated by a governmental body or bodies; or
2. Coverage was placed with:
 - a. An insurance carrier through a state established residual market insurance program;
 - b. A County Mutual or Fraternal reinsured by carriers rated by AM Best as B+ or higher; or
 - c. An insurance carrier admitted in the state or states of domicile of the subject risk and rated A or higher by Demotech.

I. **Claims** or disputes:

1. Between **Insureds** under this **Policy**. However, this exclusion does not apply to such **Claim** if the **Wrongful Act** arises out of **Professional Services** or **Other Related Services** by an **Insured** rendered to such other **Insured**, provided the **Insured** rendering such **Professional Services** or **Other Related Services** does not have an ownership interest in or does not operate, control or manage the risk to be insured;
2. By an enterprise which one or more **Insured(s)** has either a total of ten percent (10%) or more equity interest, or the **Insured(s)** operate, control or manage the enterprise. However, this exclusion does not apply to such **Claim** if the **Wrongful Act** arises out of **Professional Services** or **Other Related Services** by an **Insured** rendered to such enterprise, provided the **Insured** rendering such **Professional Services** or **Other Related Services** does not have an ownership interest in or does not operate, control or manage the risk to be insured; or
3. By an enterprise which has either a ten percent (10%) or more equity interest in an **Insured**. However, this exclusion does not apply to such **Claim** if the **Wrongful Act** arises out of **Professional Services** or **Other Related Services** by an **Insured** rendered to such enterprise, provided the enterprise insured does not operate, control or manage the **Insured**.

J. Any act, error, omission, fact or circumstance which is the subject of any notice or **Claim** under any prior **Policy**, or any other act, error, omission, fact or circumstance logically or causally connected to such notice or **Claim**.

K. Services performed by an **Insured**, whether or not the **Insured** is licensed as such, as a:

1. Tax preparer or advisor, accountant, architect, engineer, actuary, real estate agent or broker, title insurance agent, escrow agent, mortgage broker, financial planner, investment advisor, securities broker dealer, construction manager, property developer, property manager; or
2. Attorney providing legal advice or as an **Employed Lawyer**. This exclusion does not include the rendering of **Professional Services** or **Other Related Services** directly related to

products sold or serviced in the **Named Insured's** profession performed by an attorney who meets the definition of an **Insured** and who is not an **Employed Lawyer**.

- L. Any actual or alleged certification or acknowledgement by any **Insured**, in his or her capacity as a notary public, of a signature on a document which the **Insured** did not witness being placed on the document unless the **Insured** obtains the signature through the use of **Remote Online Notarization**.
- M. Any **Claim** arising out of an **Insured's**:
 - 1. Conversion, defalcation or commingling of funds, embezzlement, misappropriation, or improper use of funds;
 - 2. Improper transfer of funds from an account of an **Insured** in reliance upon fraudulent instructions; or
 - 3. Inability or failure to pay, collect, safeguard or return any funds.
- N. An **Insured's** involvement in or arising out of:
 - 1. The placement of or failure to place any reinsurance;
 - 2. Promissory notes;
 - 3. The sale or servicing of investments in viatical policies, viatical investment pools, life settlements or **Stranger-Owned Life Insurance (STOLI)**;
 - 4. The offering, sale or service of any life insurance policy in which the premium was paid for, in whole or in part, by or through any premium finance mechanism or any premium finance company;
 - 5. Securities or any state securities or Blue Sky statutes, including any rules or regulations promulgated under any of the foregoing, however, this exclusion shall not apply to variable annuities, variable life and mutual funds;
 - 6. The rules or regulations of:
 - a. Any self-regulating organization, including but not limited to FINRA or its predecessors or successors;
 - b. Any state insurance or securities department, commission or agency, except as provided in Section I. **COVERAGE, D. Additional Coverages, Paragraph 3. Regulatory Proceeding**;
 - 7. Commodities, futures contracts, or option contracts;
 - 8. Limited partnerships, syndicates and investment trusts involving the formation, syndication, operation, administration, dissolution or roll-up of any limited partnership or limited partnership interest, any real estate syndicate or investment trust or any interest therein; or
 - 9. Any Internal Revenue Code section 1031 exchange.
- O. The **Insured's** warranties, promises or guarantees related to future premium payment, future performance or valuation.
- P. The offering, sale or servicing of any structured settlement. However, this exclusion shall not apply to a **Claim** solely based upon or arising out of the selling or servicing of a product utilized

to fund a structured settlement.

- Q.** An **Insured's** activities in exercising discretionary authority or control with regard to the management or disposition of assets, provided, however, this exclusion shall not apply to an **Insured** providing an asset allocation service with respect to a written asset allocation plan executed by the **Client**.
- R.** The liability of others assumed by the **Insured** under any contract or agreement; provided, however this exclusion shall not apply to:
 - 1. Liability an **Insured** would have in the absence of the contract or agreement by reason of a **Wrongful Act** committed by the **Insured**; or
 - 2. Liability the **Named Insured** or any **Predecessor Agency** assumed under a standard agency or brokerage agreement which is fully executed prior to the time of any actual or alleged **Wrongful Act** and which indemnifies an insurer whom the **Insured** represents for **Damages** or **Claim Expenses** the insurer incurs solely and exclusively due only to a **Wrongful Act** committed by the **Insured** or by any other person or organization for whose **Wrongful Act** the **Insured** is legally responsible.
- S.** Any actual or alleged **Wrongful Act** arising from the rendering of **Professional Services** or **Other Related Services** for which a license is required and committed while the **Insured's** license was suspended or revoked. However, this exclusion shall not apply if the only reason for such licensure not being in effect was due to an administrative or clerical error.
- T.** Any **Insured** having gained any personal profit or advantage to which he or she was not legally entitled.
- U.** Any **Insured's** misappropriation or unauthorized use of a trade secret, patent, copyright, or other proprietary information.
- V.** Third-party administrator activities, public claims adjusting or public appraisal services, whether the **Insured** performs such activities for a fee or no fee.
- W.** Any actual or alleged violation of:
 - 1. The Telephone Consumer Protection Act (TCPA), including any amendment of or addition to such law;
 - 2. The CAN-SPAM Act of 2003, including any amendment of or addition to such law;
 - 3. The Fair Credit Reporting Act (FCRA), and any amendment of or addition to such law, including the Fair and Accurate Credit Transaction Act (FACTA); or
 - 4. Any federal, state or local statute, ordinance or regulation, other than the TCPA, CAN-SPAM Act of 2003 or FCRA and their amendments and additions, that addresses, prohibits, or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.
- X.** Any **Sexual Misconduct**.

VI. COOPERATION

All **Insureds** shall cooperate with us in providing information and documentation requested by us regarding any **Claim** or **Potential Claim** reported under the **Policy** or for any underwriting purpose. All **Insureds** shall cooperate with us in the investigation of any **Potential Claim** and in the defense, investigation and settlement of any **Claim**. Upon our request, the **Insured** shall submit to examination or questioning under oath, attend hearings, depositions and trials and assist in effecting settlements, securing

and giving evidence and obtaining the attendance of witnesses in the conduct of **Suits**.

All **Insureds** shall assist us in effecting any rights of indemnity, contribution or apportionment available to any **Insured** or us, including the execution of such documents as are necessary to enable us to pursue **Claims** in the **Insureds**' names, and shall provide all other assistance and cooperation which we may reasonably require.

VII. LIMITS OF LIABILITY

- A. The Limits of Liability shown in the Declarations and the rules below, establish the most we will pay regardless of the number of:
 - 1. **Insureds**;
 - 2. **Claims** made or **Suits** brought; or
 - 3. Persons or organizations making **Claims** or bringing **Suits**.
- B. Subject to the Aggregate Limit of Liability, our liability for the combined total of all **Damages** for any one **Claim** shall not exceed the amount stated in the Declarations as the Each **Claim** Limit of Liability.
- C. Our liability for the combined total of all **Damages** for all **Claims** shall not exceed the amount stated in the Declarations as the Aggregate Limit of Liability.
- D. All Limits of Liability shall apply in excess of the **Deductible**. All **Claim Expenses** shall be in addition to the applicable Each **Claim** Limit of Liability.

The Limits of Liability apply separately to each consecutive annual period and to any remaining period of less than twelve (12) months, starting with the Inception Date of the **Policy Period** shown in the Declarations, unless the **Policy Period** is extended after issuance for an additional period of less than twelve (12) months. In that case, the additional period will be deemed part of the last preceding period for purposes of determining the Limits of Liability.

VIII. DEDUCTIBLE

- A. You shall be responsible for the payment of the **Deductible** indicated in the Declarations.
- B. We will have no obligation whatsoever to the **Insured** to pay all or any portion of the **Deductible**. We will, however, have the option to do so, in which event the **Insured** will repay us any amounts so paid within thirty (30) days of our demand to the **First Named Insured**.
- C. The **Deductible** applies to **Damages** and not **Claim Expenses**. The total **Deductible** you shall be responsible to pay during the **Policy Period** will not exceed the aggregate amount for each **Policy Period**, if any, shown in the Declarations.
- D. **Deductible Reduction**
 - 1. If you and we agree to use **Mediation** and a **Claim** is fully and finally resolved by **Mediation** with our consent and agreement, your **Deductible** amount incurred for such **Claim** will be reduced by fifty percent (50%) subject to a maximum of \$25,000.
 - 2. If any **Insured** generates and maintains contemporaneous written documentation of the refusal of any **Client** to accept any type of coverage or limit offered by the **Insured**, and if the **Insured** subsequently has a **Claim** alleging the failure to secure such, one hundred percent (100%) of the **Insured's Deductible** for that **Claim** will be waived up to a maximum of \$25,000, or until dismissal of such allegations, whichever is first.

IX. SUBROGATION

If we pay any **Damages** or **Claim Expenses**, we shall be subrogated to the rights of the **Insured** against any person or organization. The **Insured** shall execute all papers we require and shall do everything that may be necessary to preserve, secure, and pursue our rights, including the execution of such documents as may be necessary to enable us to bring **Suit** in the name of the **Insured**. All **Insureds** shall cooperate with us and do nothing to jeopardize, prejudice, or terminate such rights. We shall not exercise any subrogation rights against any **Insured**, unless the **Claim** arises from any dishonest, fraudulent, or malicious act, error, or omission of such **Insured**.

X. REIMBURSEMENT TO COMPANY

If we have paid any amounts as **Damages** in satisfaction of any **Claim** in excess of the applicable Limit of Liability or have paid **Damages** within the amount of the applicable **Deductible**, you shall be liable to us for any and all such amounts and shall pay such amounts to us within thirty (30) days of our demand.

XI. CHANGES

No change or modification of this **Policy** shall be effective except when made by a written endorsement to this **Policy** which is signed by our authorized representative.

XII. NO ASSIGNMENT

Neither this **Policy** nor any **Insured's** interest in this **Policy** may be assigned without our written consent.

XIII. TERMINATION OF COVERAGE

The **Policy** shall terminate at the earliest of the following:

- A. If the **Policy** is terminated for failure to pay a premium when due, the effective date of the cancellation stated in a written notice of cancellation from us to the **First Named Insured**, provided such notice is sent by us a least ten (10) days prior to the effective date of cancellation. The mailing of such notice to the **First Named Insured** shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Any earned premium shall be computed pro rata;
- B. If the **Policy** is terminated by us for any reason other than non-payment of premium, the effective date of the cancellation stated in our written notice of cancellation, provided the **First Named Insured** receives such notice at least thirty (30) days prior to the effective date of cancellation. The mailing of such notice to the **First Named Insured** shall be sufficient notice and the effective date of cancellation stated in the notice shall become the end of the **Policy Period**. Any earned premium shall be computed pro rata;
- C. Upon the surrender of the **Policy** by the **First Named Insured** to us or upon our receipt of your written notice of termination stating when thereafter such cancellation shall be effective. Any earned premium shall be computed in accordance with the customary short rate table and procedure; or
- D. Upon expiration of the **Policy Period** as set forth in the Declarations.

Other than for nonpayment of premium as provided for in Paragraph **A.** above, and notwithstanding any provision to the contrary in this **Policy** or in any state amendatory endorsement which may be attached to this **Policy** providing more restrictive language, if this **Policy** has been in force for sixty (60) days or more, we will not cancel the **Policy** mid-term.

XIV. EXTENDED REPORTING PERIODS

- A. The following provisions are applicable to all Extended Reporting Periods:

1. The Extended Reporting Periods cover **Claims** arising out of **Wrongful Acts** that occurred prior to cancellation or expiration of the **Policy** and on or after any **Retroactive Date** applicable to the expired or terminated **Policy**.
2. The Limit of Liability during the final **Policy Period** immediately preceding the cancellation or non-renewal of the **Policy** shall apply to **Claims** reported during the final **Policy Period** together with **Claims** reported during the Extended Reporting Period. The Extended Reporting Period shall not in any way increase or reinstate the Limits of Liability or extend the **Policy Period**.
3. The **Deductible** shown in the Declarations shall apply to any Extended Reporting Period.
4. If any Extended Reporting Period option is exercised, it cannot be terminated or modified by you or us.

B. Automatic Extended Reporting Period

If we or you choose to cancel or not renew this **Policy**, this **Policy** will apply to **Claims** first made against you during the **Policy Period** and reported in writing to us during the sixty (60) days immediately following the date of cancellation or expiration.

C. Optional Extended Reporting Periods

The following Extended Reporting Periods are available, subject to the above-identified terms and conditions, payment of all outstanding premiums or **Deductibles** due, and your electing within sixty (60) days from the date of cancellation or non-renewal of the **Policy**.

1. If we or you choose to cancel or not renew the **Policy**, you shall have the right to extend the time for reporting **Claims** made against any **Insured** under the **Policy** per the following schedule. The additional premium for such Extended Reporting Period shall be:

Extended Reporting Period	Additional Premium Charge
1 year	100%
2 years	150%
3 years	200%
4 years	225%
5 years	250%

The **First Named Insured** must send us written notice of its intent to purchase the option along with the additional premium for the Extended Reporting Period within sixty (60) days of the cancellation or non-renewal of the **Policy**. The first sixty (60) days of the Optional Extended Reporting Period, if it is purchased, shall run concurrently with the Automatic Extended Reporting Period.

2. In the event that a designated principal, partner or owner of the **Named Insured** dies or becomes permanently and totally disabled during the **Policy Period**, an unlimited Extended Reporting Period will be granted solely for work performed by that principal, partner or owner on behalf of the **Named Insured** at no additional premium, provided that:
 - a. The **Named Insured** has been continuously insured by us on a claims-made basis for a minimum of five (5) years;
 - b. The **Named Insured** cancels or fails to renew this **Policy** due to dissolution of the **Named Insured**;
 - c. Within sixty (60) days of the death or permanent and total disability, the **Named Insured**,

or the estate of the designated principal, partner or owner of the **Named Insured**, requests the unlimited Extended Reporting Period; and

- d. The estate of the designated principal, partner or owner of the **Named Insured** furnishes written evidence and proof of such **Insured's** death or proof of the permanent and total disability, including the date of the actual disability and written certification by the attending physician.
3. In addition to the above, if this **Policy** is canceled by the **First Named Insured** due to your merger, consolidation, or sale to another entity, or death or retirement of the owner, the **First Named Insured** shall also have the right to purchase an Extended Reporting Period provided:
- a. Such merger, consolidation, or sale is not due to suspension, revocation, or surrender of an **Insured's** license; and
 - b. The **First Named Insured** must send us written notice of its intent to purchase the option along with the additional premium for the Extended Reporting Period within sixty (60) days of the cancellation or non-renewal of the **Policy**. The additional premium for such Extended Reporting Period shall be:

Extended Reporting Period for Sale, Merger, Death or Retirement	Additional Premium Charge
1 year	100%
2 years	150%
3 years	200%
4 years	225%
5 years	250%
6 years	275%
7 years	300%
8 years	325%
9 years	340%
10 years	350%

4. The premium for all Optional Extended Reporting Periods against which all of such stated percentages in this Section **XIV**. shall apply, will be the annual premium shown in the Declarations combined with any annualized premiums resulting from any endorsements.

XV. ACQUISITIONS AND MERGERS / MATERIAL CHANGES

In the event of any merger, consolidation, amalgamation, or acquisition of any entity or any material change in your operations, you shall notify us of such change within one hundred twenty (120) days of the date of such change.

XVI. MULTIPLE INSUREDS AND CLAIMANTS

The inclusion of more than one **Insured** in any **Claim** or the making of **Claims** by more than one person or organization shall not increase the Limits of Liability or the **Deductible**. Two or more **Claims** arising out of a single **Wrongful Act**, or a series of related or continuing **Wrongful Acts**, shall be a single **Claim**. All such **Claims**, whenever made, shall be considered first made on the date on which the earliest **Claim** was first made arising out of such **Wrongful Act**, and all such **Claims** are subject to one Each **Claim** Limit of Liability and **Deductible**.

XVII. LIBERALIZATION

If, during the **Policy Period** we adopt revised provisions for this **Policy** in order to afford, without additional premium, broader insurance to all **Insureds** covered by this **Policy**, such provision will apply to this **Policy** effective the date the provision has been approved by the appropriate regulatory authority and such

revision shall apply only to **Claims** first made, or **Potential Claims** of which you first become aware, after the date of such approval.

XVIII. OTHER INSURANCE

This **Policy** shall be excess over any other valid insurance whether such other insurance is stated to be primary, contributory, excess, contingent, self-insurance or otherwise, unless such other insurance is written only as specific excess insurance over the Limits of Liability provided in this **Policy**.

XIX. ACTION AGAINST US

No action shall lie against us unless, as a condition precedent thereto, all **Insureds** shall have fully complied with all the terms and conditions of this **Policy** and not until the amount of all **Insureds'** obligations to pay has been finally determined either by judgment against all **Insureds** after actual trial or by written agreement of you, the claimant and us.

Nothing contained in the **Policy** shall give any person or organization any right to join us as a co-defendant in any action against any **Insured** to determine any **Insured's** liability.

XX. APPLICABLE LAWS

Any terms of the **Policy** which are in conflict with any laws and regulations governing the **Policy** are hereby amended to conform to such laws and regulations.

XXI. TERRITORY

This **Policy** applies to **Wrongful Acts** that occur anywhere in the world, subject to Section **XXII. ECONOMIC OR TRADE SANCTION**.

If a **Suit** is brought outside the United States of America (including its territories and possessions), Puerto Rico or Canada and we are prevented by law, or otherwise, from defending the **Insured**, the **Insured** will provide for a defense of the **Suit**. We will reimburse the **Insured** for any reasonable and necessary expenses incurred for the defense of a **Suit** seeking **Damages** to which this insurance applies that we would have paid had we been able to exercise our right and duty to defend.

If the **Insured** becomes legally obligated to pay sums because of **Damages** to which this insurance applies outside the United States of America (including its territories and possessions), Puerto Rico or Canada, and we are prevented by law, or otherwise, from paying such sums on the **Insured's** behalf, we will reimburse the **Insured** for such sums.

All payments or reimbursements we make for **Damages** because of judgments or settlements will be made in U.S. currency at the prevailing exchange rate at the time the **Insured** became legally obligated to pay such sums. All payments or reimbursements we make for **Claim Expenses** will be made in U.S. currency at the prevailing exchange rate at the time the expenses were incurred.

Any disputes between you and us with respect to coverage under this **Policy** must be filed in the courts of the United States of America (including its territories and possessions), Puerto Rico or Canada.

The **Insured** must fully maintain any other coverage required by law, regulation or other governmental authority during the **Policy Period**, except for reduction of the Aggregate Limit of Liability due to payment of **Claims**, judgments or settlements. Failure to maintain such other coverage required by law, regulation or other governmental authority will not invalidate this insurance. However, this insurance will apply as if the required coverage by law, regulation or other governmental authority were in full effect.

XXII. ECONOMIC OR TRADE SANCTION

If coverage for a **Claim** under this **Policy** is in violation of any economic or trade sanction, including, but

not limited to, any sanction administered and enforced by the U.S. Treasury Department's Office of Foreign Assets Control (OFAC), then coverage for such **Claim** shall be deemed null and void.

XXIII. WAIVER

Our failure to insist on strict compliance with any of the terms, provisions or conditions of this **Policy** or the failure to exercise any right or privilege shall not operate or be construed as a waiver thereof or of any subsequent breach thereof or a waiver of any other terms, provisions, conditions, privileges, or rights.

XXIV. ENTIRE AGREEMENT

By acceptance of this **Policy**, all **Insureds** reaffirm as of the effective date of this **Policy** that:

1. The statements in the Declarations and your most recent application(s) and all information communicated by the **Insureds** to us are true and accurate and are all **Insureds'** agreements and representations;
2. This **Policy** is issued in reliance upon the truth and accuracy of such representations which are material to our issuance of this **Policy**; and
3. This **Policy** embodies all agreements between **Insureds** and us or any of our agents relating to this insurance.

IN WITNESS WHEREOF, the Company has caused this **Policy** to be signed by its President and Secretary, and, if required by state law, this Policy will not be valid unless countersigned by a duly authorized representative of the Company.

General Star National Insurance Company



President



Secretary