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Lawyers' Professional Liability Insurance Policy

2024

THE BAR PLAN

MUTUAL INSURANCE COMPANY

PROFESSIONAL LIABILITY INSURANCE FOR LAWYERS

IMPORTANT NOTICES

This is a Claims-Made and Reported Policy. Only those Claims first made against an Insured and reported to the Company during the Policy Period are covered, subject to the terms and conditions of this Policy.

If a Claim is made against an Insured during the Policy Period as a result of an act or omission prior to the Policy Period, Coverage is subject to the Insured having no basis to believe that such Insured had committed such an act or omission prior to the Policy Period and subject to the other terms and conditions of this Policy.

Defense Expenses are within the Limits of Liability; meaning that payment of Defense Expenses will reduce the Limits of Liability available to pay Damages.

The Bar Plan Mutual Insurance Company is organized in accordance with the provisions of Chapter 379, R.S.Mo.

PLEASE READ CAREFULLY

In consideration of the undertaking of the Policyholder to pay, when due, all premiums, charges and the deductible described herein, in the amounts stated in the Declarations or otherwise provided for herein, and in reliance upon the statements in the application which is made a part hereof, subject to the Limits of Liability shown in the Declarations and all of the terms and conditions of this Policy, the Company agrees with the Policyholder as follows:

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I. DEFINITIONS Whenever used in this Policy:

- A. **"NAMED INSURED"** means: Each individual or Entity designated as "individual insureds" in the Declarations of this Policy.
- B. **"INSURED"** means:
1. Any Named Insured;
 2. Any lawyer who is a former partner, member, officer, director, stockholder, Associate, or employee of the Policyholder or the Policyholder's Predecessor Firm(s), but solely for acts or omissions while acting within a professional capacity providing Legal Services on behalf of the Policyholder or its Predecessor Firm(s) as a partner, member, officer, stockholder, Associate or employee of the Policyholder occurring after any applicable retro date;
 3. Any lawyer who, during the Policy Period, first becomes associated with the Policyholder either as a partner, member, officer, director, stockholder, Associate, or employee, but only for a period of not longer than sixty (60) days from the date the association begins and solely for acts or omissions while acting in a professional capacity on behalf of the Policyholder, all on condition that the Policyholder notify the Company within sixty (60) days of the date of association. Upon receipt of an application, the Company may, at its discretion, provide prior acts coverage for the new lawyer;
 4. The heirs, executors, administrators, beneficiaries, assigns, appointed legal representatives, guardians and conservators of an Insured who is dead, disabled or incapacitated, and the trustee or estate of an Insured in bankruptcy, but solely with respect to such liability of the Insured as is otherwise covered by this Policy; and
 5. Any non-lawyer natural person who was, is now, or hereinafter becomes an employee, leased employee or independent contractor of the Policyholder or Predecessor Firm(s), but solely for acts or omissions while acting within the scope of such person's duties as an employee, leased employee or independent contractor of the Policyholder and under the supervision of a Named Insured.
- C. **"ASSOCIATE"** means: Any lawyer who is not a partner, member, officer, director, or stockholder of the Policyholder for whom the Policyholder is legally responsible.
- D. **"CLAIM"** means: Receipt by an Insured of a demand for money or services (including the service of suit or the institution of arbitration proceedings) against the Insured from one other than that Insured.
- E. **"COMPANY"** means: **The Bar Plan Mutual Insurance Company.**
- F. **"DAMAGES"** means: A monetary judgment, final arbitration award or settlement, but specifically excludes:
1. Fines, penalties, sanctions, costs, expenses or fees imposed under state or federal laws, regulations, statutes or rules of procedure, punitive or exemplary Damages and Damages which are a multiple of compensatory Damages, including but not limited to, double and treble Damages; provided, however, that Damages do include an award arising under 15 U.S.C. §1692k(a);
 2. Restitution, reduction or set off of any monies or other consideration paid to an Insured as fees, costs or expenses, which are to be reimbursed or discharged as part of the judgment, settlement or final arbitration award and injuries that are a consequence of the payment of any monies or other consideration to an Insured as fees, costs or expenses;
 3. Fees charged for an Insured's own work or costs, fees or expenses incurred by an Insured in the course of the provision of Legal Services, including, but not limited to, expert witness fees, court costs, and costs and expenses associated with depositions or transcripts, and injuries, economic and otherwise that are a consequence of any of the foregoing;
 4. Monies owed by an Insured as a consequence of the Insured being a victim of any dishonest, deliberately fraudulent, criminal, malicious or deliberately wrongful act, unless the Insured owed the claimant a duty of care arising from the Insured's provision of Legal Services on behalf of or for the benefit of that claimant;
 5. Any amount for which an Insured is absolved from payment by reason of any covenant, agreement, and/or court order; and
 6. Matters deemed uninsurable by law.
- G. **"DEFENSE EXPENSES"** means:
1. Fees charged by a lawyer designated by the Company to defend a Claim;

2. All other fees, costs and expenses resulting from the investigation, adjustment, defense and appeal of a Claim or an incident, act or omission that might reasonably be expected to be the basis of a Claim, if incurred by the Company after receiving proper notice under Section VII. CLAIMS, Paragraph A, or Section II. COVERAGE, Paragraph C; and
3. Fees charged by a lawyer designated by an Insured to defend a Claim with the written consent of the Company.

Defense Expense does not include salary charges of regular employees or officials of the Company or any supervisory counsel retained by the Company, nor does it include an Insured's own fees or costs. The determination of the Company as to the reasonableness of Defense Expense shall be conclusive as to an Insured.

- H. **"ENTITY"** means: Any business or other enterprise, organization or trust including not for profit organizations.
- I. **"EXTENDED REPORTING COVERAGE"** means: Optional Extended Reporting Coverage as defined in Section II. COVERAGE, Paragraph E. and Non-Practicing Extended Reporting Coverage as defined in Section II. COVERAGE, Paragraph F.
- J. **"IMPENDING"** means: To be about to take place or that which has been threatened.
- K. **"INSURED DESIGNEE"** means: The individual designated as such by the Policyholder, in writing to the Company, with the powers and authorities referenced in Section IX. OTHER CONDITIONS, Paragraph F.
- L. **"LEGAL SERVICES"** means: Services performed by an Insured for others in an Insured's professional capacity as:
1. A lawyer;
 2. A non-lawyer who is an employee, leased employee or independent contractor of the Policyholder and who works at the direction of and who is under the supervision of the Policyholder and for whose actions the Policyholder is legally responsible;
 3. A notary public;
 4. A mediator or arbitrator;
 5. An administrator, conservator, executor, guardian, trustee, receiver or any similar fiduciary capacity; or
 6. A title insurance agent, broker or producer, but only for title work performed as a partner, member, officer, director, stockholder, Associate, or employee of the Policyholder for clients of the Policyholder. Title work performed as an agent, broker or producer of a title agency other than the Policyholder is NOT covered under this Policy.
- M. **"PERSONAL INJURY"** means: False arrest, humiliation, detention or imprisonment, wrongful entry or eviction or other invasion of private occupancy, publication of libel, utterance of slander or other defamatory or disparaging material or a publication or utterance in violation of an individual's right of privacy. Personal Injury does not include any dishonest, deliberately fraudulent, criminal, malicious or deliberately wrongful acts or omissions.
- N. **"POLICY PERIOD"** means: The one-year period from the effective date of this Policy to the expiration date as set forth in the Declarations or its earlier cancellation or termination date.
- O. **"POLICYHOLDER"** means: The lawyer, Partnership, Professional Legal Corporation or Association, Limited Liability Company, Limited Liability Partnership or Charter named as such in the Declarations of this Policy.
- P. **"PREDECESSOR FIRM"** means: Any lawyer, Partnership, Professional Legal Corporation or Association, Limited Liability Company, Limited Liability Partnership or Charter engaged in the practice of law in whose assets and liabilities the Entity named as Policyholder in the Declarations of this Policy is the majority successor in interest and which is designated as a Predecessor Firm in the application for coverage.

II. COVERAGE

- A. **PROFESSIONAL LIABILITY AND CLAIMS-MADE AND REPORTED CLAUSE:**

The Company will pay on behalf of an Insured all sums, subject to the Limit(s) of Liability, Exclusions and terms and conditions contained in this Policy, which an Insured shall become legally obligated to pay as Damages as a result of CLAIMS (INCLUDING CLAIMS FOR PERSONAL INJURY) FIRST MADE AGAINST AN INSURED DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING COVERAGE PERIOD AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD, THE AUTOMATIC EXTENDED CLAIM REPORTING PERIOD, OR ANY APPLICABLE EXTENDED REPORTING COVERAGE PERIOD by reason of any act or omission by an Insured acting in a professional capacity providing Legal Services.

PROVIDED ALWAYS THAT such act or omission happens:

1. During the Policy Period; or
2. Prior to the Policy Period, provided that prior to the effective date of this Policy:
 - a. Such Insured did not give notice to the Company or any prior insurer of any such act or omission; and
 - b. Such Insured had no basis to believe that such Insured had committed such an act or omission.

NOTE: It is a condition precedent to coverage under this Policy that all Claims be reported in compliance with Section VII. CLAIMS, Paragraph A.

B. DEFENSE AND CONSENT TO SETTLE:

1. **DUTY TO DEFEND.** Subject to Paragraph B. 3. below, the Company has the right and duty to defend any Claim seeking Damages to which this insurance applies and the right to appoint counsel as it deems necessary.
2. **INVESTIGATION, SETTLEMENT AND DEFENSE EXPENSE PAYMENTS.** When the Company has the duty to defend:
 - a. The Company may investigate any Claim at its discretion; and
 - b. The Company will pay for all Defense Expenses incurred after its duty to defend begins, until its duty to defend ends; and
 - c. If by mutual agreement or court order, a Named Insured assumes control of the defense before the applicable amount available as provided under the Limits of Liability is exhausted, the Company will reimburse that Insured for reasonable Defense Expenses, until the Company's duty to defend ends.
3. **END OF DUTY TO DEFEND.** The Company's duty to defend any new or existing Claim(s) ends once the applicable Limits of Liability (each Claim and/or Aggregate Limit) is/are exhausted or, if earlier, the date a court of competent jurisdiction shall determine that this insurance does not apply to such Claim(s).
4. **TRANSFER OF DEFENSE AT END OF DUTY TO DEFEND.**
 - a. As soon as practicable following the termination of the Company's Duty to Defend:
 - i. the Company will notify the Policyholder of any outstanding Claim(s) which is/are affected by the termination of the Company's Duty to Defend; and
 - ii. the Policyholder will promptly arrange for defense of such Claim(s) against the Policyholder or any other Insured under this Policy.
 - b. The Company will assist the Policyholder in the transfer of control of the defense of Claim under Paragraph a. above. Until such arrangements are completed, the Company will take on behalf of any Insured those steps that the Company, at its sole discretion, determines are appropriate:
 - i. to avoid a default in a Claim; or
 - ii. to continue the defense of a Claim.
5. **CONSENT TO SETTLE.** The Company shall not settle any Claim without the consent of the Policyholder. Consent shall be unconditional and irrevocable.

C. DISCOVERY CLAUSE:

If during the Policy Period, or any Extension Period elected hereunder, an Insured first becomes aware of a specific incident, act or omission while acting in a professional capacity providing Legal Services, which

may give rise to a Claim for which coverage is provided under this Policy, and during the Policy Period or any Extended Reporting Coverage the Insured gives written notice to the Company of:

1. The specific incident, act or omission;
2. The injury or damage which has resulted or may result from such incident, act or omission; and
3. The circumstance(s) by which the Insured first became aware of such incident, act or omission;

then any Claim that may subsequently be made against the Insured arising out of such incident, act or omission shall be deemed for the purposes of this insurance to have been made during the Policy Period or any Extension Period elected hereunder. The Insured shall cooperate fully with the Company as provided in Section VII. CLAIMS, Paragraphs A. and B., and any investigation conducted by the Company or its representatives shall be subject to the terms set forth in this Policy.

D. AUTOMATIC EXTENDED CLAIM REPORTING PERIOD:

An Automatic Extended Claim Reporting Period is provided at no additional premium subject to the following conditions and limitations. If the matter is a Claim, the Claim must first be made against the Insured during the Policy Period and reported to the Company within 20 days of the date the Claim is first made against the Insured. If the matter reported is an incident, act or omission which may give rise to a Claim, an Insured's knowledge of the incident, act or omission must be acquired during the Policy Period and must be reported to the Company within 20 days of the Insured's acquisition of such knowledge. Any Coverage provided pursuant to this Automatic Extended Claim Reporting Period is excess over any other applicable, valid and collectable insurance available to the Insured. This Automatic Extended Claim Reporting Period does not apply to any Extended Reporting Coverage.

E. OPTION TO PURCHASE OPTIONAL EXTENDED REPORTING COVERAGE:

If this Policy is terminated, either during the Policy Period or at the expiration date, or a Named Insured is terminated from the Policy other than as the result of disbarment, revocation, surrender or suspension of a license to practice law or concurrent with an Impending disbarment, revocation, surrender or suspension, AND the Policyholder is then in compliance with all the terms and conditions of the Policy and current on all charges due the Company, then the Policyholder or terminated Named Insured shall have the option to purchase Optional Extended Reporting Coverage (hereinafter "OERC"). The purchaser of OERC may choose either a 12, 24, 36 or 60 month Optional Extension Period, and the OERC would become effective as of the date of termination. OERC, if purchased and endorsed hereto, shall be subject to all the terms and conditions of this Policy and shall apply solely to CLAIMS FIRST MADE AND REPORTED TO THE COMPANY DURING THE OPTIONAL EXTENDED REPORTING COVERAGE PERIOD arising out of Legal Services rendered during the Policy Period.

If any Named Insured has been disbarred, or his/her license to practice law has been revoked, surrendered or suspended, that Named Insured is not eligible to purchase OERC. However, if the Policyholder or other Named Insureds, if any, are otherwise eligible, they may purchase OERC. Unless endorsed, the OERC purchased by the Policyholder or other Named Insureds shall exclude from Coverage all liability resulting from the act or omission by the individual who was disbarred or had his/her license to practice law revoked, surrendered or suspended.

If after notice by the Company to the Policyholder of its intent to cancel, terminate or nonrenew the Policy, the Policyholder or a Named Insured elects to purchase OERC, the premium for the OERC shall be a percentage of the current full annual premium for this Policy, as follows: (a) 125% for 12 months; (b) 175% for 24 months; or (c) 225% for 36 months.

Otherwise, the annual premium shall be as follows: (a) 100% for 12 months; (b) 125% for 24 months; (c) 160% for 36 months; or (d) 200% for 60 months.

F. OPTION TO PURCHASE NON-PRACTICING EXTENDED REPORTING COVERAGE:

If a lawyer who is a Named Insured on the Declarations ceases the private practice of law, either during the Policy Period or at the expiration date, other than as the result of disbarment, revocation, surrender or suspension of a license to practice law or concurrent with an Impending disbarment, revocation, suspension or surrender, and the Policyholder is then in compliance with all the terms and conditions of the Policy, including the payment of all premium as set forth herein, such Named Insured shall have the option to extend the insurance afforded by this Policy (hereinafter, "Non-Practicing Extended Reporting Coverage"), effective as of the date such lawyer ceases the private practice of law. Non-Practicing Extended Reporting Coverage,

if purchased and endorsed hereto, shall be subject to all terms and conditions of this Policy (including without limitation, Limits of Liability, Exclusions and Conditions), and shall apply to CLAIMS FIRST MADE AGAINST SUCH INSURED AND REPORTED TO THE COMPANY DURING THE NON-PRACTICING EXTENDED REPORTING COVERAGE PERIOD, but only to the extent that such arise by reason of any act or omission while acting in a professional capacity providing Legal Services rendered before the date of such Insured's cessation of private practice and are otherwise covered by this Policy.

If a Named Insured elects to purchase Extended Reporting Coverage prior to notice by the Company to the Policyholder of cancellation, termination or nonrenewal of the Policy, the Named Insured shall have the option to extend the insurance afforded by this Policy for a period of 12 months, 24 months, 36 months, 60 months or an unlimited period (the Non-Practicing Extension Period). The premium for this Non-Practicing Extended Reporting Coverage shall be a percentage of the current full annual premium for the Insured under this Policy, as follows: (a) 100% for 12 months; (b) 125% for 24 months; (c) 160% for 36 months; (d) 200% for 60 months; or (e) 250% for an unlimited period.

If a Named Insured elects to purchase Non-Practicing Extended Reporting Coverage subsequent to notice by the Company to the Policyholder of cancellation, termination or nonrenewal of the Policy, the Named Insured shall have the option to extend the insurance afforded by this Policy for a period of 12 months, 24 months, or 36 months. The premium for this Non-Practicing Extended Reporting Coverage shall be a percentage of the current full annual premium for the insured under this Policy, as follows: (a) 125% for 12 months; (b) 175% for 24 months; or (c) 225% for 36 months.

LIMITS OF LIABILITY

If the Policyholder or a Named Insured purchases Optional Extended Reporting Coverage or Non-Practicing Extended Reporting Coverage, the Claim Reporting Period for such purchaser is extended accordingly, but the Limits of Liability remain the same for the period that begins at the Policy inception date and ends at the end of the Extension Period. Consequently:

1. The liability of the Company for EACH CLAIM FIRST MADE AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR ANY APPLICABLE EXTENDED REPORTING COVERAGE PERIOD shall be the Each Claim Limit as shown in the Declarations; and
2. The liability of the Company for ALL CLAIMS FIRST MADE AGAINST ANY INSURED(S) AND/OR THE POLICYHOLDER AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AND ANY APPLICABLE EXTENDED REPORTING COVERAGE PERIOD(S) shall not exceed the Aggregate Limit as shown in the Declarations.

G. OPTION TO ELECT NON-PRACTICING EXTENDED REPORTING COVERAGE AT NO ADDITIONAL PREMIUM:

1. In the event a lawyer named as an Individual Insured in item 4. of the Declarations ceases the private practice of law, either during the Policy Period or at the expiration date, other than as the result of disbarment or the revocation, surrender or suspension of a license to practice law or concurrent with an Impending disbarment, revocation, surrender or suspension, and the Policyholder has complied with all the terms and conditions of the Policy, including the payment of all premiums, deductibles and other charges when due, such Insured shall be entitled, at no additional premium, to Non-Practicing Extended Reporting Coverage for an unlimited period, **PROVIDED ALWAYS THAT** such Insured shall have attained the age of fifty-five (55) years as of the date of the request for Extended Reporting Coverage and been continuously insured by the Company for the three-year period immediately preceding cessation of private practice.
2. In the event of death or permanent total disability of a lawyer named as an Individual Insured in Item 4. of the Declarations preventing further conduct of that Insured's profession as a lawyer, and the Policyholder has complied with all the terms and conditions of the Policy, including the payment of all premiums, deductibles and other charges when due, such Insured shall be entitled, at no additional premium, to Non-Practicing Extended Reporting Coverage for an unlimited period, **PROVIDED ALWAYS THAT** such Insured has been an Insured of the Company for at least three (3) consecutive years prior to the date of permanent total disability or death.

For purposes of this Policy, the term "permanent total disability" shall mean that such Individual Insured is unable to practice law on a full or part-time basis for 180 days or more by reason of a physical or mental condition. Such condition shall be deemed to exist when certified to the

Company by a physician selected by such Individual Insured and shall be deemed a continuing condition until such time as such Individual Insured resumes the practice of law on a full or part-time basis.

H. LIMITS OF LIABILITY FOR EXTENDED REPORTING COVERAGE:

If a lawyer named as an Individual Insured in Item 4. of the Declarations purchases or is given the Non-Practicing Extended Reporting Coverage, the Claim Reporting Period is lengthened accordingly, but the Limits of Liability remain the same for the period that begins at the Policy inception date and ends at the end of the Extended Reporting Coverage period. Consequently:

1. The liability of the Company for EACH CLAIM FIRST MADE AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD OR THE NON-PRACTICING EXTENDED REPORTING COVERAGE PERIOD shall be the Each Claim Limit as shown in the Declarations; and
2. The liability of the Company for ALL CLAIMS FIRST MADE AGAINST ANY INSURED(S) AND/OR THE POLICYHOLDER AND REPORTED TO THE COMPANY DURING THE POLICY PERIOD AND ANY APPLICABLE EXTENDED REPORTING COVERAGE PERIOD(S) shall not exceed the Aggregate Limit as shown in the Declarations.

I. CONDITIONS:

This Policy and the foregoing Extended Reporting Coverages shall be subject to each of the following conditions:

1. An Insured's or Policyholder's right to Extended Reporting Coverage described in Section II., COVERAGE, Paragraphs E., F. and G. 1., is conditioned upon notice in writing to the Company no later than sixty (60) days after the cancellation or termination date of coverage for such Insured or Policyholder, and completion of an application;
2. All premiums for Extended Reporting Coverage, as well as all past-due premiums, Deductibles and other amounts due the Company, must be paid within sixty (60) days of either the date of cancellation or termination of coverage for such Insured(s) or within thirty (30) days of the date of the quotation, whichever date shall last occur;
3. An Insured's eligibility for Non-Practicing Extended Reporting Coverage in the event of death or permanent total disability of such Insured, is conditioned upon (a) receipt of notice in writing to the Company from such Insured or his or her legal representative, no later than one year from the date of death or the onset of the permanent total disability; and (b) receipt of written proof of death or permanent total disability from such Insured or his or her legal representative in form and substance reasonably satisfactory to the Company; and
4. At the commencement of any Extended Reporting Coverage, the entire premium, therefore, shall be deemed earned and in the event the Extended Reporting Coverage is terminated by the Insured or the Company before its contractual termination, the Company shall not be liable for the return to the Insured for any portion of the premium for such Extended Reporting Coverage.

III. EXCLUSIONS

THIS POLICY DOES NOT PROVIDE COVERAGE FOR ANY CLAIM BASED UPON OR ARISING OUT OF:

Any dishonest, deliberately fraudulent, criminal, malicious or deliberately wrongful acts or omissions by an Insured; however:

1. Subject to Section II. COVERAGE, Paragraph B. 3, the Company will provide a defense to the Claim unless and until there is a conviction, guilty or nolo contendere plea, trial verdict, court or regulatory ruling, or any sort of legal admission, whether appealed or not, that an Insured has committed the dishonest, fraudulent, criminal, malicious, or deliberately wrongful act(s) or omission(s) upon which the Claim is based or arises out of; and
2. This exclusion is waived with respect to each Insured who did not know of, or participate or acquiesce in, the act or omission, but then only to the extent that the act or omission underlying the Claim for Damages does not relate to or arise out of the defalcation by any Insured under this

Policy of money or property maintained by the Policyholder or any Insured in trust, escrow, or other safekeeping for the account or benefit of any claimant or other party.

However, under no circumstances will the Company provide a defense for any criminal prosecution.

B. An Insured's capacity as:

1. A public official or employee of a governmental body, subdivision, or agency; provided, however, that if independent of that capacity, the Insured is also regularly engaged in the provision of Legal Services in return for financial remuneration, this exclusion shall not apply. If this exclusion does not apply, the insurance afforded by this Policy shall be excess over any other applicable, valid and collectible insurance or indemnity provided under law, rule, regulation or policy applicable to such governmental body, subdivision or agency, notwithstanding any other language in this Policy;
2. A fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto, except if an Insured under this Policy, is deemed to be a fiduciary solely by reason of rendering Legal Services in a professional capacity with respect to an employee benefit plan;
3. An investment advisor, securities broker or dealer, insurance agent or broker, real estate agent or broker or accountant; and
4. A legal representative of investors in regard to and resulting in investment in an enterprise in which an Insured owns an equity interest or for which the Insured receives a fee or commission from a person or Entity other than the investor.

- C.
1. An Insured's activities as an officer, board member, partner, shareholder, member, manager, or employee of any Entity not named in the Declarations; or
 2. Legal Services in any way related to or performed, directly or indirectly, for or on behalf of any Entity not named in the Declarations that is or was owned, controlled, operated or managed by an Insured individually, or in a fiduciary capacity, at the time of the alleged act or omission. This exclusion does not apply to an Insured acting as a trustee of a trust, unless the Insured is acting for the benefit of the Insured or the Insured's immediate family or grandchildren.
 3. Legal Services in any way related to the formation of an Entity if the Insured owns, controls, operates or manages the Entity at its inception or if the Insured intended to own, control, operate or manage the Entity at the time the Legal Services were performed.

An Insured will be deemed to own an Entity if the Insured, either individually or collectively with his/her spouse, in-laws, relatives, or other Insureds under this Policy, has a pecuniary or beneficial interest of ten percent (10%) or more of such business.

- D. The Insured's notarization of a signature, the signing of which was either not personally seen by the Insured or was not acknowledged to the Insured by the signer, or both.
- E. An Insured being the beneficiary or distributee of any trust or estate, or the recipient of any nonprobate transfer.
- F. Bodily injury, sickness, disease or death of any person, or injury to or destruction of any tangible property, including loss of use resulting therefrom, except that this exclusion does not apply to mental illness, emotional distress or humiliation arising from rendering or failing to render Legal Services in a professional capacity.
- G. The Insured's alleged liability under any oral or written contract or agreement, unless such liability would have attached to the Insured in the absence of such agreement.
- H. Any violation of any federal, state or local employment law, rule or regulation or otherwise pertaining to the employment practices of an Insured.
- I. Any expense incurred by an Insured in defense of a grievance or complaint filed with a bar regulatory agency, except as otherwise covered under Section VIII. Disciplinary Proceeding Coverage of this Policy.

- J. Fines, penalties, restitution, sanctions, costs, expenses or fees imposed under state or federal statutes or rules of procedure, punitive or exemplary Damages or multiple Damages, except a Claim for Damages arising under 15 U.S.C. §1692k(a).
- K. Matters deemed uninsurable by law.
- L. A Claim against an Insured who before the Policy effective date knew, or should reasonably have known, of any circumstance, act or omission that might reasonably be expected to be the basis of that Claim.
- M. Any Claim made by or on behalf of a present or former partner, officer, director, stockholder, Associate, employee or employer of an Insured, unless such Claim arises out of an Insured providing Legal Services to that claimant as a client.
- N. Nuclear Energy Liability. It is agreed that:
 - 1. This Policy does not apply to:
 - a. Bodily injury or property damage;
 - i. with respect to which an Insured under this Policy is also an Insured under a nuclear energy liability policy issued by Nuclear Energy Liability Insurance Association, Mutual Atomic Energy Liability Underwriters or Nuclear Insurance Association of Canada or would be an Insured under any such policy but for its termination upon exhaustion of its limits of liability; or
 - ii. resulting from the hazardous properties of nuclear material and with respect to which
 - (a) any person or organization is required to maintain financial protection pursuant to the Atomic Energy Act of 1954, or any law amendatory thereof, or (b) the Insured is, or had this Policy not been issued would be, entitled to indemnity from the United States of America, or any agency thereof, with any person or organization.
 - b. Expenses incurred with respect to bodily injury resulting from the hazardous properties of nuclear material and arising out of the operation of a nuclear facility by any person or organization.
 - c. Bodily injury or property damage resulting from the hazardous properties of nuclear material if:
 - i. the nuclear material (a) is at any nuclear facility owned by or operated by or on behalf of an Insured or (b) has been discharged or dispersed therefrom;
 - ii. the nuclear material is contained in spent fuel or waste at any time possessed, handled, used, processed, stored, transported or disposed of by or on behalf of an Insured; or
 - iii. the bodily injury or property damage arises out of the furnishing of an Insured of services, materials, parts or equipment in connection with the planning, construction, maintenance, operation or use of any nuclear facility, but if its territories or possessions, or Canada, this exclusion (iii.) applies only to property damage to such nuclear facility and any property threat.
 - 2. As used herein:
 - a. "Hazardous properties" include radioactive, toxic or explosive properties;
 - b. "Nuclear material" means: source material, special nuclear or by-product material;
 - c. "Source material," "special nuclear material," and "by-product material" have the meanings given them in the Atomic Energy Act of 1954 or in any law amendatory thereof;
 - d. "Spent fuel" means: any fuel element or fuel component, solid or liquid, which has been used or exposed to radiation in a nuclear reactor;
 - e. "Waste" means: any waste material (1) containing by-product material and (2) resulting from the operation by any person or organization of any nuclear facility within the definition of nuclear facility under paragraph (i.) or (ii.) thereof;
 - f. "Nuclear facility" means:
 - i. any nuclear reactor;
 - ii. any equipment or device designed or used for (1) separating the isotopes of uranium or plutonium, (2) processing or utilizing spent fuel, or (3) handling, processing or packaging waste;
 - iii. any equipment or device used for the processing, fabricating or alloying of special nuclear material, if at any time the total amount of such material in the custody of the Insured at the premises, where such equipment or device is located consists of or

- contains more than 25 grams of plutonium or uranium 233 or any combination thereof or more than 250 grams of uranium 235; or
- iv. any structure, basin, excavation, premises or place prepared or used for storage or disposal of waste and includes the site on which any of the foregoing is located, all operations conducted on such site and all premises used for such operation.
 - g. "Nuclear reactor" means: any apparatus designed or used to sustain nuclear fission in a self-supporting chain reaction or to contain a critical mass of fissionable material; and
 - h. "Property damage" includes all forms of radioactive contamination of property.
- O. An act or omission by a lawyer who is a leased employee or independent contractor unless that lawyer is a Named Insured and then solely for acts or omissions while acting within a professional capacity providing Legal Services on behalf of the Policyholder. However, this exclusion does not apply to any Named Insured if the leased employee or independent contractor carried separate in-force lawyers' professional liability insurance when the act or omission occurred.
- P. A Claim involving an Insured's services as a title insurance agent, broker, or producer that is otherwise covered hereunder, if it involves or arises out of any of the following:
- (1) an Insured's obligation for the liability of another that is assumed under a contract or agreement without the prior written consent of the Company, unless such liability would have attached in the absence of such contract or agreement;
 - (2) defects in title not disclosed in public records of which an Insured had actual or constructive knowledge at the date of issuance of a title insurance policy; or
 - (3) a breach of underwriting authority by an Insured.
- Q. Any act or omission of a lawyer while acting in a professional capacity providing Legal Services as a lawyer at any time following the effective date of that lawyer's disbarment in any state or during the term of any suspension of that lawyer's law license by any bar association, regulatory agency, court or any licensing authority.
- If a lawyer who is licensed in more than one (1) state voluntarily allows his/her license in one (1) or more states to lapse or become inactive at a time when there are no Impending disciplinary actions against the lawyer, so long as the lawyer maintains an active license in at least one (1) state, the lawyer will not be deemed to be disbarred or suspended for purposes of this EXCLUSION Q.
- R. Any act or omission of any person or ENTITY with whom the POLICYHOLDER shares any common office space or facilities and who is not an INSURED under this POLICY.
- S. Any act or omission of any person or ENTITY who does not qualify as an INSURED under this POLICY'S express definition, including but not limited to, CLAIMS based upon theories of partnership by estoppel, apparent partnership, apparent agency, ostensible agency, vicarious liability or any similar theory.
- T. Any act or omission of any lawyer that is otherwise covered under EXTENDED REPORTING COVERAGE issued by the COMPANY unless such coverage was endorsed onto this Policy.

IV. INNOCENT INSURED PROVISION

Although this Policy does not provide coverage for a Claim against an Insured made but not reported to the Company as required by Section VII. CLAIMS, Paragraph A., nor a Claim arising from an incident, act or omission not reported pursuant to Section II. COVERAGE, Paragraph C., this Policy does provide coverage for such a Claim with respect to all other Insureds who, during the Policy Period and within twenty (20) days after obtaining knowledge of a Claim, or of an incident, act or omission that may give rise to a Claim, give written notice to the Company and forward all documentation or papers obtained and related thereto.

V. TERRITORY

The insurance afforded applies worldwide provided that the Claim is made and suit or arbitration proceeding, if any, is brought within the United States of America, its territories, or Canada.

VI. LIMITS OF LIABILITY

A. LIMITS OF LIABILITY:

The Limits of Liability shown in the Declarations and the provisions of this Policy fix the maximum amount the Company will pay for Damages and Defense Expense regardless of the number of:

1. Claims made;
2. Insureds against whom Claims are made; or
3. Persons or Entities asserting Claims.

Defense Expenses are included within the Limits of Liability. As a result, Defense Expenses will be paid first and such payment will reduce the amount available to pay Damages.

B. EACH CLAIM LIMIT:

The liability of the Company for each Claim shall not exceed the amount stated in the Declarations for each Claim for the sum of Damages and Defense Expense.

C. MULTIPLE INSUREDS, CLAIMS AND CLAIMANTS:

The demand for money or services by more than one person or Entity shall not operate to increase the Company's liability. Two or more demands arising out of a single act or omission or a series of related acts or omissions shall be treated as a single Claim. Any such Claim, whenever made, shall be considered for the purposes of this insurance to have been first made and reported during the Policy Period, Automatic Extended Claim Reporting Period, Optional Extension Period, or Non-Practicing Extension Period in which the earliest demand arising out of such act or omission was first made, provided that such demand is, in fact, asserted against an Insured and reported to the Company during a period in which the Company provided coverage. All such demands for money or services shall be considered a single Claim subject to a single Limit of Liability, regardless of the number of Insureds against which the demands are made.

1. The following is a ***non-exhaustive*** list of a series of related acts or omissions that constitute a ***single Claim*** under the Policy where a single Limit of Liability will apply:
 - a. All activities pertaining to handling a probate estate from its inception to its conclusion, including but not limited to, the advice and preparation of tax returns for the decedent or the estate;
 - b. All activities, including but not limited to, settlement negotiations, discovery, trial and appeal, conducted on behalf of an injured client pertaining to all possible Claims and theories of recovery against all possible parties arising out of injury or loss to that client;
 - c. All activities pertaining to the defense of a client in a civil case, including but not limited to, settlement negotiations, discovery, trial and appeal;
 - d. All activities pertaining to the defense of a criminal case including but not limited to, plea-bargaining, discovery, trial, sentencing, and appeal;
 - e. All activities pertaining to a real estate transaction, including but not limited to, negotiating and/or drafting a listing contract, contract for sale, related loan documents and deeds, performing title search, examining title and conducting closing(s); and
 - f. All activities pertaining to a sale of a business, including but not limited to, negotiations, preparation of documents, due diligence and investigation, obtaining licenses, and attending closings.
2. In the event the Insured is covered for the same Claim by more than one Policy (or Extended Reporting Coverage) issued by the Company, the Other Insurance provision (Section IX. OTHER CONDITIONS, Paragraph B.), shall not apply, and this section shall apply to determine the applicable Limit(s) of Liability for this Policy as follows:
 - a. If all of the acts or omissions pertaining to a Claim were committed by the Insured while the Insured was with the Policyholder or Predecessor Firm as an Insured and are not otherwise subject to Exclusion T of this Policy then this Policy will cover that Claim to the extent of its available Limit(s) of Liability. In this circumstance, this Policy will become the primary Policy for the Claim. All Defense Expenses and indemnity payments for the Claim will be paid first from this Policy.
 - b. If all of the acts or omissions were committed by the Insured while the Insured was not with the Policyholder or Predecessor Firm the Each Claim Limit on this Policy will be zero, except that if the available Limit(s) of Liability on this Policy is higher than on the other Company Policy, then this Policy will provide coverage for that Claim, but only in

excess of the other Company Policy, and only for an amount equal to the numerical difference in Limits of Liability between the other Company Policy and this one. In this circumstance, to the degree this Policy provides any coverage it is strictly excess, and limited to the amount calculated in this paragraph.

- c. If the Insured committed some of the acts or omissions pertaining to the same Claim while the Insured was with the Policyholder or Predecessor Firm and also committed some of the acts or omissions at another Entity also insured by a Company Policy, then this Policy will provide coverage for that claim to the extent the Limits of Liability, as determined by Section VI. LIMITS OF LIABILITY, bears to the total applicable limits of liability of all valid and collectible insurance covering such claim; provided, however, the Company shall not pay on behalf of all such Insureds any sum exceeding the Limits of Liability of that Policy issued by the Company with the highest applicable Limit of Liability.

Example (for illustrative purposes only):

Firm A's Policy provides an Each Claim Limit of Liability of \$500,000.

Firm B's Policy provides an Each Claim Limit of Liability of \$1,000,000.

Both Firm A and Firm B are Policyholders of the Company.

Jane Smith reports a claim for which some of the alleged acts or omissions occurred while she was at Firm A and some of the alleged acts or omissions occurred while she was at Firm B. The applicable Limits of Liability for each Company Policy are as follows:

Firm A: $500,000 / 1,500,000 = 33.3\% \times 1,000,000 = \$333,333.33$

Firm B: $1,000,000 / 1,500,000 = 66.7\% \times 1,000,000 = \$666,666.67$

Note that the total Limits of Liability available for this Claim is \$1,000,000 (the higher limit of the two applicable Policies). All losses would be apportioned on a 1/3 to 2/3 basis until the \$1,000,000 Limit is exhausted.

D. AGGREGATE LIMIT:

The Aggregate Limit of Insurance shall not exceed the amount stated in the Declarations. The Aggregate Limit applies to the sum of all Damages and Defense Expense for all Claims first made against any Insured(s) and/or the Policyholder during the Policy Period including the Automatic Extended Claim Reporting Period and any Extended Reporting Coverage.

E. DEDUCTIBLE:

The Deductible amount stated in the Declarations shall be paid by the Policyholder, or upon the Policyholder's failure to pay, jointly and severally by all attorney Insureds, and shall be applicable to all Damages paid for each Claim. If Extended Reporting Coverage is purchased (or provided without cost, if the Insured qualifies), the Deductible will be reinstated to the full amount shown in the Declarations and shall be applicable to all Damages paid for each Claim first made under such Extended Reporting Coverage. The Policyholder shall upon written demand by the Company pay such amounts within thirty (30) days.

F. REIMBURSEMENT TO THE COMPANY:

The Policyholder shall be liable to the Company upon demand for:

1. The amount of the Deductible stated in the Declarations;
2. The amounts, if any, paid by the Company in excess of the Each Claim Limit or Aggregate Limit; and
3. Reimbursement of attorneys' fees and costs reasonably incurred by the Company in pursuing the collection of any Deductible or premium payments due hereunder.

G. VOLUNTARY RESOLUTION DEDUCTIBLE WAIVER:

1. For a Claim that is voluntarily resolved within twelve (12) months after the date the Claim is properly reported to the Company, in compliance with Section VII. CLAIMS, Paragraph A., fifty percent (50%) of the deductible, but not to exceed a maximum of \$12,500 for each Claim, shall be waived upon payment of the remaining Deductible, but only if that amount is paid within 60 days of initial invoice; or
2. For a Claim that is voluntarily resolved between twelve (12) months and twenty-four (24) months after the date the Claim is properly reported to the Company, in compliance with Section VII.

CLAIMS, Paragraph A., twenty-five percent (25%) of the Deductible, but not to exceed a maximum of \$6,250 for each Claim, shall be waived upon payment of the remaining Deductible, but only if that amount is paid within 60 days of initial invoice.

3. A Claim is deemed resolved when all documents necessary to effectuate settlement of the Claim and all aspects thereof are properly executed and filed. Voluntary Resolution Deductible Waiver does not apply if the Claim is reached for trial, arbitration or final hearing.

VII. CLAIMS

A. NOTICE OF A CLAIM:

As a condition precedent to the coverage provided by this Policy and subject to the provisions of Section II. COVERAGE, Paragraph D. of this Policy, an Insured shall, within twenty (20) days of the date any Claim is first made against that Insured, give written notice of that Claim to the Company.

In the event suit is brought against an Insured, the Insured shall immediately forward to the Company every demand, notice, summons or other process received directly or by the Insured's representatives.

Notice must be received by the Company prior to the expiration of the Policy Period, the Automatic Extended Claim Reporting Period, or any applicable Extended Reporting Coverage by contacting the Claims Department, 622 Emerson Road, Suite 100, St. Louis, MO 63141 (Email: BarPlanClaims@thebarplan.com). Notice to your agent is not notice to the Company.

B. ASSISTANCE AND COOPERATION OF INSURED:

Each Insured shall cooperate with the Company's investigation into coverage for any Claim and with the Company's defense of a Claim. Upon the Company's request, an Insured shall without charge to the Company: (1) provide the Company and/or defense counsel with any documents requested that relate to the Claim, including a full and complete copy of the Insured's legal file from which the Claim stems, (2) meet with Company representatives and/or defense counsel, (3) give written statements to and submit to examination and interrogation by representatives of the Company and/or defense counsel, under oath if required, (4) attend hearings, depositions and trials, (5) assist in effectuating settlement, securing and giving evidence, and obtaining the attendance of witnesses, and (6) assist in the conduct of suits and proceedings in connection with a Claim. The Insured shall exercise the Insured's rights to reject or demand the arbitration of any Claim made against the Insured in accordance with the written instructions of the Company. While the Insured may advise the client as to the status of a matter in compliance with the Insured's ethical obligations, the Insured shall not make any payment, admit any liability, settle any Claims, assume any obligation or incur any expense without the consent of the Company. If the Insured does elect to admit liability, settle a Claim, assume any obligation or incur any expense without the consent of the Company, or fails or refuses to cooperate with the Company as set forth herein, it does so at its own cost and waives coverage for that Claim and any related act or omission.

C. SUBROGATION:

In the event of any payment under this Policy, the Company shall be subrogated to all the Insured's rights of recovery against any person or Entity and the Insured shall execute and deliver instruments and papers and do whatever else is requested by the Company to secure such rights. The Insured shall do nothing to prejudice such rights.

Any amount so recovered shall be apportioned as follows:

First, to the repayment of expenses of recovery; and

Second, to Damages and Defense Expense paid by the Company on behalf of any Insured and Damages and Defense Expense paid by the Policyholder or any Insured in the proportion each paid to the total of all such Damages.

The Company shall not exercise any such rights against any Insured as defined in this Policy, Section I. DEFINITIONS, Paragraph B., except that the Company reserves the right to exercise any rights of subrogation against an Insured in respect to any Claim brought about or contributed to by the dishonest, deliberately fraudulent, criminal, maliciously or deliberately wrongful act or omission of such Insured.

D. ACTION AGAINST THE COMPANY:

No action shall lie against the Company until the Insured shall have fully complied with all the terms of this Policy and the amount of the Insured's obligation to pay shall have been finally determined either by judgment against the Insured after actual trial or by written agreement of the Company. Any person or Entity or legal representative thereof, who has secured such judgment or written agreement, shall thereafter be entitled to recover under this Policy to the extent of the insurance afforded by this Policy. No person or Entity shall have any rights under this Policy to join the Company as a party to any action against an Insured or any legal representative of the Insured.

Bankruptcy or insolvency of an Insured or of an Insured's estate shall not relieve the Company of any of its obligations hereunder.

E. FALSE OR FRAUDULENT CLAIMS:

If an Insured shall commit fraud in proffering any Claim, this insurance shall become void as to such Insured from the date such fraudulent Claim is proffered.

VIII. SUPPLEMENTAL PAYMENTS

A. DISCIPLINARY COVERAGE:

1. **DEFINITIONS** – For the purposes of this section only the following definitions and terms apply:
 - a. **“DISCIPLINARY PROCEEDING”** means: any formal scheduled evidentiary hearing, or appeal from such evidentiary hearing, to adjudicate a Disciplinary Matter.
 - b. **“DISCIPLINARY EXPENSES”** means: fees, costs and expenses charged by an independent attorney retained by the Insured (not affiliated with the Insured), that result from the investigation, defense, or appeal of any Disciplinary Matter, but shall not include any fees, costs or expenses related to a motion for sanctions in any state or federal court.

Disciplinary Expenses do not include fines, penalties, or sanctions assessed against an Insured as a result of any Disciplinary Matter, or the value of time or legal fees charged by an Insured.
 - c. **“DISCIPLINARY MATTER”** means: any allegation or complaint against an Insured to a regulatory or disciplinary official, body or agency alleging professional misconduct in the performance of, or failure to perform, Legal Services.
2. **PAYMENT OF DISCIPLINARY EXPENSES** - The Company will pay any Disciplinary Expenses any Insured incurs, subject to the Disciplinary Coverage Limits of Liability as set forth hereafter, for a Disciplinary Matter that:
 - a. results from the performance of, or failure to perform, Legal Services by an Insured;
 - b. arises out of an act or omission committed on or after any applicable retroactive date and before this Policy expires, is cancelled or terminated; and
 - c. is reported by the Insured to the Company within the Policy Period the Insured receives first notice of the Disciplinary Matter, or the Automatic Extended Reporting Period.
3. Disciplinary Coverage is not subject to a deductible.
4. Payments of Disciplinary Expenses do not reduce the Limits of Liability available to pay a Claim.
5. Disciplinary Coverage is not available under any Extended Reporting Coverage.
6. **DISCIPLINARY COVERAGE LIMITS OF LIABILITY** – A single limit of liability shall apply to each Disciplinary Matter, which is the maximum amount the Company will pay for Disciplinary Expenses. If a Disciplinary Matter is resolved prior to a Disciplinary Proceeding, the limit of liability shall be \$2,500. If a Disciplinary Matter reaches a Disciplinary Proceeding, the limit of liability for that Disciplinary Matter shall be \$10,000. The aggregate limit of liability per Policy Period for all Disciplinary Expenses shall not exceed \$20,000. Every related Disciplinary Matter shall be subject to a single Disciplinary Expense limit of liability. A Disciplinary Matter is related if it arises out of acts or omissions connected by a temporal, logical, or causal connection.

7. Any request by an Insured for disciplinary coverage shall be deemed notice to the Company of a specific incident, act or omission that may give rise to a Claim under Section II.C. of this Policy.

B. SUBPOENA ASSISTANCE:

Upon receipt of a subpoena for documents or testimony arising out of Legal Services provided by an Insured, the Insured may request the Company's assistance in responding to the subpoena. The Insured must provide the Company with a copy of the subpoena and the Insured's request for counsel as soon as practicable but no fewer than three business days before the compliance/appearance date of the subpoena. Upon such timely and reasonable request, the Company will retain an attorney to provide the Insured advice regarding the production of documents, to prepare Insured for sworn testimony, and appear with Insured. Upon request, at the hearing or the deposition set forth in the subpoena, so long as the Insured is not a party to the proceeding out of which the subpoena was issued and the Insured is not or has not been engaged to provide advice or testimony in connection with said proceeding, and has not provided such advice or testimony in the past. The Company's obligation hereunder includes only the payment of attorney's fees, not costs or other disbursements. Such fees paid under this provision are in addition to the Limits of Liability, and are not subject to a Deductible. Any request by an Insured for such subpoena assistance shall be deemed notice to the Company of a specific incident, act or omission that may give rise to a Claim under Section II.C. of this Policy.

IX. OTHER CONDITIONS

A. APPLICATION:

By acceptance of this Policy, all Insureds agree that the representations made in the Declaration Letter and Application (including all supplements) hereby made part of this Policy are true and complete to the best of the knowledge of all Insureds. This Policy is issued in reliance upon the truth of such representations and all Insureds warrant that no facts have been suppressed or misstated. This Policy embodies all agreements existing between the Insureds and the Company and any agents of the Company relating to this Policy.

B. OTHER INSURANCE:

If any Insured has insurance provided by other companies covering a Claim covered by this Policy, the Company shall not be liable under this Policy for a greater proportion of such Damages and Defense Expenses than the applicable Limits of Liability stated in the Declarations or as determined by Limits of Liability (Section VI. LIMITS OF LIABILITY, Paragraphs A. - D.), bears to the total applicable Limits of Liability of all valid and collectible insurance covering such Claim; provided, however, with respect to acts or omissions which occur prior to the inception date of this Policy, but for which this Policy provides prior acts coverage, the insurance hereunder shall apply only as excess insurance over any other valid and collectible insurance and shall then apply only in the amount by which the applicable Limits of Liability of this Policy exceed the sum of the applicable deductibles, self-insurance retentions, and Limits of Liability of all such other insurance, but otherwise no Damages are collectible under this Policy. When this Policy is excess over other insurance, the Company will have no duty to defend any Insured against the Claim, but if no other insurer defends, the Company may undertake to do so, but it shall be entitled to the Insured's rights against those other insurers.

C. CHANGES:

The terms of this Policy shall not be changed except by endorsement to this Policy. Notice to and knowledge of an agent of the Company shall be considered notice to and knowledge of the Company. Any breach of this Policy known to an agent prior to a Claim shall not void this Policy or prevent coverage of such Claim. Defense counsel are not agents of the Company.

D. ASSIGNMENT:

Assignment of any interest under this Policy shall not bind the Company unless the Company's consent is endorsed hereon.

E. CANCELLATION, TERMINATION OR NONRENEWAL:

1. This Policy may be cancelled by the Policyholder by surrender hereof to the Company or by mailing written notice to the Company stating when thereafter such cancellation shall be effective. If

cancelled by the Policyholder, the Company shall retain the customary short-rate proportion of the premium.

If cancelled or terminated by the Company, earned premium shall be calculated on a pro rata basis.

2. This Policy may be cancelled, terminated or non-renewed by the Company upon the giving of prior written notice to the Policyholder specifying the reason for such action. No notice of cancellation or termination of this Policy shall be effective unless prior written notice of the cancellation or termination is mailed or delivered by the Company to the Policyholder at least sixty (60) days prior to the effective date of such action, except that the notice period shall be not less than ten (10) days where the cancellation or termination is based on one or more of the following reasons:
 - a. Nonpayment of premium, or default in the payment of a premium installment or part thereof;
 - b. Fraud or material misrepresentation affecting the Policy or in the presentation of a Claim hereunder or a violation of any of the terms or conditions of the Policy;
 - c. Changes in conditions after the effective date of the Policy which have materially increased the hazards originally insured;
 - d. Insolvency of the Company; or
 - e. The Company involuntarily loses reinsurance for the Policy.
3. No notice of nonrenewal of the Policy shall be effective unless mailed or delivered by the Company to the Policyholder at least sixty (60) days prior to the effective date of the nonrenewal.
4. Nothing herein shall be construed to prevent the expiration of this Policy on the date stated in the Declarations.
5. Any notice required to be given hereunder shall constitute reasonable and fair notice to the Policyholder if deposited in the United States mail, postage prepaid and duly addressed to such Policyholder, or by personal delivery by a commercial delivery service.
6. No delay on the part of the Company in the exercise of any right or remedy shall operate as a waiver thereof.

F. INSURED DESIGNEE:

The Policyholder shall advise the Company in writing of its Insured Designee. The designation by the Policyholder of an Insured Designee, for purposes of this Policy, shall be deemed the appointment of the Insured Designee as the Policyholder's true and lawful attorney-in-fact with full power and authority to receive notices required to be given to the Policyholder hereunder and/or to act for and on behalf of the Policyholder with respect to all matters hereunder or relating hereto, unless and until such appointment is revoked by the Policyholder in written notice given to the Company not less than ten (10) days prior to the effective date of such revocation.

If the current Insured Designee is deleted from this Policy or unable or unwilling to perform the duties of the Insured Designee, the Policyholder shall advise the Company in writing of its new Insured Designee. If the Policyholder fails to so notify the Company, the Company may look to a Named Insured attorney of the Policyholder who reasonably appears to be vested with authority for the Policyholder, or who attests to having such authority, as the acting Insured Designee with full power and authority to act for and on behalf of the Policyholder.

The Company has a right to rely upon any communication or notice that purports to be from the Insured Designee or acting Insured Designee so long as it is on this person's letterhead, is sent from his or her known email address, or is sent from an electronic account assigned to the Insured Designee or acting Insured Designee by the Company. The Insured Designee or acting Insured Designee will be deemed to have received any communication or notice sent from the Company to any of these addresses.

G. ONGOING DUTY:

Any Insured shall have the affirmative duty to advise the Company of any known disbarment, suspension, surrender of license or criminal indictment of any Insured named in the same Policy as that Insured.

H. NON-ASSESSABLE POLICY:

This Policy is not assessable. The liability of the Policyholder and its members under this Policy is limited to payment of premium and Deductible. This provision does not alter rights or obligations under any previous assessable Policy issued by the Company or any predecessor Company.

IN WITNESS THEREOF, the Company has caused this Policy to be signed by the President and Secretary, but this Policy shall not be valid unless countersigned on the Declarations by a duly authorized representative of the Company.

Karen R. McCarthy



PRESIDENT

John R. Gunn



SECRETARY

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