



ADMIRAL INSURANCE COMPANY

A Stock Company

COMMERCIAL LINES POLICY

THIS POLICY IS NOT OBTAINED PRIMARILY FOR PERSONAL, FAMILY OR HOUSEHOLD PURPOSES.

THIS POLICY CONSISTS OF:

- DECLARATIONS
- COMMON POLICY CONDITIONS
- ONE OR MORE COVERAGE PARTS. A COVERAGE PART CONSISTS OF:
 - ONE OR MORE COVERAGE FORMS
 - APPLICABLE FORMS AND ENDORSEMENTS

In Witness Whereof, we have caused this policy to be executed and attested, and, if required by state law, this policy shall not be valid unless countersigned by our authorized representative.



Secretary



President and CEO

IMPORTANT NOTICE:

- 1. The insurance policy that you have purchased is being issued by an insurer that is not licensed by the State of California. These companies are called “nonadmitted” or “surplus line” insurers.**
- 2. The insurer is not subject to the financial solvency regulation and enforcement that apply to California licensed insurers.**
- 3. The insurer does not participate in any of the insurance guarantee funds created by California law. Therefore, these funds will not pay your claims or protect your assets if the insurer becomes insolvent and is unable to make payments as promised.**
- 4. The insurer should be licensed either as a foreign insurer in another state in the United States or as a non-United States (alien) insurer. You should ask questions of your insurance agent, broker, or “surplus line” broker or contact the California Department of Insurance at the toll-free number 1-800-927-4357 or internet website www.insurance.ca.gov. Ask whether or not the insurer is licensed as a foreign or non-United States (alien) insurer and for additional information about the insurer. You may also visit the NAIC’s internet website at www.naic.org. The NAIC—the National Association of Insurance Commissioners—is the regulatory support organization created and governed by the chief insurance regulators in the United States.**
- 5. Foreign insurers should be licensed by a state in the United States and you may contact that state’s department of insurance to obtain more information about that insurer. You can find a link to each state from this NAIC internet website: https://naic.org/state_web_map.htm.**

6. **For non-United States (alien) insurers, the insurer should be licensed by a country outside of the United States and should be on the NAIC's International Insurers Department (IID) listing of approved nonadmitted non-United States insurers. Ask your agent, broker, or "surplus line" broker to obtain more information about that insurer.**

7. **California maintains a "List of Approved Surplus Line Insurers (LASLI)." Ask your agent or broker if the insurer is on that list, or view that list at the internet website of the California Department of Insurance: www.insurance.ca.gov/01-consumers/120-company/07-lasli/lasli.cfm.**

8. **If you, as the applicant, required that the insurance policy you have purchased be effective immediately, either because existing coverage was going to lapse within two business days or because you were required to have coverage within two business days, and you did not receive this disclosure form and a request for your signature until after coverage became effective, you have the right to cancel this policy within five days of receiving this disclosure. If you cancel coverage, the premium will be prorated and any broker's fee charged for this insurance will be returned to you."**

LAWYERS PROFESSIONAL LIABILITY INSURANCE

Claims - Made and Reported

THIS IS A **CLAIMS - MADE AND REPORTED** POLICY. PLEASE READ THIS POLICY CAREFULLY. OUR LIMIT OF LIABILITY AVAILABLE WILL BE REDUCED BY THE AMOUNTS PAID FOR **DAMAGES AND CLAIM EXPENSES**.

Throughout this Policy the words you and your refer to the **Insured** as defined in Section II. The words we, us and our refer to Admiral Insurance Company (Company). Words which are in **bold** writing throughout this document are defined terms within the Definitions section of this Policy.

In consideration of the premium paid, in reliance upon the statements in the Application(s) and subject to the terms and conditions of this Policy, the Company agrees with the **Named Insured** as follows:

I. INSURING AGREEMENTS

A. LEGAL PROFESSIONAL LIABILITY

We will pay on behalf of the **Insured** those amounts which the **Insured** is legally obligated to pay as **Damages** caused by a **Legal Professional Incident** taking place within the Policy Territory and subsequent to the retroactive date and prior to the expiration or termination date of this Policy, for which a **Claim** is first made against the **Insured** during the **Policy Period** and reported to us in writing during the **Policy Period** or any applicable extended reporting period, as described in Section IX. EXTENDED REPORTING PERIOD.

II. DEFINITIONS

- A. **Automobile** means a land motor vehicle, trailer or semi-trailer designed for travel on public roads (including any machinery or apparatus attached thereto). **Automobile** also includes vehicles commonly described as mobile equipment, whether or not self-propelled, subject to vehicle registration or designed for use principally off public roads.
- B. **Bodily Injury** means physical injury, sickness, disease, mental anguish, or emotional distress sustained by a person, including death resulting from any of these at any time.
- C. **Claim** means:
1. A demand received for money, services, non-monetary relief or injunctive relief by any **Insured** resulting from a **Legal Professional Incident**;
 2. Service of **Suit** or arbitration proceedings against an **Insured** resulting from a **Legal Professional Incident**.
- D. **Claim Expenses** means:
1. Fees, costs and expenses resulting from the investigation, adjustment, settlement and defense of a **Claim**;
 2. Allowable expenses of \$250 per day but no more than \$5,000 in total for the compensation of all **Insureds** for personally attending any legal proceeding at our request. These allowable expenses shall not be applied to the applicable limit of liability or to the deductible;
 3. The premiums for appeal, attachment or similar bonds, but only for amounts within applicable Limits of Liability. We do not have to furnish these bonds;
 4. Prejudgment and post-judgment interest; or
 5. All interest on the full amount of any covered judgment that accrues after entry of the judgment and before we have paid, offered to pay, or have tendered or deposited with a court of competent jurisdiction the part of the judgment that is within the applicable Limits of Insurance.

Claim Expenses do not include:

1. Salaries or expenses of your regular employees or officials;
2. Fines, penalties, or taxes levied against the **Insured**; or
3. Fees, costs, or expenses incurred by the **Insured** without our prior written consent. These unilaterally incurred fees, costs, or expenses will not be reimbursed by us nor reduce the deductible under the Policy.

E. **Damages** means a monetary and compensatory judgment, award or settlement.

However, **Damages** shall not include:

1. Any **Damages**, other than punitive or exemplary **Damages**, which are a multiple of compensatory **Damages**, taxes or fees;
2. Amounts the **Insured** is required to pay or return as restitution;
3. Fines, penalties, sanctions, taxes or fees, other than punitive or exemplary **Damages**, assessed against the **Insured**;
4. Judgments or awards arising from acts deemed uninsurable by law;
5. Fees or charges, including over-charges incurred by any **Insured**;
6. Collecting fees of an **Insured** from a third party;
7. The return of fees or other compensation paid to an **Insured**;
8. Any amount relating to any **Disciplinary Proceeding**, other than **Claim Expenses**; and
9. Punitive or exemplary **Damages**, or the amount of any multiplied **Damages** awarded that is in excess of the damage award so multiplied.

F. **Disciplinary Proceeding** means any proceeding by an administrative, regulatory or disciplinary official, board, or agency to investigate charges of professional misconduct in the performance of or failure to perform **Legal Professional Services**. However, **Disciplinary Proceeding** shall not include a criminal proceeding.

G. **Insured** means:

1. The **Named Insured** and any previously disclosed to us, **Predecessor Firm**;
2. Your principals, partners, executive officers, directors, members, managers, stockholders, trustees, and current and former employees while acting on your behalf within the course and scope of their duties as such;
3. In the event of death, incapacity, bankruptcy or insolvency of any **Insured**, their heirs, estate, executors, administrators and legal representatives in his or her capacity as such, but only with respect to matters for which the **Insured** otherwise would have been entitled to coverage under this Policy;
4. Any past or present independent contractor or of counsel, but only while acting on behalf of and under the control of the **Named Insured**;
5. Any spouse or legally recognized domestic partner (whether by state or federal law) of any person otherwise qualifying as an **Insured**, but only with respect to their status as such.

H. **Legal Professional Incident** means:

1. **Personal Injury** committed by the **Insured** in the rendering of or failure to render **Legal Professional Services** by the **Insured** or a person acting under the **Insured's** direction, control or supervision and for whose acts, errors or omissions the **Insured** is legally liable; or
2. A negligent act, error or omission in the rendering of or failure to render **Legal Professional Services** by the **Insured** or a person acting under the **Insured's** direction, control or supervision and for whose acts, errors or omissions the **Insured** is legally liable.

All **Legal Professional Incidents** that are logically or causally connected will be deemed one **Legal Professional Incident** that, for the purpose of determining coverage under this Policy, occurred at the time of the earliest act, error or omission.

I. **Legal Professional Services** means legal and consulting services performed by an **Insured**, including pro bono services, for others as a licensed lawyer including but not limited to, arbitrator, conservator, mediator, or Notary Public.

J. **Mediation** means the voluntary and nonbinding process by which the **Insured** and claimant(s) agree to use a neutral and qualified third party to intercede between the **Insured** and claimant(s) with the intention to reconcile the

Insured and claimant(s) to resolve a **Claim**. Court ordered or imposed **Mediation** or other court ordered dispute resolution are specifically excluded from this definition.

- K. **Named Insured** means the entity or individual named in the Declarations.
- L. **Newly Acquired Subsidiary** means any entity newly formed or acquired by the **Named Insured** during the **Policy Period** in which the **Named Insured** has more than 50% of the legal or beneficial interest, or a joint venture or partnership that the **Named Insured** becomes a member of, during the **Policy Period**, but only if each of the following conditions have been satisfied:
1. Within 60 days of such formation or acquisition, the **Named Insured** has provided the Company with full particulars of such **Newly Acquired Subsidiary** and the Company has agreed in writing to insure such **Newly Acquired Subsidiary**, but the Company shall not be required to insure such **Newly Acquired Subsidiary**; and
 2. The **Named Insured** has paid the additional premium, if any is charged by the Company, and has agreed to any amendment of the provisions of this Policy.

Coverage for any **Newly Acquired Subsidiary** provided under this Policy is limited to **Claims** arising out of a **Legal Professional Incident** that is committed on or after the date such **Newly Acquired Subsidiary** became a **Newly Acquired Subsidiary Insured** under this Policy, and prior to the date such **Newly Acquired Subsidiary** ceased to be a **Newly Acquired Subsidiary Insured** under this Policy. An entity ceases to be a **Newly Acquired Subsidiary Insured** under this Policy on the date during the **Policy Period** that the **Named Insured's** legal or beneficial interest in such entity becomes less than 50%.

- M. **Other Insurance** includes, but is not limited to, coverage or benefits provided by self-insurance arrangements, pools, self-insurance trusts, captive insurance companies, inter-insurance exchanges, mutual insurance companies, stock insurance companies, risk retention groups, reciprocal exchanges, mutual benefit or assistance programs, or any other plan or agreement of risk assumption. This definition applies regardless of whether applicable law would consider such coverage or benefits to be "**Other Insurance**".
- N. **Personal Injury** means injury arising out of one or more of the following offenses:
1. False arrest, detention or imprisonment;
 2. Malicious prosecution;
 3. Wrongful entry or wrongful eviction;
 4. Invasion of right of private occupancy;
 5. Oral or written publication of material that slanders or libels a person or organization or defames or disparages a person's or organization's goods, products or services; or
 6. Oral or written publication of material that violates a person's right of privacy.
- O. **Policy Period** means the period from the inception date stated in the Declarations to the expiration date stated in the Declarations, or its earlier termination date, if any.
- P. **Predecessor Firm** means any sole proprietorship, partnership, professional corporation, professional association, limited liability corporation or limited liability partnership engaged in the practice of law and to whose financial assets and liabilities the **Named Insured** is the majority successor in interest.
- Q. **Property Damage** means:
1. Physical injury to or destruction of tangible property, including all resulting loss of use of that property; or
 2. Clean up costs other than for clean up or removal of hazardous substances; or
 3. Loss of use of tangible property that has not been physically injured or destroyed.
- R. **Related Claims** means: **Claims** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related or substantially similar facts, circumstances, subjects, situations, decisions, causes, transactions, events, or series thereof.
- S. **Senior Executive Officer** means board members, C-level (Chief-level) executives, in-house lawyers and risk managers or any individual in a substantially similar position of the **Named Insured** or of a previously disclosed to us **Predecessor Firm**.
- T. **Suit** means a civil proceeding in which **Damages** are alleged, or non-monetary or injunctive relief is specifically sought, resulting from a **Legal Professional Incident**. **Suit** includes an arbitration proceeding to which the **Insured** is required to submit or to which the **Insured** has submitted with our consent.

III. INCIDENT REPORTING PROVISIONS

If during the **Policy Period**, you first become aware of any specific and identifiable **Legal Professional Incident** and during the **Policy Period** give written notice to us of:

- a. The specific **Legal Professional Incident** including the date(s) and parties involved; and
- b. The **Damages** which did or may result from such **Legal Professional Incident**; and
- c. The circumstances by which you first became aware of such **Legal Professional Incident**; then

For the purposes of this insurance, a **Legal Professional Incident** reported under this provision shall be deemed a **Claim**.

IV. POLICY TERRITORY

This Policy applies to **Claims** for **Legal Professional Incidents** and **Disciplinary Proceedings** which take place anywhere in the world except any location that is subject to trade or other economic sanctions or embargo by the United States of America, or where coverage is otherwise prohibited by the United States Office of Foreign Assets Control; provided however, that any such **Claim** must be brought and maintained in the United States, its territories or possessions, or Canada.

V. EXCLUSIONS

This Policy does not apply to:

A. **Insured vs. Insured**

A **Claim** made by an **Insured** against any other **Insured**.

B. Intentional Acts

1. Any actual or alleged dishonest, fraudulent, criminal, malicious or intentional act, error, or omission by an **Insured**. However, this exclusion does not apply to **Claim Expenses** incurred in defending any such **Claim** prior to such time as there is a final adjudication, judgment, binding arbitration, or conviction of any **Insured**, or an admission of such conduct by the **Insured**. This exclusion does not apply to those **Insureds** who did not intentionally and knowingly commit, acquiesce or participate in this conduct.
2. Any actual or alleged gaining of any profit or advantage to which the **Insured** is not legally entitled. However, this exclusion does not apply to **Claim Expenses** incurred in defending any such **Claim** prior to such time as there is a final adjudication, judgment, binding arbitration, decision or conviction of any **Insured**, or an admission of such conduct by the **Insured**. This exclusion does not apply to those **Insureds** who did not intentionally and knowingly commit, acquiesce or participate in this conduct.

C. Auto, Marine, Aviation

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, the ownership, maintenance, use, loading, unloading, or entrustment to others, including the loaning thereof, of:

1. Any airplane, helicopter or aircraft;
2. Any **Automobile**, motorcycle, moped, truck, three-wheeler, snowmobile or other motor vehicle of whatever type or nature, whether designed for travel on or off public roads; or
3. Any motor or sail boats or other watercraft, of whatever type or nature, owned, operated, rented by or loaned to any **Insured**.

D. Insolvency

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, the insolvency or bankruptcy of any **Insured** or any person, firm or organization.

E. Discrimination

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, discrimination, violation of civil rights, or any allegation that a person was subjected to unfair treatment or a denial or reduction of benefits, privileges or accommodation in violation of any law, statute, ordinance or regulation designed to ensure equal treatment or access to opportunities, goods, services, facilities, and accommodations.

This exclusion, however, shall not apply to an otherwise covered **Professional Incident**.

F. Sexual Harassment and Sexual Abuse

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, sexual harassment, sexual abuse, coercion, quid-pro-quo offer of **Legal Professional Services** for sexual favors, or other verbal or physical conduct of a sexual nature.

G. Suspended License

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, **Professional Legal Services** rendered by an **Insured** while the **Insured's** license to practice law was suspended, revoked, surrendered or lapsed.

H. Personal Profit

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly any **Insured** having gained any personal profit or advantage to which any **Insured** was not legally entitled.

I. Capacity as a Director, Officers, Fiduciary and Public Official

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly:

- 1) any personal liability incurred by your **Senior Executive Officers** while they are acting in that capacity, or arising from any statement, representation or information regarding the **Insured's** business contained within any accounts, reports or financial statements;
- 2) any personal liability incurred by a former, existing or prospective officer, director, shareholder, partner, manager or member (or any equivalent position) of any entity if such entity is not named in the Declarations;
- 3) acting in the capacity as a trustee of a mutual or investment fund or trust, pension, profit-sharing, welfare;
- 4) acting as a fiduciary under the Employee Retirement Income Security Act of 1974 and its amendments or any regulation or order issued pursuant thereto or any other similar state or local law;
- 5) acting as a public official, employee, or agent of a governmental body, subdivision, or agency. This exclusion, however, shall not apply to any **Claims** arising out of **Legal Professional Services**.

J. Pollution

Any **Claim** based upon or arising out of, directly or indirectly, in whole or in part, the presence, discharge, dispersal, release or escape of smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids or gases, oil or other petroleum substances or derivatives, waste materials or other irritants, contaminants, pollutants or any substances including asbestos which are or may be injurious to public health or the environment (herein called hazardous substances) into or upon land, the atmosphere or any water course or body of water or indoors.

It is further agreed that this Policy does not apply to any **Claim** or liability including expenses for:

1. The costs of clean up or removal of hazardous substances; or
2. The cost of such actions as may be necessary to monitor, assess and evaluate, the presence, discharge, dispersal, escape, release, or threat of same, of hazardous substances; or
3. The cost of disposal of hazardous substances or the taking of such other action as may be necessary to temporarily or permanently prevent, minimize, or mitigate damage to the public health or welfare or to the environment, which may otherwise result; or
4. Any loss, cost, or expense arising out of any government direction or request that the **Named Insured** test for, monitor, clean up, remove, contain, treat, detoxify or neutralize pollutants.

K. Workers Compensation and other Employment-Related Laws

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly:

1. any **Claim** for which you or any carrier as your insurer may be liable, under any Workers' Compensation, Unemployment Compensation, Disability Benefits Law, the Employee Retirement Income Security Act of 1974 and as amended, or under any similar law or regulation; or to any liability of the **Insured** arising out of the injury, sickness, disease or death resulting therefrom of any employee of any **Insured** arising out of and in the course of his employment by the **Insured**;
2. refusal to employ; termination of employment; or coercion, demotion, discipline, evaluation, reassignment or other employment-related act, omission, policy or practice. This exclusion applies whether you are held liable as an employer or in any other capacity.

This exclusion, however, shall not apply to an otherwise covered **Legal Professional Incident**.

L. Nuclear

Any **Claim** based upon or arising out of, directly or indirectly, in whole or in part, any nuclear reaction, nuclear radiation, radioactive contamination, radioactive substance, electromagnetic field, electromagnetic radiation, or electromagnetism.

M. **Bodily Injury and Property Damage**

Any **Claim** based upon or arising out of, directly or indirectly, in whole or in part, **Bodily Injury** or **Property Damage**. This exclusion, however, shall not apply to any **Claims** arising out of **Legal Professional Services**.

N. Beneficiary or Distributee

Any **Claim** based upon or arising out of, directly or indirectly, in whole or in part involving an **Insured** in their capacity as the beneficiary or distributee of any trust or estate;

O. Contractual Liability

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, liability you assume under any contract or agreement; however, this exclusion does not apply to liability you would have in the absence of such contract or agreement;

P. Governmental Actions

Any **Claim** against an **Insured** that is brought by or on behalf of any federal, state or local government agency or professional or trade licensing organization; however, this exclusion shall not apply where the **Claim** alleges a **Legal Professional Incident**;

Q. Owned Entity

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly the performance of **Legal Professional Services** for any entity other than you or a previously disclosed to us **Predecessor Firm**, if at any time when those services were performed, the entity was or was intended to be:

- a. directly or indirectly controlled, operated or managed by any **Insured** either individually or in a fiduciary capacity;
- b. Owned by an **Insured**, or by a spouse of any **Insured**, in a percentage which exceeds 10% of the shares.

R. Comingling of funds

Any **Claim** based upon or arising out of, or resulting from, directly or indirectly, in whole or in part, the actual or alleged commingling of funds or accounts, sums received by any **Insured** or credited to any **Insured's** account, **Claims** for fees, taxes, or commissions;

S. Notary Public

Any **Claim** based upon or arising out of the notarized certification or acknowledgement of a signature by an **Insured**, in their capacity as a notary public, of a signature on a document when the **Insured** did not witness the signature being placed on the said instrument;

T. Prior Knowledge

1. Any **Claim** based upon or arising out of, directly or indirectly, any **Claim** or circumstance that is reported to any other insurer by any **Insured** prior to the effective date of this Policy;
2. Any actual or alleged **Legal Professional Incident**, fact, circumstance, subject, decision, transaction, situation or cause which has been reported, noticed or identified to any **Other Insurance** carrier, third party administrator or **Claims** handler under any **Other Insurance** Policy, application or agreement.
3. Any **Legal Professional Incident**, fact, circumstance, subject, decision, transaction, situation or cause of which the person signing the Application for this Policy or any of the **Insured's** current, former or future director, Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Chief Technology Officer, Chief Privacy Officer, President, or equivalent position or attorneys or paralegals affiliated with the firm were aware prior to the Effective Date of this Policy or any other Policy issued by us if such **Legal Professional Incident**, fact, circumstance, subject, decision, transaction, event, situation or cause could reasonably have been expected to give rise to a **Claim** or **Suit**.
4. Any actual or alleged **Legal Professional Incident** committed or which took place in whole or in part before the Retroactive Date of this Policy, as set forth on the Policy's Declarations Page.
5. Any prior or pending litigation, **Legal Professional Incident**, fact, circumstance, subject, decision, transaction, situation, cause, proceeding or investigation made, presented, transmitted, filed or commenced on or before the

Effective Date of this Policy, or alleging or derived from the same litigation, **Legal Professional Incident**, fact, circumstance, subject, decision, transaction, situation, cause, proceeding or investigation underlying or alleged therein.

U. Employment Practices Liability

Any **Claim** based upon or arising out of, directly or indirectly, any refusal to employ; termination of employment; discrimination; retaliation; or coercion, demotion, discipline, evaluation, reassignment or other employment-related act, omission, policy or practice. This exclusion applies whether you are held liable as an employer or in any other capacity.

V. Unsolicited Communications

Any **Claim** based upon or arising out of, in whole or in part, the unsolicited dissemination of any communication to actual or prospective customers of the **Insured** or any third party, including, but not limited to, actions brought under the Telephone Consumer Protection Act, the CAN-SPAM Act, or any other federal, state or local consumer protection legislation, regulation or law protecting a person's or entity's right of seclusion or privacy.

W. Consumer Protection Laws

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly, the violation by an **Insured** of any consumer protection statute including but not limited to: Truth in Lending Act, Fair Debt Collection Practices Act, the Fair Credit Reporting Act, Fair and Accurate Credit Transactions Act or any amendments thereto or any rules or regulations promulgated thereunder.

X. Securities

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly

- 1) any guarantee by an **Insured** of any investment results, returns, interest rates, yields, future premium payments or tax consequences in connection with any life insurance product, annuity mutual fund or security.
- 2) any actual or alleged violation of the rules and regulations of the National Association of Securities Dealers (NASD) or the Securities Exchange Commission (SEC) or any other securities regulatory agency or violation of the securities laws of any jurisdiction.

Y. RICO

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly any actual or alleged violation of the Racketeer Influenced and Corrupt Organizations Act, 18 USC Sections 1961 et seq., and any comparable state law, and any amendments thereto, or any rules or related regulations;

Z. Common Office Space

Any **Claim** based upon or arising out of, in whole or in part, directly or indirectly an act, error or omission of any person or entity with whom the **Insured** shares common office space or common office facilities and who is not an **Insured** under this Policy.

VI. LIMITS OF LIABILITY AND DEDUCTIBLE

A. The Limits of Liability stated in the Declarations is the maximum amount we are obligated to pay for all **Damages** and **Claim Expenses** from each **Claim** or **Related Claims** under this Policy, regardless of the number of **Insureds**, individuals or organizations that make a **Claim**, or number of **Claims** made.

B. Limit of Liability – Aggregate

The Limit of Liability – Aggregate, as stated in the Declarations, is the maximum amount we will pay for all **Claim Expenses** and **Damages** for all **Claims** covered under this Policy.

C. Limit of Liability – Each **Claim**

Subject to the Limit of Liability – Aggregate, the Limit of Liability – Each **Claim**, as stated in the Declarations, is the maximum amount we will pay for **Claim Expenses** and **Damages** attributable to any one **Claim** (including **Related Claims**) covered under this Policy.

Our duty to defend will end when our applicable Limits of Liability have been exhausted by payment of **Claim Expenses** and/or **Damages** or have been tendered to a court of competent jurisdiction.

D. Multiple **Claims**, **Legal Professional Incidents**

The inclusion herein of more than one **Insured** or the making of **Related Claims** by more than one person or organization shall not operate to increase the Company's Limit of Liability. For purposes of this insurance, all

Claims for Damages or Claim Expenses directly or indirectly arising out of a single **Legal Professional Incident(s)** that are logically or causally connected shall be treated as a single **Claim**. All such **Related Claims**, whenever made, shall be considered first made and reported to the Company during the **Policy Period** in which the first of all such **Claims** was first made against any **Insured** or reported to the Company. All **Related Claims** arising out of a single **Legal Professional Incident** or logically or causally connected **Legal Professional Incidents** shall be deemed to constitute a single **Claim** and be subject to the same Limit of Liability – Each **Claim**, as stated in the Declarations.

E. **Deductible**

The deductible amount stated in the Declarations applies to each **Claim** and shall be paid by the **Named Insured**. The deductible applies to **Claim Expenses** and **Damages** and is part of and not in addition to the Limits of Liability stated in the Declarations. Only one deductible shall apply to any **Claim** based upon, arising from, in consequence of, directly or indirectly resulting from, or involving in any way continuous, repeated, the same, related or substantially similar facts, circumstances, situations, transactions, or events. We may advance payment of part or all of the deductible amount and upon notification of such payment being made, the **Insured** must promptly reimburse the Company for the deductible amounts advanced by us.

F. **Mediation of Claim**

If **Mediation** is used as a means to resolve a **Claim** made against the **Insured**, and such **Claim** is resolved solely, directly and immediately by the **Mediation**, then the deductible obligation of the **Insured** shall be reduced by 50%, subject to a maximum credit of \$25,000. We shall reimburse the **Insured** for any applicable payment made prior to the **Mediation** as soon as practicable after the conclusion of the **Mediation**.

VII. DEFENSE AND SETTLEMENT

- A. We have the right and duty to defend any **Claim** brought against the **Insured** seeking **Damages** caused by a **Legal Professional Incident** to which this insurance applies, including the right to appoint counsel to defend the **Insured**, and will do so even if any of the allegations of the **Claim** are groundless, false or fraudulent. We may make such investigation of any **Claim** as we deem expedient. Our right and duty to defend ends when we have exhausted the applicable Limits of Liability in the payment of **Damages** and/or **Claim Expenses**, or have tendered the applicable Limits of Liability to a court of competent jurisdiction. We have no obligation or duty to defend any **Claim** for which coverage is excluded hereunder or not otherwise afforded by this Policy and we are not obligated to pay any **Claim Expenses** incurred by the **Insured** in the defense of any **Claim** without our knowledge, or not covered by this Policy.
- B. We will have the right to make, with the consent of the **Named Insured**, any settlement of a **Claim** under this Policy. If the **Named Insured** refuses to consent to a settlement within the Policy's applicable Limits of Liability that is recommended by us and acceptable to the Claimant(s), then the Limits of Liability under this Policy will be reduced to the sum of the amount of **Damages** for which the **Claim** could have been settled, plus all **Claim Expenses** incurred up to the time we made our recommendation. Additionally, we shall pay fifty percent (50%) of all **Claim Expenses** and **Damages** incurred after the **Named Insured's** refusal to consent, subject at all times to the applicable Limits of Liability as specified in Section VII. LIMITS OF LIABILITY AND DEDUCTIBLE. At all times, we shall retain the right and duty to defend any **Claim** brought against the **Insured** seeking **Damages** caused by a **Legal Professional Incident** to which this insurance applies, including the right to appoint counsel.

VIII. CONDITIONS

A. **INSURED'S DUTIES IN THE EVENT OF A CLAIM**

1. If any **Senior Executive Officer**, attorney or paralegal affiliated with the firm becomes aware of a **Claim** to which this Policy applies you must give us written notice, as soon as practicable, but in no event later than the Policy expiration, the cancellation date, or AERP or ERP expiration date, whichever is latest, of any **Claim, Legal Professional Incident** which may reasonably be expected to give rise to a **Claim** against an **Insured** to which this Policy applies. That notice shall be made to:

Admiral Insurance Company (A Berkley Company),
Attention: Claims Department
Mt. Laurel Corporate Park,
1000 Howard Blvd., P.O. Box 5430, Suite 300,
Mt. Laurel, NJ 08054
Or e-mail: admclaims@admiralins.com.

2. All **Insureds** must fully cooperate with us in the conduct, defense and investigation of any **Claim** or **Suit**. Upon the Company's request, we may require the **Insured** to submit to an examination under oath; provide us with written statements as requested by us or your attendance at meetings with us; produce and make available records, documents and other materials which we deem relevant to the **Claim**; attend hearings, depositions and trials; assist in effecting settlements; securing and giving evidence; and obtaining the attendance of witnesses.
3. The **Insured** must not make any payment, admit any liability, settle any **Claim**, assume any obligations, or accept or reject arbitration without our prior written consent.
4. The **Insured** must do whatever is necessary to secure and effect any rights of indemnity, contribution or apportionment that the **Insured** may have.
5. The **Insured** shall accept our assignment of counsel and the **Insured** shall refrain from discussing any **Claim** or **Suit** with anyone other than counsel retained to represent the **Insured** or our representatives.

B. Transfer of Rights of Recovery/Subrogation

If there is a payment made by us, we shall be subrogated to all of the **Insured's** rights of recovery against any person or organization. The **Insured** will cooperate with us and do whatever is necessary to secure these rights, including but not limited to executing any documents necessary to enable us to effectively bring **Suit** in the **Insured's** name. The **Insured** shall do nothing that may prejudice the Company's position or potential or actual rights of recovery. The obligations of the **Insured** hereunder shall survive the expiration, cancellation, or termination of this Policy.

Any amount recovered by us upon our exercise of such rights of recovery will be applied on the following terms and in the following order:

1. Repayment of our expenses incurred by exercise of such subrogation rights, including the cost of any authorized representatives who assist in that process;
2. Repayment of **Damages** or **Claim Expenses**, paid by the **Named Insured** in excess of the Limits of Liability provided by this Policy;
3. Repayment of **Damages** or **Claim Expenses**, paid by the Company; and
4. Amounts paid by the **Named Insured** toward the Deductible.

Notwithstanding the foregoing, the Company agrees to waive any right of subrogation hereunder against a client of the **Insured**, with respect to any payment made in connection with a **Claim** if prior to the occurrence of any **Legal Professional Incident** giving rise to such **Claim**, the **Named Insured** had agreed to waive its rights of subrogation against such client pursuant to a prior written contract or agreement.

C. **Other Insurance**

This Insurance shall apply in excess of any other valid and collectible insurance available to any **Insured**, whether such insurance is stated to be primary, contributory, excess, contingent or other, including any self-insured retention or deductible portion thereof, unless such **Other Insurance** is written only as a specific excess insurance over the Limit of Liability provided in this Policy.

D. Changes Made to this Policy

The terms and conditions of this Policy cannot be waived or changed except by specific written endorsement issued by us and made part of the Policy.

E. Assignment of the **Insured's** Interest

The interest of the **Insured** under this Policy is not assignable to any other person or organization, except with the Company's written consent.

F. Cancellation

This Policy may be canceled by the **Named Insured** by returning the Policy to us or our authorized representatives. The **Named Insured** can also cancel this Policy by written notice to us stating at what future date cancellation is to be effective. If the **Named Insured** cancels, earned premium shall be computed using the customary short rate table or the amount stated elsewhere in this Policy as Minimum Earned Premium, whichever is greater, subject, however, to a retention by the Company of not less than twenty-five percent (25%) of the premium as shown on the Declarations.

We can cancel the Policy by written notice to the **Named Insured**, at the address last known to us. We will provide written notice at least sixty (60) days before cancellation is to be effective and the earned premium will be computed pro rata. However, if we cancel because you fail to pay a premium or deductible when due, only ten (10) days

written notice of cancellation will be given and earned premium will be computed using the customary short rate table.

The mailing of any notice of cancellation shall be sufficient proof of notice.

This Policy will terminate on the effective date of the cancellation. Return of unearned premium is not a condition of cancellation. Unearned premium will be returned by us as soon as practicable.

G. Bankruptcy

Bankruptcy or insolvency of the **Insured** or the **Insured's** estate shall not relieve us of any of our obligations under this Policy.

H. Application

The statements contained in the Application, and any and all attachments, constitute the representations of all **Insureds** and are material. This Policy is issued and continued in force by the Company in reliance upon the truth, accuracy and completeness of such representations, which are the basis of this Policy and current as of the date of binding.

No knowledge or information possessed by any **Insured** shall be imputed to any other **Insured**, except for material facts or information that were or should have been known to the person or persons who signed the application. In the event of any material untruth, misrepresentation or omission in connection with any of the particulars or statements in the Application, this Policy shall be void with respect to any **Insured** who knew of such untruth, misrepresentation or omission or to whom such knowledge is imputed.

I. Audit

We may examine and audit your books and records at any time during the **Policy Period** and within three (3) years after the expiration or termination date of this Policy, as far as they relate to this Policy.

J. Action Against Us

No action shall be brought against us by any **Insured**, unless, as a condition precedent thereto:

1. All **Insureds** have fully complied with all the terms and conditions of this Policy; and
2. The amount of **Damages** has been fixed or rendered certain:
 - a. By final judgment against the **Insured** after trial of the issues; or
 - b. The time to appeal such judgment has expired without an appeal being taken; or
 - c. If appeal is taken, after the appeal has been determined; or
 - d. The **Claim** is settled in accordance with the terms and conditions of this Policy.

In no event shall any action brought by anyone be maintained against us unless such action is brought within twenty-four (24) months from the time the right to bring action first became available.

K. False or Fraudulent **Claims**

If an **Insured** reports any **Claim** knowing such **Claim** to be false or fraudulent, this Policy shall become void and all insurance coverage hereunder shall be forfeited as of the inception date of this Policy.

L. Terms and Conditions of Policy Conformed to Statute

Where necessary, the terms and conditions of this Policy will be amended to conform to applicable law.

M. Premium

The premium amount for this Policy is stated in the Declarations and is for coverage for the **Policy Period**. If during the **Policy Period** there is a change in coverage afforded, we have the right to adjust the premium as of the date of change. Any premium adjustment shall be made in accordance with our prevailing rules and rates.

Premium shown as advance premium is a minimum and deposit premium. At the close of each audit period we will compute the earned premium for that period. Audit premiums are due and payable by notice to the first **Named Insured**.

N. Change in Risk

If, during the **Policy Period**, an **Insured** is dissolved, sold, acquired by, merged into, or consolidated with another entity such that the **Insured** is not the surviving entity, or a third party receiver, conservator, trustee, liquidator, rehabilitator or any similar official is appointed for or with respect to the **Insured**, then coverage for this **Insured** shall continue in full effect and force until the Expiration Date or any earlier cancellation or termination date, but this Policy shall only apply to **Legal Professional Incident(s)** first committed or allegedly committed before the effective date of such change.

IX. EXTENDED REPORTING PERIOD

As a condition precedent to your right to obtain an Automatic Extended Reporting Period (AERP) or an Extended Reporting Period (ERP), the full premium of this Policy, premium for endorsements or audits, and payment of deductibles must have been paid in full. Neither the AERP nor the ERP will reinstate or increase the Limits of Liability. Neither the AERP nor the ERP will extend the **Policy Period** or change the scope of coverage afforded by this Policy.

A. Automatic Extended Reporting Period (AERP)

If we or you cancel or non-renew this Policy for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Policy, fraud or material misrepresentation, then you shall be entitled to an AERP of (30) thirty days from the date of Policy expiration or cancellation to report **Claims** in writing to us which are first made against the **Insured** during the **Policy Period** and arise out of a **Legal Professional Incident** which takes place subsequent to the retroactive date and prior to the Policy expiration or cancellation date. If the ERP in Section B. below is purchased, then this AERP shall be included within such ERP.

B. Extended Reporting Period (ERP)

If we or you cancel or non-renew this Policy for any reason other than non-payment of premium, non-payment of deductible, non-compliance with any terms and conditions of this Policy, fraud or material misrepresentation, then you shall be entitled to purchase an ERP from the options below which begins from the date of Policy expiration or cancellation to report **Claims** in writing to us which are first made against the **Insured** during the **Policy Period** or ERP and arise out of a **Legal Professional Incident** which takes place subsequent to the retroactive date and prior to the Policy expiration or cancellation date.

1. ERP Options

- a. One year for a premium not to exceed 100% of the annual premium.
- b. Two years for a premium not to exceed 175% of the annual premium.
- c. Three years for a premium not to exceed 225% of the annual premium.

2. Your right to purchase the ERP must be exercised by notice in writing to us no later than (30) thirty days after the expiration or cancellation date of this Policy and must include payment of premium for the ERP. Upon receipt of the written notice to us and the premium for the ERP, the entire premium is deemed fully earned and is non-refundable.

X. OTHER PAYMENTS

A. **Disciplinary Proceeding** Payment

We will reimburse the **Insured** up to \$25,000 in the aggregate for the **Policy Period** for those reasonable and necessary legal fees and expenses that you incur in responding to a **Disciplinary Proceeding** that is first commenced against the **Insured** and reported in writing to the **Company** during the **Policy Period** or any applicable extended reporting period, as described in Section VI. EXTENDED REPORTING PERIOD, by reason of a **Legal Professional Incident** in the performance of **Legal Professional Services** taking place subsequent to the retroactive date and prior to the expiration date or termination date of this Policy. The maximum amount payable, regardless of the number of **Disciplinary Proceedings** or the number of **Insureds**, shall be \$25,000 per **Policy Period**. The Company shall not be obligated to pay any fine, penalty or award resulting from any **Disciplinary Proceeding**. Any payment made by us under this provision shall be in addition to the applicable Limits of Liability of this Policy and shall not be subject to any deductible. However, the Company will not be obligated to reimburse any **Insured** for any expense after the Limits of Liability – Aggregate of this Policy have been exhausted.

If an **Insured** becomes aware that any of the particulars provided by the **Insured** in the application have materially changed, then the **Insured** must advise us as soon as practicable of such changes. We reserve the right to amend the terms, conditions or premium of this Policy accordingly.

If the premium for this Policy is a flat premium, it is not subject to adjustment.

This Policy shall not be binding upon the Company unless completed by a Declarations Page and countersigned on the aforesaid Declarations Page by a duly authorized representative of the Company.

S
P
E
C
I
M
E
N

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

CYBER LIABILITY EXCLUSION

This endorsement modifies insurance provided under the following:

MISCELLANEOUS PROFESSIONAL LIABILITY INSURANCE

In consideration of the premium charged, it is understood and agreed that SECTION II. DEFINITIONS of this policy is amended to include the following:

- **Network Security and Data Privacy Incident** means:
 1. The **Insured's** failure to properly handle, manage, transmit, store, destroy or otherwise control confidential personally identifiable or corporate information;
 2. Any violation of the **Insured's** privacy policy, or any violation by the **Insured** of a **Privacy Law**; or
 3. Failure in network security, including but not limited to activities performed by the **Insured** to protect against unauthorized access to, unauthorized use of, denial of service attack directed against, or transmission of malicious code to the computer, communication or network systems of (a) an **Insured** or (b) a third party.
- **Privacy Law** means statutes, ordinances or regulations pertaining to the protection, collection, dissemination, transmission, distribution, disposal or use of non-public personal identifiable information as defined in those statutes, including:
 - a. Health Insurance Portability and Accountability Act of 1996 (Public Law 104-191)(HIPAA);
 - b. Health Insurance Technology for Economic and Clinical Health Act of 2009 (HITECH);
 - c. Gramm-Leach-Bliley Act of 1999 (Financial Services Modernization Act of 1999);
 - d. The Family Educational Rights and Privacy Act (FERPA);
 - e. Children's Online Privacy Protection Act of 1998 (COPPA);
 - f. California Database Protection Act of 2003 (Cal SB 1386);
 - g. California Consumer Privacy Act of 2018;
 - h. EU General Data Protection Regulation (effective May 25, 2018); and
 - i. Any international, federal, state or local statute, ordinance or regulation that addresses, prohibits or limits the printing, dissemination, disposal, collecting, recording, sending, transmitting, communicating or distribution of material or information.

It is further understood and agreed that Section V. EXCLUSIONS of this policy is amended by adding the following:

Network Security and Data Privacy Exclusion

- Any **Claim** based upon or arising out of, in whole or in part, or directly or indirectly attributable to, a **Network Security and Data Privacy Incident**.

This exclusion applies even if **Damages** or **Claims Expenses** are claimed for notification costs, credit monitoring expenses, forensic expenses, public relations or any other loss, cost or expense incurred by you or others arising out of a **Network Security and Data Privacy Incident**.

- Any **Claim** based upon or arising out of, in whole or in part, or directly or indirectly, **Personal Injury** arising out of a **Network Security and Data Privacy Incident**.

It is further agreed that for any **Claim** made or **Suit** brought which is excluded under the terms of this endorsement, the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, adjustment or attorney fees arising out of such **Claims**.

All other terms and conditions of this Policy remain unchanged and apply.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY

SERVICE OF SUIT - CALIFORNIA

Pursuant to any statute of any state, territory or district of the United States which makes provision therefore, the Company hereby designates the Superintendent, Commissioner or Director of Insurance or other Officer specified for that purpose in the Statute, or his successor or successors in office, as its true and lawful attorney upon whom may be served any lawful process in any action, suit or proceeding instituted by or on behalf of you or any beneficiary hereunder arising out of this contract of insurance, and hereby designates the below named as the person to whom the said Officer is authorized to mail such process or a true copy thereof.

The Company may be sued upon any cause of action arising in the State of California upon any policy issued by it, or any evidence of insurance issued or delivered by a surplus lines broker, pursuant to the procedures of Sections 1610 to 1620 of the Insurance Code. Nothing herein shall constitute a selection or designation of forum, or a waiver of any of our rights to select a forum or court, including any of the federal courts of the United States. This includes any right to commence an action in or remove or transfer an action to the United States District Court or any other court of competent jurisdiction, as permitted by law.

It is further agreed that service of process in such suit may be made upon Vivian Imperial, in care of CT Corporation System, 818 West Seventh St., Suite 930, Los Angeles, CA 90017 and that in any suit instituted against the Company upon this policy, it will abide by the final decision of such Court or of any Appellate Court in the event of an appeal.

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

PROFESSIONAL LIABILITY TERRORISM EXCLUSION (ABSOLUTE)

This endorsement modifies insurance provided under the following:

PROFESSIONAL LIABILITY COVERAGE PART

This policy does not apply to any **claim, claim expenses, or damages**, including but not limited to **bodily injury, property damage, personal injury and advertising injury** arising, directly or indirectly, out of an **Act of terrorism**.

With respect to this endorsement only, **Act of terrorism** means activities against persons, organizations or property of any nature:

- a. That involve the following or preparation for the following:
 - (1) Use or threat of force or violence; or
 - (2) Commission or threat of a dangerous act; or
 - (3) Commission or threat of an act that interferes with or disrupts an electronic, communication, information, or mechanical system; and
- b. When one or both of the following applies:
 - (1) The effect is to intimidate or coerce a government or the civilian population or any segment thereof, or to disrupt any segment of the economy; or
 - (2) It appears that the intent is to intimidate or coerce a government, or to further political, ideological, religious, social or economic objectives or to express (or express opposition to) a philosophy or ideology.

With respect to this endorsement only, **bodily injury** means physical injury, sickness, disease, mental anguish, or emotional distress sustained by a person, including death resulting from any of these at any time.

For any **claim** made or **suit** brought which is excluded under the terms of this endorsement, the Company shall not have the obligation to defend, adjust, investigate or pay any cost for investigation, defense, adjustment or attorney fees arising out of such **claim** or **suit**.

All other terms and conditions of the Policy remain unchanged and apply.